Oregon's Best and Brightest STEM Loan Forgiveness Program

House Bill 3272
House Committee on Higher Education & Workforce Development

State Representative John Davis
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THE PROBLEM: STEM jobs are here. The workforce is not. Lack of employable Science, Technology, Engineering, and Math Graduates in Oregon.
- The Need: a qualified workforce to fill available jobs.
    - By one count, in 2012 there were approximately 4.3 unemployed Oregonians for every 1 job opening. **However, in STEM there were 1.7 job openings for every 1 unemployed person.**
    - STEM workers can expect nearly twice the income (median wage, $30 per hour) as the median for all workers ($16 per hour).
    - Recent studies indicate that the picture is bleaker in Oregon, with fewer than 1000 students graduating from Oregon universities with STEM degrees in 2011 at the same time as **Oregon companies project a need to fill 39,000 STEM openings by 2020**. *Source: http://pdxstem.org/about-us/stem-in-oregon/*
- Illustration: Oregon Class of 2006
    - 39,741 students took the 10th grade OAKS test, and by 2011 only 2% (923) pursued a STEM degree.
    - **Less than 14% of Oregon's top math and science students pursue a STEM degree.**
    - *Source: Data provided by the Oregon STEM Employer Coalition (a project of the Oregon Business Council) through its contract with EcoNW*

PART OF A SOLUTION: House Bill 3272 - Retain Oregon's "Best and Brightest"
Provides forgivable loans covering the cost of tuition *(*does not include fees, room, board, books, or supplies*) for up to 500 students a year to attend any Oregon University System and obtain a STEM degree who meet the following qualifications and agree to the following conditions.

Student Prerequisites:
- Completed no less than four years out of the last six years in Oregon schools;
- Graduate from an Oregon public high school with a GPA of 3.8 or higher;
- Scored in the top 10% of their Oregon high school class 11th grade evaluations;
- Submits a FAFSA before college and every year during college;

Performance and Service Requirements ("Service Agreement") for loan forgiveness:
- Maintain 3.0 GPA or higher.
- Obtain STEM degree from OUS school within five years.

- Work within the State of Oregon for no less than 36 out of the 48 months following graduation.
- Spend an average of 10 hours per week actively engaged in STEM-related community service (e.g. science or robotics clubs) during college and for at least 36 out of 48 months following graduation.

Loan Forgiveness:
- Forgivable loans only pay for up to four academic years.
- At the end of each full year that a graduate complies with the service agreement, one annual loan would be forgiven.
- Student who fails to fulfil service agreement must repay loans over a 15 year amortization at the prime rate. Amounts received are reinvested in loan fund.
- If more than 500 students apply for the program, the scholarships would be awarded in a random-lottery for all qualifying students.
- Hardship exceptions will be developed by rule.

Typical Student Example: OIT Resident Tuition: **$8,308**
- Oregon Opportunity Grant: $1,796 (average 2012-2013 award to OUS students)
- Pell Grant: $4,289 (average 2012-13 award to OUS students)
- $8,308 - $1,796 - $4,289 = **$2,223 "Best and Brightest" Forgivable Loan**

$2,223 x 500 loans = $1,111,500 in loans per year.

Similar Programs:
- New Jersey - STEM Scholars Program: http://nj.gov/governor/news/news/552013/approved/20130213a.html
- Choose Ohio First STEM program: http://www.uakron.edu/provost/choose-ohio-first/
- National Science Foundation STEM Scholarships: https://www.nsf.gov/funding/pgm_summ.jsp?pims_id=5257