

# House Bill 2823

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

1  
2 Relating to STEM loans.

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

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

5 (a) **"Participant" means a person who has been selected by the Office of Student Access**  
6 **and Completion to receive a loan under subsection (4) of this section.**

7 (b) **"Prospective student" means an individual who intends to attend a public university**  
8 **listed in ORS 352.002 and to obtain a degree in a science, technology, engineering or math-**  
9 **ematics discipline as determined by the Higher Education Coordinating Commission.**

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

12 (2) **There is established the Oregon's Best and Brightest STEM Loan Forgiveness Pro-**  
13 **gram, to be administered by the Office of Student Access and Completion pursuant to rules**  
14 **adopted by the Higher Education Coordinating Commission.**

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

18 (a) **Graduated from an Oregon public high school with a cumulative grade point average**  
19 **of 3.8 or higher, as certified by the prospective student's school district;**

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

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

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

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

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

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

30 (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 commission by rule.

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

12 (5) The office shall provide each participant with an annual loan in the amount of the  
 13 participant's total tuition and fees at a public university, minus any grant or scholarship aid  
 14 the participant receives as a result of the participant's Free Application for Federal Student  
 15 Aid submission. The loan must be evidenced by a written obligation, but no additional secu-  
 16 rity may be required. This annual loan will renew automatically, provided that the total  
 17 amount of loans awarded do not exceed the cost of four full term academic years of educa-  
 18 tion as defined by the commission, until the participant has graduated from the public uni-  
 19 versity, 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 office shall forgive one  
 30 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 2015 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 office or commission may contract with a collection agency to collect any  
 43 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 2015 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 Higher Edu-**  
8 **cation Coordinating Commission for the purposes of carrying out the provisions of section 1**  
9 **of this 2015 Act.**

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