2014 -- H 7201

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N   A C T

RELATING TO EDUCATION -- THE RHODE ISLAND PAY IT FORWARD COLLEGE OPPORTUNITY ACT

It is enacted by the General Assembly as follows:

1   SECTION 1. Findings of fact. (1) The general assembly hereby finds and declares as

2 follows: post-secondary education has expanded opportunities for Rhode Islanders to qualify for

3 high-quality jobs and entry into the middle class, providing clear benefits to this state's economy;

4 and

5   (2) Tuition at Rhode Island's public institutions of higher education has been rising far

6 more rapidly than family incomes; and

7   (3) With college costs rising beyond the reach of many Rhode Islanders, financial aid

8 programs are inadequate to reach all students with financial need; and

9   (4) The increasing unaffordability of a college education has forced students to borrow

10 more money to pay for higher education; and

11   (5) High levels of student debt are damaging not only to the individual student's ability to

12 succeed financially but also will have grave consequences for the future economy of this state;

13 and

14   (6) The general assembly must immediately seek another approach to financing the

15 students' share of the cost of public higher education in this state that will not result in students

16 graduating from Rhode Island's public colleges and universities burdened with debt; and

17   (7) There is growing interest in a new financing strategy known as pay forward, pay

18 back; and

1   (8) The general assembly recognizes that it is in this state's interest to institute a potential

2 pay forward, pay back program.

3   SECTION 2. Chapter 16-97 of the General Laws entitled "The Rhode Board of

4 Education Act" is hereby amended by adding thereto the following sections:

5   **16-97-8. Pay it forward, pay it back pilot program established. --** (a) The executive

6 committee of education established pursuant to section 16-97-3 shall establish a three (3) year

7 pilot program called the pay it forward, pay it back program. The pilot program shall:

8   (1) Replace the current system of charging students tuition and fees for enrollment at

9 public institutions of higher education; and

10   (2) Identify one or more public institutions of higher education to participate in the pilot

11 program.

12   (b) The committee shall submit a proposed pilot program to the 2015 regular session of

13 the general assembly for approval.

14   **16-97-9. Pay it forward, pay it back program details. --** (a) The pay it forward, pay it

15 back pilot program shall:

16   (1) Allow students who are residents of this state, as defined by the institution, and who

17 qualify for admission to the institution to enroll in the institution without paying tuition or fees;

18   (2) Provide that, in lieu of paying tuition or fees, students shall sign binding contracts to

19 pay to the state of Rhode Island or the institution a certain percentage of the student's annual

20 adjusted gross income upon graduation from the institution for a specified number of years;

21   (3) Specify the number of years and the percentage of annual adjusted gross income for

22 contracts at each participating institution and base the specifications on research to date;

23   (4) Establish an immediate funding source for the first three (3) years of the pilot

24 program and include the establishment of a revolving fund to deposit payments made under the

25 pilot program; and

26   (5) Include a requirement that in order to qualify for all benefits from the program,

27 participating students shall complete their course of study and graduate on time, which shall mean

28 no more than a four (4) year period for a bachelor's degree, and no more than a two (2) year

29 period for an associate's degree.

30   (b) The pilot program may vary by institution depending on:

31   (1) The total cost of education at the institution;

32   (2) The portion of the cost that is paid by the state of Rhode Island;

33   (3) The number of years specified in the contract; and

34   (4) The percentage of annual adjusted gross income specified in the contract.

1   (c) The program shall commence on or before June 30, 2015, and shall be terminated on

2   June 30, 2018; provided, that any financial obligations and/or contracts incurred or entered into

3   by students during the course of the pilot program shall remain in full force and effect.

4   (d) The executive committee of education shall conduct a study on whether the public

5   universities and colleges of this state can successfully implement a tuition freeze that will

6   guarantee that incoming undergraduate students have the same tuition rate for four (4) years. The

7   study shall be completed and submitted to the general assembly on or before January 1, 2015.

8   (e) The executive committee of education shall also select and identify courses of study

9   and careers for inclusion in the program that meet the needs that are determined by the committee

10   to be essential for Rhode Island's workforce development.

11   SECTION 3. 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 -- THE RHODE ISLAND PAY IT FORWARD COLLEGE
OPPORTUNITY ACT

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1   This act would direct the Rhode Island executive committee of education to establish a

2   three (3) year pilot program called pay forward, pay back, for purposes of exploring new ways to

3   fund higher education among the state's institutions of higher education.

4   This act would take effect upon passage.

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