

## Pay Forward, Pay Back / College Tuition Act

This act directs the Higher Education Commission to consider the creation of a proposed pilot program – Pay Forward, Pay Back. The pilot program would replace the current system of charging students tuition and fees for enrollment at public institutions of higher education. Instead, anyone who attended an in-state college or university would be required to pay a small percentage of their post-college income as a tax for 24 years (3% per year for graduates of a 4-year college; 1.5% per year for community college graduates). If the commission determines that a pilot program is warranted, the commission shall submit a proposal to the 2015 regular session of the Legislative Assembly.

Submitted as:

Oregon

[HB 3472](#)

Status: Signed into law on July 29, 2013.

### Suggested State Legislation

(Title, enacting clause, etc.)

- 1 Section 1. [*Short Title.*] Pay Forward, Pay Back.  
2
- 3 Section 2. [*Findings.*]  
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- 5 Section 3. [*Pilot program.*]
- 6 (1) The Higher Education Coordinating Commission shall consider the creation of a proposed  
7 pilot program called Pay Forward, Pay Back. The pilot program would:  
8 (a) Replace the current system of charging students tuition and fees for enrollment at public  
9 institutions of higher education; and  
10 (b) Identify one or more public institutions of higher education to participate in the pilot  
11 program.
- 12 (2) If the commission determines that a pilot program is warranted, the commission shall submit  
13 a proposed pilot program to the 2015 regular session of the Legislative Assembly for  
14 approval.
- 15 (3) A proposed pilot program shall:  
16 (a) Allow students who are residents of this state, as defined by the institution, and who  
17 qualify for admission to the institution to enroll in the institution without paying tuition or  
18 fees;  
19 (b) Provide that, in lieu of paying tuition or fees, students must sign binding contracts to pay  
20 to the State of Oregon or the institution a certain percentage of the student's annual  
21 adjusted gross income upon graduation from the institution for a specified number of  
22 years;  
23 (c) Specify the number of years and the percentage of annual adjusted gross income for  
24 contracts at each participating institution and base the specifications on research to date;  
25 and

1 (d) Establish an immediate funding source for the first 15 to 20 years of the pilot program  
2 and include the establishment of a revolving fund to deposit payments made under the  
3 pilot program.

4 (4) A proposed pilot program may vary by institution depending on:

5 (a) The total cost of education at the institution.

6 (b) The portion of the cost that is paid by the State of Oregon.

7 (c) The number of years specified in the contract.

8 (d) The percentage of annual adjusted gross income specified in the contract.

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10 Section 4. [*Severability.*] Insert severability clause.

11

12 Section 5. [*Repealer.*] Insert repealer clause.

13

14 Section 6. [*Effective Date.*] Insert effective date.