



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3452

Introduced 2/14/2014, by Sen. Michael W. Frerichs

SYNOPSIS AS INTRODUCED:

110 ILCS 205/9.34 new

Amends the Board of Higher Education Act. Requires the Board of Higher Education to create a pilot program called Pay Forward, Pay Back to replace the current system of charging students tuition and fees for enrollment at public institutions of higher education. Requires the Board to identify one or more public institutions of higher education to participate in the pilot program. Provides that the pilot program shall (1) allow students to enroll in an institution without paying tuition or fees; (2) provide that, in lieu of paying tuition or fees, students must sign binding contracts to pay to the State of Illinois or the institution a certain percentage of the student's annual adjusted gross income upon graduation from the institution for a specified number of years; (3) specify the number of years and the percentage of annual adjusted gross income for contracts at each participating institution and base the specifications on research to date; and (4) establish an immediate funding source for the first 15 to 20 years of the pilot program and include the establishment of a revolving fund to deposit payments made under the pilot program. Allows the pilot program to vary by institution depending on certain factors and requires the Board to submit reports to the General Assembly.

LRB098 14787 NHT 49716 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Board of Higher Education Act is amended by
5 adding Section 9.34 as follows:

6 (110 ILCS 205/9.34 new)

7 Sec. 9.34. Pay Forward, Pay Back pilot program.

8 (a) The Board shall create a pilot program called Pay
9 Forward, Pay Back. The pilot program would replace the current
10 system of charging students tuition and fees for enrollment at
11 public institutions of higher education. The Board shall
12 identify one or more public institutions of higher education to
13 participate in the pilot program.

14 (b) The pilot program shall do all of the following:

15 (1) Allow students who are residents of this State, as
16 defined by the institution, and who qualify for admission
17 to the institution to enroll in the institution without
18 paying tuition or fees.

19 (2) Provide that, in lieu of paying tuition or fees,
20 students must sign binding contracts to pay to the State of
21 Illinois or the institution a certain percentage of the
22 student's annual adjusted gross income upon graduation
23 from the institution for a specified number of years.

1 (3) Specify the number of years and the percentage of
2 annual adjusted gross income for contracts at each
3 participating institution and base the specifications on
4 research to date.

5 (4) Establish an immediate funding source for the first
6 15 to 20 years of the pilot program and include the
7 establishment of a revolving fund to deposit payments made
8 under the pilot program.

9 (c) The pilot program may vary by institution depending on
10 the following:

11 (1) The total cost of education at the institution.

12 (2) The portion of the cost that is paid by the State
13 of Illinois.

14 (3) The number of years specified in the contract.

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

17 (d) The Board shall periodically submit a report to the
18 General Assembly on students' compliance with the pilot
19 program's binding contract. The Board shall also submit a
20 report to the General Assembly on whether the pilot program
21 should be expanded. These reports must be submitted as provided
22 in Section 3.1 of the General Assembly Organization Act.