

126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1702

S.P. 667

In Senate, January 8, 2014

Resolve, Directing the University of Maine System and the Maine Community College System To Study the Establishment of a Pilot Program Based on Oregon's "Pay Forward, Pay Back" Model of Funding Public Postsecondary Education

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

DAREK M. GRANT Secretary of the Senate

Presented by Senator KATZ of Kennebec. Cosponsored by Representative POULIOT of Augusta and

Representatives: BEAVERS of South Berwick, HUBBELL of Bar Harbor.

- **Sec. 1. Study establishment of pilot program. Resolved:** That the University of Maine System and the Maine Community College System, referred to in this resolve as "the systems," shall together study the establishment of a pilot program based on Oregon's "Pay Forward, Pay Back" model that would replace the current system of charging a resident of the State tuition and fees for enrollment at a state public institution of higher education, referred to in this resolve as "an institution," and:
- 1. Allow a student who is a resident of the State and who qualifies for admission to an institution to enroll in the institution without paying tuition or fees;
- 2. Provide that, in lieu of paying tuition or fees, the student must sign a binding contract to pay to the State or the institution for a specified number of years a certain percentage of the student's annual adjusted gross income upon graduation from the institution;
- 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 a funding source for the first 15 to 20 years of the pilot program and a revolving fund into which payments made under the pilot program are deposited to provide long-term funding.

A pilot program proposed by the systems may include variations by specific institution depending on the total cost of education at the institution, the portion of the cost that is paid by the State, the number of years of student repayment specified in the contract and the percentage of annual adjusted gross income specified in the contract; and be it further

Sec. 2. Report; recommendations. Resolved: That the systems shall submit a report containing their findings and recommendations pursuant to section 1, including any necessary implementing legislation, to the joint standing committee of the Legislature having jurisdiction over education matters by December 3, 2014. If the report recommends establishment of the pilot program, the report must identify one or more institutions that will participate in the pilot program.

30 SUMMARY

This resolve directs the University of Maine System and the Maine Community College System to study the establishment of a pilot program based on Oregon's "Pay Forward, Pay Back" model to replace the current system of charging a resident of the State tuition and fees for enrollment at a state public institution of higher education. Under the pilot program, a student who is a resident of the State and who qualifies for admission to an institution would be able to enroll in the institution without paying tuition or fees; instead, the student would sign a binding contract to pay to the State or the institution for a specified number of years a certain percentage of the student's annual adjusted gross income upon graduation from the institution. Under the resolve, the University of Maine System and the Maine Community College System are directed to

- report their findings and any proposed implementing legislation to the joint standing committee of the Legislature having jurisdiction over education matters by December 3, 1
- 2
- 3 2014.