

DEPARTMENT OF STATE
DIVISION OF SMALL BUSINESS
Statutory Authority: 29 Delaware Code, Section 8705A (29 **Del.C.** §8705A)

PROPOSED

PUBLIC NOTICE

The STEM Talent Advancement and Retention ("STAR") Fund

In compliance with the State's Administrative Procedures Act (Title 29, Chapter 101 of the Delaware Code) and under the authority of 29 **Del.C.** §8705A, the Division of Small Business ("Division") proposes to promulgate new regulations regarding criteria and procedures governing the STEM Talent Advancement and Retention Fund.

In accordance with 29 **Del.C.** §10116, persons wishing to submit written comments, suggestions, briefs, and compilations of data or other written materials concerning the proposed modifications should direct them to the following address:

Business Finance Unit
Division of Small Business
99 Kings Highway
Dover, DE 19901

Comments may also be directed via electronic mail to business_finance@delaware.gov. Any written submission in response to this notice and relevant to the proposed rules must be received by the above contact at the Division of Small Business no later than 4 p.m. EST, January 31, 2025.

The action concerning determination of whether to adopt the proposed regulations will be based upon the Division's consideration of the written comments and any other written materials filed by the public.

Statutory Authority **29 Del.C. §8705A.**

29 **Del.C.** §8705A enables the Division of Small Business to establish and promulgate such rules and regulations governing the administration and operation of the Division as may be deemed necessary by the Director and which are not inconsistent with the laws of the State of Delaware.

Background

The STEM Talent Advancement and Retention Fund ("STAR Fund") was established pursuant to Section 37 of the Fiscal Year 2025 Grants-in-Aid Act, S.B. 327 of the 152nd General Assembly, for the purpose of incentivizing, retaining, and attracting graduates from an accredited post-secondary institution of higher education who are employed or considering employment in Delaware in the STEM fields by providing awards for reimbursement of their education loans. The STAR Fund will be administered by the Division of Small Business, a division within the Department of State. 29 **Del.C.** §8703A.

The STEM Talent Advancement and Retention ("STAR") Fund

1.0 Statutory Authority and Enabling Legislation

The STAR Fund was established pursuant to Section 37 of the Fiscal Year 2025 Grants-in-Aid Act, Senate Bill 327 of the 152nd General Assembly, which directs the Division of Small Business (the "Division") to prescribe such regulations as may be necessary to administer the STAR Fund.

2.0 Purpose and Intent

- 2.1 The purpose of the STAR Fund is to incentivize, retain, and attract graduates from an accredited post-secondary institution of higher education who are employed or considering employment in Delaware in the STEM fields by providing awards for reimbursement of their higher education loans.
- 2.2 This regulation contains procedures governing the process for applying to the Division for an award under the STAR Fund and criteria for the Division's approval or disapproval of an application for an award under the STAR Fund.

3.0 Definitions

The following words and terms, when used in this regulation, have the following meaning:

"Applicant" means any individual with an associate's, bachelor's, graduate, or post-graduate degree from an accredited post-secondary institution of higher learning, with accompanying education loan repayment expenses, who is employed or has an offer of employment as a full-time employee (minimum of 35 hours per week) with a Delaware-based employer, filling a position located in the State.

"Application" means an application made to the Division of Small Business on such form or forms, together with all relevant attachments, and signed by the applicant.

"Award" means funding provided from the STAR Fund to applicants for the reimbursement of higher education loans.

"Awardee" means an applicant who has been selected by the Fund Committee to receive an award from the STAR Fund.

"Award letter" means a letter from the Fund Committee notifying applicants who have been selected to receive an award from the STAR Fund.

"Division" means the Division of Small Business created by § 8703A of Title 29 of the Delaware Code.

"Eligibility period" means a term of up to 4 consecutive service periods beginning on the date that an awardee receives initial notice of an award from the STAR Fund and ending at the conclusion of the fourth service period.

"Eligible expenses" means annual higher education loan repayment expenses, including principal, interest, and fees (excluding late fees or other penalties for late payment).

"Fund Committee" means the group of individuals designated by the Delaware Division of Small Business and the Delaware Center for Life Science Education and Training, including the Director of the Delaware Division of Small Business and the Executive Director of the Delaware Center for Life Science Education and Training, or their designees, to review applications and select awardees.

"Service Period" means 1 calendar year of education loan repayments.

"State" means the State of Delaware.

