

As Introduced

132nd General Assembly

Regular Session

2017-2018

H. B. No. 396

Representatives Patterson, Carfagna

Cosponsors: Representatives Rogers, Antonio, Boggs, Seitz, O'Brien, Lepore-Hagan, West

A BILL

To enact section 3333.27 of the Revised Code to
create the STEM Degree Loan Repayment Program
and to make an appropriation. 1
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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 3333.27 of the Revised Code be
enacted to read as follows: 4
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Sec. 3333.27. (A) As used in this section: 6

(1) "Eligible participant" means an individual to whom all
of the following apply: 7
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(a) The individual holds an associate, bachelor's,
master's, or doctorate degree in a STEM-related field awarded on
or after July 1, 2017, by any public or private institution of
higher education in this state. 9
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(b) The individual has outstanding student loans for the
degree described in division (A) (1) (a) of this section. 13
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(c) The individual is employed in a STEM-related field in
the state. 15
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(d) The individual has applied for and was approved to 17
participate in the STEM degree loan repayment program. 18

(2) "Employed in the state" means that an individual is 19
employed by an entity that has a valid mailing address in the 20
state or is self-employed using a valid mailing address in the 21
state. 22

(3) "STEM" is an abbreviation for "science, technology, 23
engineering, and mathematics." 24

(4) "STEM-related field" has the meaning as determined by 25
the chancellor of higher education, in consultation with 26
JobsOhio, for the purposes of this section. 27

(B) The chancellor of higher education shall establish and 28
administer the STEM degree loan repayment program. The program 29
shall begin to operate on July 1, 2018. Under the program, the 30
chancellor shall pay the amounts specified in division (E) of 31
this section to repay outstanding student loans for degrees 32
described in division (A) (1) (a) of this section on behalf of 33
eligible participants who are graduates of Ohio colleges and 34
universities with STEM degrees and are employed in STEM-related 35
fields in the state. No eligible participant shall receive 36
payments for a period of more than five years. 37

The general assembly shall appropriate funds specifically 38
for the purpose of this section out of the STEM degree loan 39
repayment program fund, which is hereby created in the state 40
treasury. 41

(C) The chancellor shall adopt rules to administer the 42
program. 43

(D) (1) The chancellor shall establish a form and 44
procedures for applications for the program. The application 45

form shall require proof from the applicant of the following: 46

(a) The STEM-related field in which the applicant is 47
employed and the applicant's major or STEM-related field in 48
which the applicant received a degree; 49

(b) Any payment, money, or benefit the applicant already 50
receives, if any, from the applicant's employer to go toward any 51
student loan repayment; 52

(c) Other information the chancellor considers necessary. 53

(2) The chancellor shall conduct two application periods 54
each year for the STEM degree loan repayment program as follows: 55

(a) One application period with a deadline of the 56
thirtieth day of June of each year; 57

(b) One application period with a deadline of the thirty- 58
first day of December of each year. 59

The chancellor shall notify an applicant of the 60
chancellor's decision within ninety days of the application 61
deadline. The application shall require proof of employment in 62
the state in a STEM-related field. 63

(3) A person who participated in the program but ceased to 64
be eligible because the person no longer worked in a STEM- 65
related field in the state may reapply for the program, so long 66
as the person meets the requirements of the program and 67
previously participated in the program for less than five years. 68

A participant who reapplies shall remain eligible for the 69
program for only a total of five years, which includes the time 70
the person received a benefit from the program prior to 71
reapplying. 72

The chancellor shall approve or deny an application to re- 73
enroll in the program based on standards adopted by the 74
chancellor. 75

(E) (1) The annual amount for awards under the program 76
shall be as follows for the highest level of education attained: 77

(a) \$2,000 for an eligible participant who has been 78
awarded an associate degree; 79

(b) \$4,000 for an eligible participant who has been 80
awarded a bachelor's degree; 81

(c) \$8,000 for an eligible participant who has been 82
awarded a graduate degree. 83

If an eligible participant receives any type of loan 84
repayment benefit from an employer, the amount received under 85
that benefit shall be subtracted from the amounts specified in 86
division (E) (1) of this section. 87

(2) Awards shall be paid on behalf of an eligible 88
participant as long as the general assembly appropriates funds 89
for the program, or there are sufficient funds in the STEM 90
degree loan repayment program fund, and only so long as the 91
eligible participant remains employed in the state in a STEM- 92
related field. The chancellor shall cease making payments on 93
behalf of an eligible participant once the participant's loans 94
are paid in full or once the eligible participant has received 95
payments for five total years, whichever occurs first. 96

(3) The chancellor shall disburse each grant award twice a 97
year in accordance with division (F) of this section. 98

