

Chair Lively, Vice-Chairs McIntire and Ruiz, for the record my name is Janelle Bynum, state representative for House District 39. I bring House Bill 2471 to your attention today to highlight critical shortfalls in OHSU's "Scholars for a Healthy Oregon Initiative" program, otherwise known as "SHOI."

The program provides scholarships to OHSU medical students with special consideration given to students who represent rural Oregon, are first generation college students, or are from an underrepresented community. In exchange for financial assistance, SHOI recipients must enter into a service agreement where upon completion of their OHSU medical program they work at a "designated service site" in a rural or other medically underserved area.

The required term of service is one year greater than the number of years a student received support through SHOI. For example, a student who received 2 years of SHOI support is required to spend 3 years providing care at a designated service site. Each term of service a recipient completes essentially satisfies one year of SHOI benefits received by the student.

The problem that has arisen is that the required service term does not contemplate life changes and market forces that can lead SHOI recipients to prematurely withdraw from their service agreement. When a student withdraws, they are obligated to repay OHSU for each corresponding year of SHOI benefits not satisfied through completion of the recipient's service agreement. Accordingly, scholarship recipients are put in a precarious position where they are forced to either fulfill their service agreement, regardless of circumstance, or withdraw and pay back OHSU for the SHOI benefits the student received.

The Department of Revenue is tasked with debt collection on behalf of OHSU, and per DOR practice, students are given only 2-36 months to repay their entire debt obligation. As a result, and despite the good intentions of the program, several SHOI recipients have reached out to my office alerting me that they received 10-day demand letters from OHSY directing them to repay their SHOI scholarship and pay a statutory 25% penalty because the recipient did not satisfy every term of their service agreement. The reasons these recipients leave their service placement vary, but these department most often arise from life changes unforeseen when the student first began their medical career.

The SHOI repayment system is simply unconscionable, and while it is not a loan by its terms, the repayment system is not on-par with terms offered by other student loan assistance programs. For example, the penalty for a non-qualified withdrawal of a 529 account is capped at 10%, whereas the statutory penalty under the SHOI program is 25%.

Under House Bill 2471, OHSU and DOR's authority to require repayment of SHOI scholarship benefits will be put on hold until July 2, 2025. During this pause, OHSU in consultation with DAS and DOR will complete a study and develop a fair repayment system that balances the state's interest in repayment, with consideration for the financial position of the underserved students that the SHOI program is intended to assist.

Colleagues, we cannot continue to put our students in a position where their dream of being a medical provider is contingent on fulfilling an inflexible service agreement, with the added burden of risking financial ruin by leaving their program. For these reasons, and for the long-term viability of the SHOI program, I ask for your support on House Bill 2471.