

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STAY INVESTED IN RI
WAVEMAKER FELLOWSHIP

Introduced By: Senators Pearson, Murray, DiPalma, Gallo, and Cano

Date Introduced: February 16, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-64.26-3, 42-64.26-5, 42-64.26-8 and 42-64.26-12 of the General
2 Laws in Chapter 42-64.26 entitled "Stay Invested in RI Wavemaker Fellowships" are hereby
3 amended to read as follows:

4 **42-64.26-3. Definitions.**

5 As used in this chapter:

6 (1) "Applicant" means an eligible graduate who applies for a tax credit for education loan
7 repayment expenses under this chapter.

8 (2) "Award" means a tax credit awarded by the commerce corporation to an applicant as
9 provided under this chapter.

10 (3) "Business" means any corporation, state bank, federal savings bank, trust company,
11 national banking association, bank holding company, loan and investment company, mutual
12 savings bank, credit union, building and loan association, insurance company, partnership, sole
13 proprietorship, or federal agency or subsidiaries thereof.

14 ~~(3)~~(4) "Commerce corporation" means the Rhode Island commerce corporation established
15 pursuant to chapter 64 of this title.

16 (5) "Eligible high-demand STEM teacher" means a full-time content area teacher
17 employed by a Rhode Island local education agency and satisfying criteria proposed by the Rhode
18 Island commissioner of education in consultation with the commerce corporation and approved by

1 [the commerce corporation, which at a minimum shall include provisions regarding minimum](#)
2 [instructional hours and qualifying high-demand STEM subject areas.](#)

3 ~~(4)~~(6) “Eligibility period” means a term of up to four (4) consecutive service periods
4 beginning with the date that an eligible graduate receives initial notice of award under this chapter
5 and expiring at the conclusion of the fourth service period after such date specified.

6 ~~(5)~~(7) “Eligibility requirements” means the following qualifications or criteria required for
7 an applicant to claim an award under this chapter ~~(i) That~~ [that](#) the applicant shall have graduated
8 from an accredited two-year (2), four-year (4) or graduate postsecondary institution of higher
9 learning with an associate’s, bachelor’s, graduate, or post-graduate degree and at which the
10 applicant incurred education loan repayment expenses, [and be either:](#)

11 ~~(ii)(i) A That the applicant shall be a~~ full-time employee with a Rhode Island-based
12 employer located in this state throughout the eligibility period, whose employment is for work in
13 one or more of the following covered fields: life, natural or environmental sciences; computer,
14 information or software technology; advanced mathematics or finance; engineering; industrial
15 design or other commercially related design field; or medicine or medical device technology; [or](#)

16 [\(ii\) A full-time employee that is a teacher or an eligible high-demand STEM teacher.](#)

17 ~~(6)~~(8) “Eligible expenses” or “education loan repayment expenses” means annual higher
18 education loan repayment expenses, including, without limitation, principal, interest and fees, as
19 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
20 repay for attendance at a postsecondary institution of higher learning.

21 ~~(7)~~(9) “Eligible graduate” means an individual who meets the eligibility requirements
22 under this chapter.

23 ~~(8)~~(10) “Full-time employee” means a person who is employed by a business [as a teacher](#)
24 [or an eligible high-demand STEM teacher as defined herein](#) for consideration for a minimum of at
25 least thirty-five (35) hours per week, or who renders any other standard of service generally
26 accepted by custom or practice as full-time employment, or who is employed by a professional
27 employer organization pursuant to an employee leasing agreement between the business and the
28 professional employer organization for a minimum of thirty-five (35) hours per week, or who
29 renders any other standard of service generally accepted by custom or practice as full-time
30 employment, [and whose earnings are subject to state income tax](#) and whose wages are subject to
31 withholding.

32 ~~(9)~~(11) “Healthcare applicant” means any applicant who meets the eligibility requirements
33 and works as a full-time employee as a high-demand healthcare practitioner or mental health
34 professional, including, but not limited to, clinical social workers and mental health counselors

1 licensed by the department of health, and as defined in regulations to be promulgated by the
2 commerce corporation, in consultation with the executive office of health and human services,
3 pursuant to chapter 35 of this title.

4 ~~(10)~~(12) “Healthcare fund” refers to the “Healthcare Stay Invested in RI Wavemaker
5 Fellowship Fund” established pursuant to § 42-64.26-4(b).

6 (13) “Local education agency” means a public school board of education/school committee
7 or other public authority legally constituted within the state for either administrative control or
8 direction of one or more public elementary schools or secondary schools, or a regional school
9 district, state-operated school, regional collaboration, and charter school or mayoral academy.

10 ~~(11)~~(14) “Rhode Island-based employer” means: (i) An employer having a principal place
11 of business or at least fifty-one percent (51%) of its employees located in this state; or (ii) An
12 employer registered to conduct business in this state that reported Rhode Island tax liability in the
13 previous tax year.

14 ~~(12)~~(15) “Service period” means a twelve-month (12) period beginning on the date that an
15 eligible graduate receives initial notice of award under this chapter.

16 ~~(13)~~(16) “STEM/design fund” refers to the “Stay Invested in RI Wavemaker Fellowship
17 Fund” established pursuant to § 42-64.26-4(a).

18 ~~(14)~~(17) “Student loan” means a loan to an individual by a public authority or private lender
19 to assist the individual to pay for tuition, books, and living expenses in order to attend a
20 postsecondary institution of higher learning.