4.0 Eligibility

- 4.1 The applicant shall have graduated from an accredited post-secondary institution of higher learning with an associate's, bachelor's, graduate, or post-graduate degree with accompanying education loan repayment expenses.
- 4.2 The applicant shall be offered employment as a full-time employee (minimum of 35 hours per week) with a Delaware-based employer filing a position located in this State throughout the eligibility period. Employment must be in 1 or more of the following fields:
 - 4.2.1 Life, natural, or environmental sciences;
 - 4.2.2 Computer information or software technology;
 - 4.2.3 Advanced mathematics or finance;
 - 4.2.4 Engineering; or
 - 4.2.5 Medical device technology.
- 4.3 Preference will be given to applicants who are permanent residents of the State or who attended an institution of higher education located in the State when they incurred the eligible expenses.

5.0 Timeline

The Fund Committee shall complete its review of the applications within 60 days from the application deadline.

6.0 Application Process

- 6.1 The application will be available through an application portal located on the Delaware Center for Life Science Education and Training's website. Every application that includes all required responses and attachments will be reviewed and evaluated by the Fund Committee. All applicants will be notified of the Fund Committee's decision upon the conclusion of the Fund Committee's review of all applications.
- 6.2 Applicants are required to submit the following documents in addition to the application:
 - 6.2.1 Employer Endorsement Form.
 - 6.2.2 Resume, including applicant's current position and current employer.
 - 6.2.3 Transcripts from post-secondary educational institution. Transcripts do not need to be "official" transcripts, but must include the college or university's name, student's name, course work and grades, and GPA.
 - 6.2.4 Twelve months of individual loan statements and proof of payment for the entire service period to prove the applicant's minimum monthly payment amount for all lenders.

6.2.5 Documentation for each student loan account that includes the following information:

6.2.5.1 Account holder information (name, address, account number).

6.2.5.2 Loan provider information.

6.2.5.3 Loan terms and payment schedule, including minimum required payment amount.

6.2.5.4 Total loan amount and interest rate.

6.2.5.5 Evidence of other loan repayment programs, if applicable, including income based repayment letters and employer-run program agreements.

7.0 Selection Process

7.1 Applications will be reviewed and evaluated by the Fund Committee, which shall consist of 5 members chosen by the Delaware Division of Small Business and the Delaware Center for Life Science Education and Training. The Director of the Delaware Division of Small Business and the Executive Director of the Delaware Center for Life Science Education and Training, or their designees, must be members of the Fund Committee.

7.2 The remaining 3 members of the Fund Committee shall be selected based on their knowledge and expertise in STEM employment trends and STEM hiring needs in Delaware. The Fund Committee may include representatives from STEM industries, a representative from a Delaware higher education institution, and a representative from a workforce development organization.

7.3 The Fund Committee will review applications on a name-blind basis.

7.4 Upon receipt of an application from an eligible applicant, the Fund Committee shall select applicants, on a competitive basis, to receive an award for the service period for which the applicant is applying, as follows:

7.4.1 A maximum award of \$1,000 for an associate degree holder.

7.4.2 A maximum award of \$4,000 for a bachelor's degree holder.

7.4.3 A maximum award of \$6,000 for a graduate or post-graduate degree holder.

7.5 The Fund Committee shall email an award letter to each applicant selected for an award. The applicant shall have 30 days from the date the award letter is emailed to accept the award by countersigning the award letter and delivering an executed copy to the Division. An award shall be deemed withdrawn if not timely accepted by an applicant.

7.6 In addition to the terms provided by subsections 7.4, 7.5, and 8.2 of this regulation, the award letter shall require that the applicant:

7.6.1 Submit annual reports, in the form and on the dates as required, in order to confirm that the applicant continues to meet all of the eligibility requirements contained in this regulation; and

7.6.2 Consent to the public disclosure of the receipt of any award, including disclosure of the applicant's:

7.6.2.1 Name;

7.6.2.2 Post-secondary institution of higher learning; and

7.6.2.3 Employer.

8.0 Annual Certification

8.1 Within 6 months after the end of each service period, awardees shall submit documentation certifying the following information:

8.1.1 The amount of eligible expenses the awardee has actually incurred and paid.

8.1.2 That the awardee continues to meet the eligibility requirements throughout the service period.

8.1.3 That the award amount does not exceed the original student loan amount, plus any capitalized interest, excluding any award previously received from the STAR Fund.

8.1.4 That the awardee is current on their student loan repayment obligations.

8.2 Awardee shall submit a notarized certification attesting to the truth and accuracy of the information provided in response to subsections 8.1.1 through 8.1.4, in the form to be provided with the award letter. The Division reserves the right to request additional documentation, in its sole discretion.