



**State Representative
John Patterson**

House Bill 396
Sponsor Testimony
House Finance Committee
February 6, 2018

Chairman Smith, Vice-Chair Ryan, Ranking Member Cera, and members of the House Finance Committee, thank you for the opportunity to provide testimony on HB 396, legislation that would create the STEM Degree Loan Repayment Program in Ohio. A competitive economy begins with an educated workforce, and that is why Rep. Carfagna and I introduced HB 396—to keep the next generation of innovators, entrepreneurs and leaders right here in Ohio.

In a free market economy, efficiency and economies of scale drive profit. Innovation brings products to market faster and cheaper than ever before. Profits rise—and so does the standard of living. However, as these new, game-changing industries rise, old ones are disrupted.

Take communication, for example. If I wanted to send a message to California in the fastest way possible in 1860, I would have used the Pony Express. Then Western Union came along with the more efficient telegraph, which put riders out of business, but created jobs to support the new industry. From telegraphs came the telephone, then cell phones and broadband. Each new iteration more efficient than the one before, each disrupting the order of things—creating new and exciting industries along the way. As innovation flourishes, so does our economy.

For generations, Ohio has been a hub of innovation. Charles Brush, Charles Kettering, Harvey Firestone, Thomas Edison, Wilbur and Orville Wright—just a few of titans of innovation who pushed the envelope, brightened our paths and took us to new heights with their inventions that, quite simply, changed the world. Throughout its history, Ohio was been rich in talent—talent that was Ohio born, Ohio raised and Ohio productive.

My fellow members of the Finance Committee, we stand today at the threshold of a new economy—one that is highly competitive, global, and dependent upon new ideas grown from the minds of those deeply ingrained in science, technology, engineering and mathematics. But unlike previous generations, most of our best and brightest have begun to leave rural Ohio to seek employment in our big cities, and many have left the state entirely, matriculating to the coasts to pursue opportunities in the STEM fields—good-paying jobs that allow graduates to pay off student debt, build a career and start a family.

HB 396 aims to keep STEM graduates right here in Ohio by creating a fund that would help pay off student debt IF participants graduate from an Ohio college or university AND work at a STEM-related position in the state. A clawback provision is included should program participants leave the state. Should a participant's job be lost due to "disruption" there is a suspension of payments and an option for reapplication if they find another qualifying position.

HB 396 gives us the opportunity to attract the best and brightest, spur investment and grow our economy. With that, Ohio workers will compete for the jobs of the future—good paying jobs that will allow the next generation to support a family.

Thank you for this opportunity to testify on HB 396. Note that we have had interested party meetings with a number of groups who want to testify in future hearings. We will now take any questions from the committee.