

# House Bill 2662

Sponsored by Representative SMITH WARNER, Senator DEMBROW, Representatives WILLIAMSON, BUCKLEY;  
Representative GORSEK (Pre-session 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 **as introduced**.

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. Permits office to implement limited scope pilot program.

## A BILL FOR AN ACT

1  
2 Relating to Pay It Forward program.

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

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

4  
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**  
22 **eligibility requirements for applicants and institutions to participate in the Pay It Forward**  
23 **program.**

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

28 (2) **The commission shall by rule establish a process for selecting applicants for partic-**

**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 ipation in the program if the number of eligible applicants exceeds the program's capacity.  
 2 This process may either involve the random selection of qualified applicants, or a combina-  
 3 tion of random selection with other criteria established by the commission.

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

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

12 (5) Any personal identification obtained by the office for the purposes of administering  
 13 the Pay It Forward program may not be disclosed as a public record under ORS 192.410 to  
 14 192.505.

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

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

20 **SECTION 4.** (1)(a) The Higher Education Coordinating Commission shall by rule deter-  
 21 mine:

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

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

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

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

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

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

37 (4) If the participant does not reside in this state, the office may enter into agreements  
 38 with the federal Internal Revenue Service or government entities in other states in order to  
 39 verify the income of the participant and the participant's household.

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

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

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

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

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

9       **(3) The commission shall deposit in the fund:**

10       **(a) Amounts appropriated or otherwise provided by the Legislative Assembly for deposit**  
11 **in the fund;**

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

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

17       **SECTION 6. (1) Sections 1 to 4 of this 2015 Act apply only if the Office of Student Access**  
18 **and Completion determines that there are sufficient moneys in the Pay It Forward Imple-**  
19 **mentation Fund established in section 5 of this 2015 Act to administer the Pay It Forward**  
20 **program.**

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

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

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

26       **(c) Any other information the office deems necessary.**

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