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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT

Introduced By: Representatives Blazejewski, Maldonado, Regunberg, Kazarian, and Solomon

Date Introduced: April 16, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 64.20

4 STAY INVESTED IN RI FUND

5 **42-64.20-1. Short title.** -- This chapter shall be known and may be cited as the "Stay
6 Invested in RI Fund."

7 **42-64.20-2. Legislative findings.** -- The general assembly finds and declares:

8 (1) A well-educated citizenry is critical to this state's ability to compete in the national
9 and global economies.

10 (2) Higher education both benefits individual students and is a public good benefitting the
11 state as a whole.

12 (3) Excessive student loan debt is impeding economic growth in this state. Faced with
13 excessive repayment burdens, many individuals are unable to start businesses, invest or buy
14 homes, and may be forced to leave the state in search of higher paying jobs elsewhere.

15 (4) Relieving student loan debt would give these individuals greater control over their
16 earnings, would increase entrepreneurship and demand for goods and services, and would enable
17 employers in this state to recruit and retain graduates in the fields of science, technology,
18 engineering and mathematics.

19 (5) The stay invested in RI fund is designed to achieve the following goals:

1 (i) Promote economic opportunity for people in this state by ensuring access to the
2 training and higher education that higher-paying jobs require;

3 (ii) Bring more and higher-paying jobs to this state by increasing the skill level of this
4 state's workforce;

5 (iii) Offer educational opportunity and retraining to individuals impacted by job loss,
6 workplace injury, disability or other hardship;

7 (iv) Keep young people in the state through incentives for educational opportunity and
8 creation of more high-paying jobs;

9 (v) Encourage an entrepreneurial economy in Rhode Island; and

10 (vi) Accomplish all of the goals in this chapter with as little bureaucracy as possible.

11 **42-64.20-3. Definitions. -- As used in this chapter:**

12 (1) "Eligible graduate" means an individual who meets the eligibility requirements under
13 this chapter.

14 (2) "Applicant" means an eligible graduate who applies for reimbursement of education
15 loan repayment expenses under this chapter.

16 (3) "Reimbursement" means a reimbursement by the commerce corporation to an
17 applicant as provided under this chapter.

18 (4) "Recipient" means an applicant who receives a reimbursement under this chapter.

19 (5) "Commerce corporation" means the Rhode Island commerce corporation established
20 pursuant to chapter 64 of title 42.

21 (6) "Eligible expenses" or "education loan repayment expenses" means annual higher
22 education loan repayment expenses, including, without limitation, principal, interest and fees, as
23 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to
24 repay for attendance at a post-secondary institution of higher learning.

25 (7) "Eligibility period" means a term of up to four (4) consecutive service periods
26 beginning with the date that an eligible graduate receives initial notice of reimbursement under
27 this chapter and expiring at the conclusion of the fourth service period after such date specified.

28 (8) "Eligibility requirements" means the following qualifications or criteria required for
29 an applicant to claim a reimbursement under this chapter:

30 (i) That the applicant shall have graduated from an accredited two (2) year, four (4) year
31 or graduate post-secondary institution of higher learning with an associate's, bachelor's, graduate,
32 or post-graduate degree and at which the applicant incurred education loan repayment expenses;

33 (ii) That the applicant shall be a full-time employee with a Rhode Island-based employer
34 located in this state throughout the eligibility period in one or more of the following covered

1 fields: life, natural or environmental sciences; computer, information or software technology;
2 engineering or industrial design; or medicine or medical device technology; and

3 (iii) That the applicant shall reside in this state throughout the eligibility period.

4 (9) "Full-time employee" means a person who is self-employed or is employed by a
5 business for consideration for at least thirty-five (35) hours per week, or who renders any other
6 standard of service generally accepted by custom or practice as full-time employment, or who is
7 employed by a professional employer organization pursuant to an employee leasing agreement
8 between the business and the professional employer organization for at least thirty-five (35) hours
9 per week, or who renders any other standard of service generally accepted by custom or practice
10 as full-time employment, and whose wages are subject to withholding.

11 (10) "Service period" means a twelve (12) month period beginning on the date that an
12 eligible graduate receives initial notice of reimbursement under this chapter.

13 (11) "Student loan" means a loan to an individual by a public authority or private lender
14 to assist the individual to pay for tuition, books, and living expenses in order to attend a post-
15 secondary institution of higher learning.

16 (12) "Rhode Island-based employer" means an employer having a principal place of
17 business and at least fifty-one percent (51%) of its employees are located in this state.

18 (13) "Fund" refers to the "stay invested in RI fund" established pursuant to § 42-64.20-4.
19 **42-64.20-4. Establishment of fund; Purposes; Composition. --** (a) There is hereby
20 established the "stay invested in RI fund" (the "fund") to be administered by the commerce
21 corporation as set forth in this chapter.

22 (b) The purpose of the fund is to expand employment opportunities in the state and to
23 retain talented individuals in the state by providing reimbursement of education loan repayment
24 expenses to applicants who meet the eligibility requirements under this chapter.

25 (c) The fund shall consist of:

26 (1) Money appropriated in the state budget to the fund;

27 (2) Money made available to the fund through federal programs or private contributions;

28 and

29 (3) Any other money made available to the fund.

