

November 7, 2018

MEMORANDUM

TO: State Board of Regents
FROM: Dave Buhler, Commissioner
SUBJECT: Adoption of Policy R615, *Talent Development Incentive Loan Program*

Issue

During the 2018 Legislative Session, the Legislature passed S.B. 104, which creates a program to provide an incentive loan to a student who intends to work in a qualifying job. The legislation directed the Board of Regents to enact rules that establish an application process for an individual to apply for an incentive loan, establish qualifying criteria for an individual to receive an incentive loan, direct how appropriations are divided among the institutions, and to otherwise administer the program.

Background

The Talent Development Incentive Loan Program provides a loan to students who are pursuing a qualifying degree for a qualifying job, and intends to work in a qualifying job in Utah. The Governor's Office of Economic Development will determine which jobs are qualifying and the qualifying degrees for each. Institutions may forgive the students' loans based on how long the students work in qualifying jobs.

The Legislature directed the Board of Regents to oversee the application process and general administration of the program, including a process for appropriately dividing funding among the institutions. This policy establishes the operating procedures for this program directed by the Legislature.

Commissioner's Recommendation

The Commissioner recommends the Regents review the proposed policy and, if in agreement with the new policy, establish R615, *Talent Development Incentive Loan Program*, effective immediately.

David L. Buhler
Commissioner of Higher Education

DLB/GTL
Attachments

R615-1. Purpose: To establish the criteria and process for awarding incentive loans from the Talent Development Incentive Loan Program under Utah Code Section 53B-10-201.

R615-2. References

- 2.1. Utah Code Section 53B-10-201

R615-3. Definitions

- 3.1. "Full-time student" means a student who is enrolled in a minimum of 12 credit hours.
- 3.2. "GOED" means the Governor's Office of Economic Development created in 50 Section 63N-1-201.
- 3.3. "Incentive loan" means an incentive loan awarded by an institution to a full-time student who has met the eligibility criteria as established by the Board of Regents.
- 3.4. "Qualifying degree" means an associate's or a bachelor's degree that qualifies an individual to work in a qualifying job.
- 3.5. "Qualifying job" means a job described in Section _____ for which an individual may receive an incentive loan.

R615-4. Appropriations: The program is funded by appropriations from the Legislature made in accordance with Section 53B-10-201.

R615-5. Application Procedures: A full-time student pursuing a qualifying degree may apply for an incentive loan from the institution at which he or she is attending by doing the following:

- 5.1. The institutions shall develop an application that, at minimum, collects the following information:
 - 5.1.1. The applicant's status as a full-time or part-time student
 - 5.1.2. The applicant's current enrollment or registered enrollment for and the upcoming semester if available.
 - 5.1.3. A transcript demonstrating the student's completed course work.
 - 5.1.4. A section for the student to formally declare his or her intent to pursue a qualifying degree and to work in a qualifying job, with a signature.
- 5.2. Institutions shall set application deadlines, by which applicants must submit all required materials.

¹ Adopted July 21, 2017.

5.3. Institutions shall determine the most efficient method for issuing incentive loan funds and collect the necessary information for that purpose.

R615-6. Qualifying Criteria

6.1. Students must meet the following criteria to qualify for an incentive loan:

6.1.1. The applicant must have completed at least two semesters of full-time equivalent course work if he or she is pursuing a Bachelor's degree, or at least one semester of full-time equivalent course work if he or she is pursuing an associate's degree.

6.1.2. The applicant is enrolled full-time.

6.1.3. The applicant signs a declaration stating he or she is pursuing or will pursue a qualifying degree.

6.1.4. The applicant signs a declaration stating his or her intent to work in a qualifying job in Utah following graduation.

6.1.5. The applicant must provide the institution verification of registration for classes within the qualifying degree program before the institution may release the funds.

6.2. Every other academic year, the Governor's Office of Economic Development (GOED) shall select five jobs that have the highest demand for new employees, and offer high wages. Beginning the August of that year, those five positions are designated as qualifying jobs for the purposes of this incentive loan program. When selecting the qualifying jobs, GOED shall ensure the jobs meet the following criteria:

6.2.1. Rank in the top 40 percent of jobs based on an employment index that considers job growth rates and total openings.

6.2.2. Rank in the top 40 percent for wages

6.2.3. Requires an associate's degree or a bachelor's degree

6.3. In conjunction with selecting the qualifying jobs, GOED will identify and designate the bachelor or associate degrees required to qualify for the five qualifying jobs.

R615-7. Loan Amounts.

7.1. Institutions may loan an amount up to the cost of resident tuition, books, and fees for their respective institutions.

7.2. Institutions may loan amounts up to the expected time for the recipient to complete the qualifying degree, as determined by the institution.

R615-8. Funding Distribution.

8.1. The Board will disburse appropriated funds to the institutions by calculating the three-year average of the qualifying degrees each institution awarded using the following assumptions:

8.1.1. Tuition and fees (not including books, differential, course, or program fees)

8.1.2. Full tuition and fee cost of associate's degree students by institution for three semesters (requires 1 semester before applying)

8.1.3. Full tuition and fee cost of bachelor's degree students by institution for six semesters (requires 2 semester before applying)

8.1.4. After year one, tuition and fees adjusted for inflation (five-year average of 3.5%)

R615-9. Loan Cancellation, Repayment, and Waiver.

9.1. For each year that a recipient works in a qualifying job in Utah following completion of a qualifying degree, the institution that awarded the incentive loan shall waive repayment of the amount of one year of the recipient's incentive loan.

9.2. An institution shall require a recipient to repay to the institution the full amount of an incentive loan if the recipient fails to:

9.2.1. graduate with a qualifying degree within six years of initially receiving the incentive loan, or

9.2.2. work in a qualifying job in Utah within one year of completing a qualifying degree.

9.2.3. works in a qualifying job for fewer years than the number of years required to waive repayment of the full incentive loan.

9.3. Institutions may cancel an incentive loan if the recipient changes the degree he or she selected in the declaration at any time prior to graduation.

9.4. Institutions may waive repayment if a recipient has graduated with a qualifying degree within six years of receiving the loan, works in a non-qualifying job the institution that is reasonably related to the degree, and resides in Utah.

9.5. Institutions may delay repayment for reasonable, unforeseen circumstances that inhibits the recipient's ability to meet the requirements for loan payment waivers as described above.

9.6. Institutions may waive repayment for circumstances of prolonged financial hardship.

R615-10. General Administration.

10.1. Institutions may establish policies for administering this program that align with their existing practices and financial aid programs.