

A-Engrossed
House Bill 2662

Ordered by the House June 10
Including House Amendments dated June 10

Sponsored by Representative SMITH WARNER, Senator DEMBROW, Representatives WILLIAMSON, BUCKLEY; Representatives BARTON, CLEM, DOHERTY, EVANS, FREDERICK, GORSEK, HELM, KENY-GUYER, MCLAIN, NOSSE, PILUSO, REARDON, VEGA PEDERSON, WITT (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes Pay It Forward program. Requires Higher Education Coordinating Commission to establish parameters of program by rule and for Office of Student Access and Completion to administer program.

Establishes Pay It Forward Implementation Fund.

Specifies that Pay It Forward program may only proceed if office determines there are sufficient moneys in fund and **Legislative Assembly by law approves determination made by office**. Permits office to implement limited scope pilot program.

Requires commission, on effective date of Act, to begin process of developing policy and rules necessary to implement Pay It Forward program. Requires commission to submit report regarding progress on development of policy and rules to committees relating to public finance during 2016 and 2017 regular sessions of Legislative Assembly.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to Pay It Forward program; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. As used in sections 1 to 6 of this 2015 Act:**

5 (1) **"Applicant" means an individual who has applied to be a participant in the Pay It**
6 **Forward program by submitting an application to the Office of Student Access and Com-**
7 **pletion.**

8 (2) **"Covered costs" means the costs of higher education designated by rule by the Higher**
9 **Education Coordinating Commission to be paid by the Pay It Forward program.**

10 (3) **"Institution" means an accredited institution of higher education that the Higher**
11 **Education Coordinating Commission has declared eligible to receive payments from the Of-**
12 **ice of Student Access and Completion through the Pay It Forward program.**

13 (4) **"Participant" means a successful applicant who is accepted as a student into the Pay**
14 **It Forward program by the Office of Student Access and Completion.**

15 (5) **"Payment period" means the period of time established by rule by the Higher Educa-**
16 **tion Coordinating Commission relative to each participant, during which participants remit**
17 **a percentage of their gross annual income to the office in order to pay for participating in**
18 **the program.**

19 (6) **"Program" or "Pay It Forward program" means the program described in sections 1**
20 **to 6 of this 2015 Act.**

21 **SECTION 2. (1)(a) The Higher Education Coordinating Commission shall by rule establish**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 eligibility requirements for applicants and institutions to participate in the Pay It Forward
2 program.

3 (b) As part of the Pay It Forward program eligibility requirements, the commission may
4 by rule require applicants to agree to release information relating to income, educational
5 attainment and other demographic information to the Office of Student Access and Com-
6 pletion.

7 (2) The commission shall by rule establish a process for selecting applicants for partic-
8 ipation in the program if the number of eligible applicants exceeds the program's capacity.
9 This process may either involve the random selection of qualified applicants, or a combina-
10 tion of random selection with other criteria established by the commission.

11 (3) The commission may by rule require participants in the program to preauthorize the
12 Office of Student Access and Completion, the federal Internal Revenue Service or any other
13 entity in this or any other state to provide data on the participant necessary to verify the
14 participant's income or to impose any appropriate conditions of payment during the payment
15 period.

16 (4) Data compiled by the office on participants in the program shall be recorded in an
17 aggregate format and the office may not publicly release any information containing personal
18 information about a participant.

19 (5) Any personal identification obtained by the office for the purposes of administering
20 the Pay It Forward program may not be disclosed as a public record under ORS 192.410 to
21 192.505.

22 SECTION 3. (1) The Office of Student Access and Completion shall use moneys from the
23 Pay It Forward Implementation Fund established in section 5 of this 2015 Act to pay to an
24 institution all covered costs for each program participant.

25 (2) The office may enter into arrangements and agreements with institutions to deter-
26 mine the schedule and method of disbursements made under subsection (1) of this section.