30 **42-64.20-5. Administration. --** (a) Application.-- An eligible graduate claiming
31 reimbursement under this chapter shall submit to the commerce corporation an application in the
32 manner that the commerce corporation shall prescribe. The commerce corporation shall review
33 applications for eligibility in the chronological order that they are submitted in any calendar year.

34 (b)(1) Upon receipt of a proper application from an eligible graduate who meets all of the

1 eligibility requirements, the commerce corporation shall notify that applicant that it will
2 reimburse the eligible graduate for education loan repayment expenses during the service period
3 up to a maximum amount for each service period of one thousand dollars (\$1,000) for an
4 associate's degree holder, four thousand dollars (\$4,000) for a bachelor's degree holder, and six
5 thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the
6 education loan repayment expenses incurred by such recipient during each service period
7 completed, for up to four (4) consecutive service periods provided that the recipient continues to
8 meet the eligibility requirements throughout the eligibility period. The proceeds of reimbursement
9 under this chapter shall be used exclusively to reimburse the recipient for up to one hundred
10 percent (100%) of the education loan repayment expenses incurred by such eligible graduate
11 during each service period completed for up to four (4) consecutive service periods.

12 (2) Annual payment under a reimbursement shall be made to an eligible graduate upon
13 proof that:

14 (i) The eligible graduate actually incurred and paid such education loan repayment
15 expenses during the service period;

16 (ii) The eligible graduate continues to meet the eligibility requirements throughout the
17 service period;

18 (iii) The reimbursement shall not exceed the original loan amount plus any capitalized
19 interest less reimbursement previously claimed under this section; and

20 (iv) An eligible graduate claiming reimbursement is current on his or her student loan
21 repayment obligations.

22 (c) The commerce corporation shall not commit to overall reimbursements in excess of
23 the amount contained in the fund. The commerce corporation shall not issue initial reimbursement
24 notices in any calendar year committing to reimbursements in excess of twenty-five percent
25 (25%) of the fund for a calendar year in order to provide that recipients may receive
26 reimbursements for up to four (4) consecutive service periods as provided in this chapter.

27 (d) The commerce corporation shall reserve seventy percent (70%) of the reimbursements
28 issued in a calendar year to applicants who are permanent residents of the state of Rhode Island or
29 who attended an institution of higher education located in Rhode Island when they incurred the
30 education loan expenses to be repaid.

31 (e) In administering reimbursement, the commerce corporation shall:

32 (1) Require suitable proof that an applicant meets the eligibility requirements for
33 reimbursement under this chapter;

34 (2) Determine the contents of applications and other materials to be submitted in support

1 of an application for reimbursement under this chapter; and

2 (3) Collect reports and other information during the eligibility period for each
3 reimbursement to verify that a recipient continues to meet the eligibility requirements for
4 reimbursement.

5 **42-64.20-6. Reporting.** -- (a) The commerce corporation shall require recipients to
6 submit annual reports, in such form and on such dates as the commerce corporation shall require,
7 in order to confirm that the recipient continues to meet all of the eligibility requirements of this
8 chapter and as a prerequisite to funding any reimbursement under this chapter.

9 (b) Notwithstanding any other provision of law, no recipient shall receive a
10 reimbursement without first consenting to the public disclosure of the receipt of any
11 reimbursement given under this chapter. The commerce corporation shall annually publish a list
12 of recipients, their city or town of residence, their post-secondary institution of higher learning,
13 and their employer and their employer's city or town of their employer's principal place of
14 business on the commerce corporation website and in such other locations as it deems
15 appropriate.

16 **42-64.20-7. Remedies.** -- (a) If an eligible graduate receiving a reimbursement under this
17 chapter violates any provision of this chapter or ceases to meet the eligibility requirements of this
18 chapter, the commerce corporation may, on reasonable notice:

19 (1) Withhold further reimbursement until the recipient complies with the eligibility or
20 other requirements of the reimbursement; or

21 (2) Terminate the reimbursement.

22 **42-64.20-8. Implementation guidelines, rules, regulations.** -- (a) The commerce
23 corporation may adopt implementation guidelines, rules, and regulations pursuant to § 42-35-3 as
24 are necessary for the implementation of this chapter.

25 (b) The commerce corporation shall adopt guidelines to assure integrity and eliminate
26 potential conflicts of interest in the issuing of reimbursements.

27 **42-64.20-9. Promotion by state agencies.** -- (a) The commerce corporation and any
28 other agencies engaging in education-related outreach shall integrate promotion of the program
29 into existing educational opportunity outreach efforts to the extent possible in a manner consistent
30 with the scope of the program and its centrality to the state's efforts to raise educational
31 attainment, including, without limitation, promoting the program to Rhode Island permanent
32 residents who enroll in accredited Rhode Island colleges or universities and receive financial aid
33 in the form of student loans.

34 **42-64.20-10. Program integrity.** -- Program integrity being of paramount importance,

1 [the commerce corporation shall establish procedures to ensure ongoing compliance with the terms](#)
2 [and conditions of the program established herein and to safeguard the expenditure of public](#)
3 [funds.](#)

4 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 STATE AFFAIRS AND GOVERNMENT

1 This act would create the stay invested in RI fund to promote economic growth and job
2 creation in Rhode Island by attracting and retaining graduates through student loan debt relief in
3 the fields of science, technology, engineering, and mathematics.

4 This act would take effect upon passage.

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