



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Mitchell Smith

H.B. 396

132nd General Assembly
(As Introduced)

Reps. Patterson and Carfagna, Rogers, Antonio, Boggs, Seitz, O'Brien, Lepore-Hagan, West

BILL SUMMARY

- Creates the STEM Degree Loan Repayment program under which the Chancellor of Higher Education makes loan payments on behalf of eligible STEM graduates working in STEM-related fields in the state.
 - Makes an appropriation.
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CONTENT AND OPERATION

STEM Degree Loan Repayment program

The bill creates the STEM Degree Loan Repayment program, to begin operating July 1, 2018. Under the program, the Chancellor of Higher Education makes loan payments on behalf of eligible participants (see below). Amounts of repayment are based on the highest level of education attained by a participant. The bill limits participation in the program to a total of five years and restricts payments to only one degree earned by an individual.¹

("STEM" is an acronym for science, technology, engineering, and mathematics.)

Eligibility

In order to be eligible for the program, an applicant must:

(1) Hold an associate, bachelor's, master's, or doctorate degree in a STEM-related field awarded on or after July 1, 2017. Degrees must be from a public or private institution of higher education in Ohio.

¹ R.C. 3333.27(B) and (H).

- (2) Have outstanding student loans for the STEM degree; and
- (3) Is employed in a STEM-related field in Ohio.²

Application process

The bill requires the Chancellor to establish a form and procedures for applying to the program. On the form, applicants are required to prove the following:

- (1) The STEM-related field in which they are employed and the STEM-related major or field in which they received a degree;
- (2) Any payment, money, or benefit they may already receive from their employer that go toward student loan repayment; and
- (3) Other information the Chancellor considers necessary.

The Chancellor must conduct two application periods each year, one with a deadline of June 30, and the other with a deadline of December 31. The Chancellor must notify an applicant of the Chancellor's decision within 90 days after the application deadline.

Award amounts and disbursements

The annual amount for repayment awards are based on the highest level of education, as shown in the table below:

Degree attained	Amount
Associate degree	\$2,000
Bachelor's degree	\$4,000
Graduate degree	\$8,000

If amounts available for support of the program are insufficient to provide grants to all eligible participants, the Chancellor must proportionately reduce the amount of each grant.³

The Chancellor must make payments on behalf of eligible participants twice a year, on April 30 and October 31.⁴

² R.C. 3333.27(A).

³ R.C. 3333.27(E).

⁴ R.C. 3333.27(F).



If an eligible participant has more than one loan, the Chancellor must determine the method by which payments will be disbursed and for which loans. An eligible participant remains eligible for the program so long as the participant is employed in a STEM-related field.

If a participant changes places of employment, the participant must notify the Chancellor of the change, and the Chancellor must verify that the new place of employment is also in a STEM-related field. However, if a participant is no longer employed in such a field, the Chancellor must stop making payments until the participant finds new qualifying employment. A participant who fails to find new employment in a STEM-related field for one year or more must reapply to participate in the program.⁵

Finally, if a participant collects any type of loan repayment benefit from an employer, the amount received under that benefit must be subtracted from the amount awarded by the program.⁶

Promissory note

Each participant must sign a promissory note payable to the state in the event that the participant does not satisfy the employment requirements. The amount payable under the note is the total amount of loan repayment made on behalf of the participant prorated for the period that the participant worked in the state in a STEM-related field. Terms of repayment are to be determined by the Chancellor, and the note must stipulate that the obligation to make repayments is canceled if the recipient dies or becomes totally and permanently disabled.⁷

Report

By December 31 each year, the Chancellor must issue a report on the program to the General Assembly, the Governor, and JobsOhio. The report must include:

- (1) The total number of eligible participants;
- (2) The total number of applicants;
- (3) The fields of study in which the eligible participants received their degrees;
- (4) The STEM-related fields in which the eligible participants are employed;

⁵ R.C. 3333.27(F)(2) and (3).

⁶ R.C. 3333.27(E)(1).

⁷ R.C. 3333.27(G).



(5) Salary information of eligible participants;

(6) The state of residence of eligible participants, prior to receiving a STEM degree loan repayment;

(7) The total amount of student loan debt of eligible participants and applicants;
and

(8) An analysis of the data reported in the above items, including an evaluation of the program's effect on retaining people with STEM degrees in the state.⁸

Appropriation

The bill appropriates \$15 million in FY 2019 for the program.

HISTORY

ACTION	DATE
Introduced	10-26-17

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⁸ R.C. 3333.27(I).