27 SECTION 4. (1)(a) The Higher Education Coordinating Commission shall by rule deter-
28 mine:

29 (A) The method for calculating the percentage of a participant's gross annual income
30 that must be remitted to the Office of Student Access and Completion during the payment
31 period; and

32 (B) The payment schedule and method of payment for each participant.

33 (b) The commission may choose to vary the proportion of income paid by a participant,
34 or the method or duration of repayment, based on different levels and durations of partic-
35 ipation in the program.

36 (2) During the repayment period agreed to by each participant and the office, the par-
37 ticipant shall remit to the office an amount equal to a percentage of the participant's ad-
38 justed gross income that is established under subsection (1) of this section.

39 (3)(a) During each tax year of the repayment program, the Director of the Department
40 of Revenue shall provide the office with income tax data for the participant and the
41 participant's household.

42 (b) The office and the director may enter into an agreement to determine the schedule
43 and method of providing the information required by this subsection.

44 (4) If the participant does not reside in this state, the office may enter into agreements
45 with the federal Internal Revenue Service or government entities in other states in order to

1 verify the income of the participant and the participant's household.

2 (5) If the office determines that a participant has failed to remit the required payments
3 within a reasonable period of time, the office may take any action it considers necessary to
4 collect any amounts due, including but not limited to:

5 (a) Informing the Director of the Department of Revenue about the participant's delin-
6 quency and having the director assign a deficiency to the participant's income tax payments
7 for the appropriate amount, including any administrative costs; or

8 (b) Contracting with a collections agency to collect any amounts due, including any ad-
9 ministrative costs.

10 **SECTION 5.** (1) The Pay It Forward Implementation Fund is established in the State
11 Treasury, separate and distinct from the General Fund. Earnings on moneys in the Pay It
12 Forward Implementation Fund must be credited to the fund.

13 (2) Moneys in the fund are continuously appropriated to the Higher Education Coordi-
14 nating Commission for the purposes of financing and administering the Pay It Forward pro-
15 gram established under sections 1 to 4 of this 2015 Act.

16 (3) The commission shall deposit in the fund:

17 (a) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit
18 in the fund;

19 (b) Gifts, devises or bequests received by the commission for the purpose described in
20 subsection (2) of this section or received for the purpose of providing student assistance and
21 not directed to a particular fund or account; and

22 (c) Moneys received as repayment of, as a return on or in exchange for the grant or loan
23 of moneys in the fund.

24 **SECTION 6.** (1) Sections 1 to 4 of this 2015 Act apply only if:

25 (a) The Office of Student Access and Completion determines that there are sufficient
26 moneys in the Pay It Forward Implementation Fund established in section 5 of this 2015 Act
27 to administer the Pay It Forward Program; and

28 (b) The Legislative Assembly by law approves the determination made by the office under
29 paragraph (a) of this subsection.

30 (2) In determining whether the moneys in the fund are sufficient, the office may provide
31 for a pilot program of limited scope and duration that the office determines is sufficient to
32 provide data regarding:

33 (a) The long-term feasibility of the Pay It Forward program;

34 (b) Appropriate and necessary adjustments to parameters of the program; or

35 (c) Any other information the office deems necessary.

36 **SECTION 7.** Notwithstanding section 6 of this 2015 Act, the Higher Education Coordi-
37 nating Commission shall:

38 (1) On the effective date of this 2015 Act, begin the process of developing the policy and
39 rules necessary to implement sections 1 to 4 of this 2015 Act; and

40 (2) Submit a report on the progress the commission has made in developing the policy
41 and rules necessary to implement sections 1 to 4 of this 2015 Act to the committees of the
42 Legislative Assembly relating to public finance during the 2016 and 2017 regular sessions of
43 the Legislative Assembly.

44 **SECTION 8.** Section 7 of this 2015 Act is repealed on September 15, 2017.

45 **SECTION 9.** This 2015 Act being necessary for the immediate preservation of the public

1 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
2 **on its passage.**

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