(4) If, for any fiscal year, the amounts available for 99
support of the program are insufficient to provide grants to all 100

eligible participants, the chancellor shall proportionately 101
reduce the amount of each grant to be awarded for the fiscal 102
year. 103

(F) (1) The chancellor shall make payments on behalf of 104
eligible participants on the thirtieth day of April and the 105
thirty-first day of October of each year. 106

(2) An eligible participant shall provide proof of 107
employment in the state in a STEM-related field as frequently 108
as, and in the manner, required by the chancellor. Upon 109
receiving evidence of the eligible graduate's employment in the 110
state, the chancellor shall make semiannual payments directly to 111
the eligible participant's lender. If an eligible participant 112
has more than one loan, the chancellor shall determine the 113
method by which payments shall be disbursed and for which loans. 114

(3) The participant shall continue to be eligible for the 115
program so long as the participant is employed in a STEM-related 116
field. If the participant changes places of employment, the 117
participant shall notify the chancellor of that change. The 118
chancellor shall verify that the participant's new employment is 119
in a STEM-related field. 120

The chancellor shall cease making payments on behalf of a 121
participant who ceases to be employed in a STEM-related field 122
until the participant finds new employment in a STEM-related 123
field and reapplies for the program under division (D) (3) of 124
this section. 125

(G) Each participant in the STEM degree loan repayment 126
program shall sign a promissory note payable to the state in the 127
event the participant does not satisfy the employment 128
requirements of the program. The amount payable under the note 129

shall be the amount of total loan repayment made on behalf of 130
the participant under the program prorated for the period the 131
participant worked in the state in a STEM field. The terms of 132
repayment under the note shall be determined by the chancellor. 133
The note shall stipulate that the obligation to make payments 134
under the note is canceled if the recipient dies or becomes 135
totally and permanently disabled. 136

(H) The chancellor shall not make payments for more than 137
one degree earned by any individual. 138

(I) Not later than December 31, 2019, and annually 139
thereafter, the chancellor shall issue a report to the general 140
assembly in accordance with section 101.68 of the Revised Code, 141
the governor, and JobsOhio on the program. The report shall 142
include all of the following: 143

(1) The total number of eligible participants; 144

(2) The total number of applicants; 145

(3) The fields of study in which the eligible participants 146
received their degrees; 147

(4) The STEM-related fields in which the eligible 148
participants are employed; 149

(5) Salary information of eligible participants; 150

(6) The state of residence of eligible participants, prior 151
to receiving a STEM degree loan repayment; 152

(7) The total amount of student loan debt of eligible 153
participants and applicants; 154

(8) An analysis of the data reported under divisions (I) 155
(1) to (7) of this section, including an evaluation of the 156

program's effect on retaining people with STEM degrees in the 157
state. 158

Section 2. All items in this section are hereby 159
appropriated as designated out of any moneys in the state 160
treasury to the credit of the designated fund. For all 161
appropriations made in this act, those in the first column are 162
for fiscal year 2018 and those in the second column are for 163
fiscal year 2019. The appropriations made in this act are in 164
addition to any other appropriations made for the FY 2018-FY 165
2019 biennium. 166

BOR DEPARTMENT OF HIGHER EDUCATION 167

Dedicated Purpose Fund Group 168

5SF0 235564	STEM Degree Loan \$	0	\$	15,000,000	169
	Repayment Program				170

Total DPF Dedicated Purpose	\$	0	\$	15,000,000	171
Fund Group					172

TOTAL ALL BUDGET FUND GROUPS	\$	0	\$	15,000,000	173
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STEM DEGREE LOAN REPAYMENT PROGRAM 174

The foregoing appropriation item 235564, STEM Degree Loan 175
Repayment Program, shall be used by the Chancellor of Higher 176
Education to provide grants under the STEM Degree Loan Repayment 177
Program pursuant to section 3333.27 of the Revised Code. 178

Section 3. Within the limits set forth in this act, the 179
Director of Budget and Management shall establish accounts 180
indicating the source and amount of funds for each appropriation 181
made in this act, and shall determine the form and manner in 182
which appropriation accounts shall be maintained. Expenditures 183
from appropriations contained in this act shall be accounted for 184

as though made in Am. Sub. H.B. 49 of the 132nd General	185
Assembly.	186
The appropriations made in this act are subject to all	187
provisions of Am. Sub. H.B. 49 of the 132nd General Assembly	188
that are generally applicable to such appropriations.	189
Section 4. On July 1, 2018, or as soon as possible	190
thereafter, the Director of Budget and Management shall transfer	191
\$15,000,000 cash from the General Revenue Fund to the STEM	192
Degree Loan Repayment Program Fund (Fund 5SF0).	193