21 ~~(15)~~(18) “Taxpayer” means an applicant who receives a tax credit under this chapter.

22 **42-64.26-5. Administration.**

23 (a) Application. An eligible graduate claiming an award under this chapter shall submit to
24 the commerce corporation an application in the manner that the commerce corporation shall
25 prescribe.

26 (b) Upon receipt of a proper application from an applicant who meets all of the eligibility
27 requirements, the commerce corporation shall select applicants on a competitive basis to receive
28 credits for up to a maximum amount for each service period of one thousand dollars (\$1,000) for
29 an associate’s degree holder, four thousand dollars (\$4,000) for a bachelor’s degree holder, and six
30 thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the
31 education loan repayment expenses incurred by such taxpayer during each service period
32 completed, for up to four (4) consecutive service periods provided that the taxpayer continues to
33 meet the eligibility requirements throughout the eligibility period. The commerce corporation shall
34 delegate the selection of the applicants that are to receive awards to ~~+~~ one or more fellowship

1 committee [or committees](#) to be convened by the commerce corporation and promulgate the
2 selection procedures the fellowship committee [or committees](#) will use, which procedures shall
3 require that the committee's consideration of applications be conducted on a name-blind and
4 employer-blind basis and that the applications and other supporting documents received or
5 reviewed by the fellowship committee [or committees](#) shall be redacted of the applicant's name,
6 street address, and other personally-identifying information as well as the applicant's employer's
7 name, street address, and other employer-identifying information. The commerce corporation shall
8 determine the composition of the fellowship committee [or committees](#) and the selection procedures
9 it will use in consultation with the state's chambers of commerce [or the state department of](#)
10 [education as appropriate](#). Notwithstanding the foregoing, the commerce corporation shall create
11 and establish a committee to evaluate any healthcare applicant for an award in the same manner as
12 prescribed in this subsection. The executive office of health and human services ("EOHHS") shall
13 be represented on the committee and provide consultation to the commerce corporation on selection
14 procedures. Notwithstanding EOHHS's consultation and representation in the selection of
15 healthcare applicants, the commerce corporation shall administer all other aspects of a healthcare
16 applicant's application, award, and certification.

17 (c) The credits awarded under this chapter shall not exceed one hundred percent (100%) of
18 the education loan repayment expenses incurred by such taxpayer during each service period
19 completed for up to four (4) consecutive service periods. Tax credits shall be issued annually to the
20 taxpayer upon proof that (i) The taxpayer has actually incurred and paid such education loan
21 repayment expenses; (ii) The taxpayer continues to meet the eligibility requirements throughout
22 the service period; (iii) The award shall not exceed the original loan amount plus any capitalized
23 interest less award previously claimed under this section; and (iv) The taxpayer claiming an award
24 is current on his or her student loan repayment obligations.

25 [\(d\) In consultation with the department of education, and the department of health, the](#)
26 [commerce corporation shall set guidelines for the proportion of awards to be made to eligible](#)
27 [teachers, high-demand STEM teachers and licensed health care professionals.](#)

28 ~~(e)~~(e) The commerce corporation shall not commit to overall STEM/design awards in
29 excess of the amount contained in the STEM/design fund or to overall healthcare awards in excess
30 of the amount contained in the healthcare fund.

31 ~~(f)~~(f) The commerce corporation shall reserve seventy percent (70%) of the awards issued
32 in a calendar year to applicants who are permanent residents of the state of Rhode Island or who
33 attended an institution of higher education located in Rhode Island when they incurred the
34 education loan expenses to be repaid.

1 ~~(f)~~(g) In administering award, the commerce corporation shall:

2 (1) Require suitable proof that an applicant meets the eligibility requirements for award
3 under this chapter;

4 (2) Determine the contents of applications and other materials to be submitted in support
5 of an application for award under this chapter; and

6 (3) Collect reports and other information during the eligibility period for each award to
7 verify that a taxpayer continues to meet the eligibility requirements for an award.

8 **42-64.26-8. Carry forward and redemption of tax credits.**

9 (a) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total
10 tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the
11 taxpayer's tax liability may be carried forward and applied against the taxes imposed for the
12 succeeding four (4) years, or until the full credit is used, whichever occurs first.

13 (b) The tax credit allowed under this chapter may be used as a credit against personal
14 income taxes imposed under chapter 30 of title 44.

15 (c) The division of taxation shall at the request of a taxpayer redeem such credits in whole
16 or in part for one hundred percent (100%) of the value of the tax credit.

17 (d) Any award ~~issued~~ made pursuant to this chapter ~~after January 1, 2021,~~ shall be exempt
18 from taxation under title 44 of the General Laws.

19 **42-64.26-12. Sunset.**

20 No incentives or credits shall be authorized pursuant to this chapter after December 31,
21 ~~2023~~ 2024.

22 SECTION 2. This act shall take effect upon passage and shall sunset on December 31,
23 2024.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STAY INVESTED IN RI
WAVEMAKER FELLOWSHIP

1 This act would expand the Wavemaker Fellowship Program to include public school
2 teachers, including public school teachers in the high-needs fields of science, technology,
3 engineering and mathematics, as well as health care professionals license by the department of
4 health.

5 This act would take effect upon passage and would sunset on December 31 2024.

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