

House Bill 3272

Sponsored by Representative DAVIS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes Oregon's Best and Brightest STEM Loan Forgiveness Program for certain students in science, technology, engineering or mathematics programs that are willing to commit to working in Oregon after graduation.

Establishes Oregon's Best and Brightest STEM Loan Forgiveness Program Fund. Continuously appropriates moneys in fund for STEM loans.

A BILL FOR AN ACT

Relating to STEM loans; and appropriating money.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) As used in this section:

(a) **"Participant"** means a person who has been selected by the Oregon Student Access Commission to receive a loan under subsection (4) of this section.

(b) **"Prospective student"** means an individual who intends to attend a public university listed in ORS 352.002 and to obtain a degree in a science, technology, engineering or mathematics discipline as determined by the Oregon University System.

(c) **"Service agreement"** means the agreement executed by a prospective student under subsection (3) of this section.

(2) **There is established the Oregon's Best and Brightest STEM Loan Forgiveness Program, to be administered by the commission pursuant to rules adopted by the commission.**

(3) **A prospective student who wishes to participate in the program shall submit an application to the commission in accordance with rules adopted by the commission. To be eligible to be a participant in the program, a prospective student must have:**

(a) **Graduated from an Oregon public high school with a cumulative grade point average of 3.80 or higher, as certified by the prospective student's school district;**

(b) **Spent at least four out of the past six years in a school based in Oregon;**

(c) **Scored in the top 10 percent of the student's Oregon high school class in the 11th grade assessment administered under ORS 329.485;**

(d) **Completed and submitted a Free Application for Federal Student Aid for the upcoming academic year;**

(e) **Executed a service agreement stating that the prospective student will:**

(A) **Obtain a degree in a science, technology, engineering or mathematics discipline, as defined by the Oregon University System, from a public university listed in ORS 352.002 within five years;**

(B) **Work within the State of Oregon for at least 36 out of the first 48 months following the prospective student's graduation from a public university;**

(C) **Spend an average of at least 10 hours per week actively engaged in a community**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 service, mentoring or advising program that is related to the advancement of science, tech-
 2 nology, engineering or mathematics while enrolled in a public university; and

3 (D) Spend an average of at least 10 hours per week actively engaged in a community
 4 service, mentoring or advising program that is related to the advancement of science, tech-
 5 nology, engineering or mathematics for at least 36 out of the first 48 months following the
 6 prospective student's graduation from a public university; and

7 (f) Met other requirements established by the office by rule.

8 (4) The commission may select up to 500 participants from among the prospective stu-
 9 dents who submit applications as provided in subsection (3) of this section. If more than 500
 10 eligible prospective students submit applications, the commission shall select participants
 11 from among this group by a random lottery.

12 (5) The commission shall provide each participant with an annual loan in the amount of
 13 the participant's total tuition and fees at a public university, minus any grant or scholarship
 14 aid the participant receives as a result of the participant's Free Application for Federal
 15 Student Aid submission. The loan must be evidenced by a written obligation, but no addi-
 16 tional security may be required. This annual loan will renew automatically, provided that the
 17 total amount of loans awarded do not exceed the cost of four full term academic years of
 18 education as defined by the Oregon University System, until the participant has graduated
 19 from the public university, if the participant:

20 (a) Completes and submits a Free Application for Federal Student Aid for each academic
 21 year;

22 (b) Maintains a cumulative grade point average of 3.0 or higher while studying at a public
 23 university; and

24 (c) Completes, or is on track to complete, an undergraduate degree in a science, tech-
 25 nology, engineering or mathematics program within a five-year period.

26 (6) Repayment of loans provided under subsection (5) of this section is deferred while a
 27 participant is in compliance with the service agreement.

28 (7) At the end of each full year that a participant complies with the service agreement
 29 following the participant's graduation from a public university, the commission shall forgive
 30 one annual loan provided to the participant under subsection (5) of this section.

31 (8) A person receiving a loan under subsection (5) of this section who fails to fulfill the
 32 obligations required by the service agreement shall repay the amount received to the
 33 Oregon's Best and Brightest STEM Loan Forgiveness Program over a period of 15 years, with
 34 interest accruing at the prime rate. The commission shall establish rules to allow for hard-
 35 ship exceptions to this repayment obligation.

36 (9) Payments on loans provided under subsection (5) of this section shall be deposited in
 37 the Oregon's Best and Brightest STEM Loan Forgiveness Program Fund established in sec-
 38 tion 2 of this 2013 Act.

39 (10) If a participant defaults on a loan provided under subsection (5) of this section:

40 (a) Any amounts due may be collected by the Collections Unit in the Department of Re-
 41 venue under ORS 293.250; or

42 (b) The Oregon Student Access Commission may contract with a collection agency to
 43 collect any amounts due.

44 (11) Any amounts collected under subsection (10) of this section shall be deposited in the
 45 Oregon's Best and Brightest STEM Loan Forgiveness Program Fund established in section

1 **2 of this 2013 Act.**

2 **(12) The commission may accept funds from any public or private source for the purposes**
3 **of carrying out the provisions of this section.**

4 **SECTION 2. The Oregon's Best and Brightest STEM Loan Forgiveness Program Fund is**
5 **established in the State Treasury, separate and distinct from the General Fund. Interest**
6 **earned by the Oregon's Best and Brightest STEM Loan Forgiveness Program Fund shall be**
7 **credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Stu-**
8 **dent Access Commission for the purposes of carrying out the provisions of section 1 of this**
9 **2013 Act.**

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