

2026 -- S 2662

LC005859

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO EDUCATION -- STUDENT LOAN REPAYMENT PROGRAM

Introduced By: Senators DiMario, Lauria, Gallo, Valverde, Mack, Murray, and Kallman

Date Introduced: February 27, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 16 of the General Laws entitled "EDUCATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 117

4 STUDENT LOAN REPAYMENT PROGRAM

5 **16-117-1. Short title.**

6 This chapter shall be known and may be cited as the "Rhode Island Student Loan
7 Repayment Program."

8 **16-117-2. Creation.**

9 (a) There is hereby established a restricted receipt account to be administered by the Rhode
10 Island student loan authority (RISLA) for the benefit of employers and employees entitled the
11 Rhode Island student loan repayment fund ("the fund"). The fund shall be used to provide eligible
12 individuals, defined in § 16-117-4, with payment from the state to the individual's employer to pay
13 a portion of their student loan debt.

14 (b) RISLA shall administer the fund.

15 (c) RISLA shall promulgate rules and regulations necessary to implement this chapter,
16 which shall include, but not be limited to, providing an easy-to-follow guide in a variety of
17 languages regarding how to complete the request for student loan debt relief.

18 (d) Operation of the program shall be subject to the availability of funds. The program may
19 be funded through appropriations by the general assembly and through any other funds made

1 available for this purpose including, but not limited to, federal funds, state funds, settlement funds,
2 grants, gifts, donations, or any other public or private sources. RISLA is authorized to receive,
3 accept, and expend such funds necessary to implement the program upon the availability of
4 sufficient funding.

5 **16-117-3. Definitions.**

6 For the purposes of this chapter:

7 (1) "Administering agency" means the department of labor and training.

8 (2) "Debt relief recipients" means individuals receiving student debt relief under this
9 chapter;

10 (3) "Eligible individuals" means persons described in §§ 16-117-4 and 16-117-6;

11 (4) "Request for student debt relief" means the process by which individuals submit the
12 materials and documentation required by RISLA under this chapter;

13 (5) "RISLA" means the Rhode Island student loan authority;

14 (6) "Service requirements" means specific employment and work obligations set forth in
15 this chapter that individuals shall meet to obtain student debt relief under this chapter; and

16 (7) "Underserved community" means a federally designated health professional shortage
17 area as identified by the federal Health Resources and Services Administration, an agency of the
18 United States Department of Health and Human Services.

19 **16-117-4. Eligibility of individuals.**

20 (a) Individuals employed by a Rhode Island-based employer may be eligible for the Rhode
21 Island student loan repayment program if they:

22 (1) Have eligible, unpaid student loans;

23 (2) Are employed in a high-need profession determined by the administering agency to
24 address a workforce shortage or critical public need within the state. For purposes of this section,
25 "high-need profession" means any occupation identified by the administering agency, as
26 experiencing a workforce shortage or critical hiring need within the state. The administering agency
27 may update such designations from time to time by rule or public notice;

28 (3) Have committed to work full-time in such profession for two (2) consecutive years in
29 this state; and

30 (4) Have applied and are enrolled in an income driven repayment program with the federal
31 student aid for any federal student loans.

32 (b) Preference for student loan debt relief under this chapter may be given to individuals
33 who work in an underserved community.

34 **16-117-5. Service requirements to receive student debt relief.**

1 (a) Eligible individuals who are approved for student debt relief under this chapter shall
2 have their required monthly student loan payment paid directly to the debt relief recipient's
3 employer for up to two (2) consecutive years or twenty-four (24) consecutive months.

4 (b) To receive student debt relief under this chapter, the eligible individual shall:

5 (1) Meet the eligibility requirements set forth in §§ 16-117-4 and 16-117-6;

6 (2) Complete and submit a request for student debt relief in a manner and form prescribed
7 by RISLA;

8 (3) Receive financial counseling from RISLA related to managing and repaying their
9 student debt; and

10 (4) Have their request for student debt relief approved by RISLA for future fund
11 administration;

12 (c) Except as provided below in this section, a debt relief recipient is no longer eligible to
13 receive debt relief under this chapter when any of the following occurs:

14 (1) The debt relief recipient no longer meets the eligibility requirements set forth in §§ 16-
15 117-4 and 16-117-6;

16 (2) The debt relief recipient receives twenty-four (24) consecutive months of debt relief
17 under this chapter; and

18 (3) The debt relief recipient no longer has an outstanding balance on their eligible student
19 loans.

20 (d) Notwithstanding the provisions of this chapter, debt relief recipients may request a
21 leave of absence from their employer when the debt relief recipient or a member of their household
22 experiences a serious illness or other natural cause, becomes pregnant, or is called to military
23 service, which temporarily prevents the debt relief recipient from continuing to meet the
24 requirements set forth in §§ 16-117-4 and 16-117-6.

25 (1) If approved by the employer, leaves of absence will pause the monthly payments made
26 on behalf of the debt relief recipient pursuant to this chapter. Payments shall resume once the leave
27 of absence ends and the debt relief recipient returns to work in a high-need profession, as required
28 by this chapter.

29 (2) Except where otherwise provided, leaves of absence may not exceed more than one
30 calendar year, or the individual may be withdrawn from consideration for student debt relief.

31 (3) Leaves of absence due to military service of the debt relief recipient or their spouse
32 may not exceed three (3) calendar years.

33 (4) The debt relief recipient shall present documentation to RISLA showing that a leave of
34 absence was granted.

1 (5) The debt relief recipient shall present documentation to RISLA showing that the
2 recipient has resumed working as a qualified individual in the state after the leave of absence has
3 concluded.

4 (e) A reduction in force shall not preclude a debt relief recipient from fulfilling the
5 consecutive years of service obligation, if the following provisions are met:

6 (1) Debt relief recipients shall provide to RISLA documentation of the reduction in force;

7 (2) Debt relief recipients shall resume working as a qualified individual in the state no later
8 than eighteen (18) months after the reduction in force;

9 (3) If an eligible recipient fails to fulfill their two (2) year commitment as defined in § 16-
10 117-4(c) all debt repayment will be paused unless a recipient requalifies no later than eighteen (18)
11 months after the initial separation.

12 (f) Upon the effective date of this chapter:

13 (1) Any individual who has been employed in a high-need profession within the state for
14 fewer than three (3) years may submit a request for student debt relief under this chapter; provided
15 that they meet the eligibility requirements set forth in §§ 16-117-4 and 16-117-6.

16 (2) Individuals who have been employed in a high-need profession within the state for three
17 (3) or more years shall not be permitted to submit a request for student debt relief under this chapter.

18 **16-117-6. Eligibility of loans and lenders.**

19 (a) RISLA shall retain the right to determine the eligibility of employers and education
20 loans to which student debt relief payments may be made under this chapter.

21 (b) An eligible lender shall make or hold education loans to individuals for purposes of
22 undergraduate or graduate education and shall not be any private individual.

23 (c) An eligible lender may be, but is not limited to, a bank, savings and loan association,
24 credit union, institution of higher education, secondary market, governmental agency, or private
25 foundation.

26 (d) Credit card, equity loans, and other similar personal loan products are not considered
27 educational loans eligible for repayment under this chapter.

28 (e) An education loan shall:

29 (1) Be evidenced by a promissory note for loans to pay for the cost of attendance for the
30 undergraduate or graduate education of the individual applying for repayment assistance;

31 (2) Not have an existing obligation to provide service for loan relief through another
32 program; and

33 (3) If the loan was consolidated with other loans, the individual shall provide
34 documentation of the portion of the consolidated debt that was originated to pay for the cost of

1 attendance for individual's undergraduate or graduate education.

2 **16-117-7. Student loan repayment program limits.**

3 (a) The amount of student loan repayment provided monthly under this section shall be
4 subject to the availability of funds. RISLA may establish and adjust a monthly repayment cap as
5 necessary, based on available funding and in furtherance of the goal of addressing shortages in
6 high-need professions.

7 (b) The total amount of student loan repayments shall not exceed the outstanding balance.

8 **16-117-8. Administration of Rhode Island student loan repayment fund.**

9 (a) RISLA shall administer the fund to the debt relief recipient's employer consistent with
10 the terms and conditions of RISLA's employer repayment program and the employer's section 127
11 educational assistance program.

12 (b) Part of administering the fund shall include making provisions to minimize the impact
13 that any student debt relief provided pursuant to this chapter has on a debt relief recipient's taxable
14 income.

15 (c) As part of the rules and regulations promulgated, RISLA may design a process for
16 obtaining informed consent from individuals to work directly with their student loan servicers to
17 collect certain documentation required by this chapter, such as a loan's promissory note and current
18 balance.

19 (d) The form of the request for student debt relief and the information required therein shall
20 be set by RISLA.

21 (e) RISLA shall make forms required by this chapter available to the public on its website
22 in a variety of languages and, if requested, via hardcopy.

23 **16-117-9. Disbursement.**

24 (a) All funds distributed in accordance with this chapter shall be:

25 (1) Paid directly to the employer on a monthly basis for proper disbursement consistent
26 with the employer's section 127 educational assistance program; and

27 (2) Allocated only toward the eligible loans issued to pay for the fees, tuition, room, and
28 board of the debt relief recipient in connection with their attendance at an institution of higher
29 education.

30 (b) Through the financial counseling required under this chapter, RISLA shall discuss
31 different student loan repayment strategies with debt relief recipients, which shall include, but are
32 not limited to:

33 (1) How the debt relief payments made under this chapter may be allocated to various
34 student loan servicers, if applicable;

- 1 (2) The implications of different allocation options; and
2 (3) The various loan repayment programs that may be available to the debt relief recipient.
3 (c) If, in a given fiscal year, there are insufficient funds available for RISLA to make the
4 student debt relief payments required under this chapter to the debt relief recipient’s employer,
5 RISLA shall develop and implement an equitable and alternative priority process, which, at
6 minimum, shall take the following into consideration:
7 (1) The number of debt relief installments received to date by the individual’s employer
8 pursuant to this chapter; and
9 (2) An individual’s income-to-student debt ratio.

10 **16-117-10. Reporting.**

11 (a) In its annual report required by § 16-62-18, RISLA shall include an evaluation of the
12 Rhode Island student loan repayment program. The evaluation shall include, but is not limited to,
13 the following:

- 14 (1) The number of individuals whose request for student debt relief under this chapter was
15 approved;
16 (2) The actual dollar amount paid from the fund for student debt relief under this chapter
17 in the previous year;
18 (3) The employers of the individuals who received student debt relief under this chapter;
19 and
20 (4) Whether the debt relief recipient attended an institution of higher education in Rhode
21 Island or out of state.

22 (b) Reporting required under this section shall take extreme care to maintain the privacy of
23 the individuals requesting and/or receiving student debt relief under this chapter.

24 (c) Annual reporting on the fund shall only continue as long as the fund exists.

25 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO EDUCATION -- STUDENT LOAN REPAYMENT PROGRAM

1 This act would allow Rhode Island based employers to pay a portion of the employee's
2 student loan debt, if said employee is employed in a high-need profession to address a workforce
3 shortage or critical public need, is committed to working full-time in such profession for two (2)
4 consecutive years in this state, is enrolled in income driven repayment and working in underserved
5 communities. This act would also require annual reporting to the Rhode Island student loan
6 authority ("RISLA").

7 This act would take effect upon passage.

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