



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB3451

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 undergraduate students tuition and fees and other educational expenses at a public institution of higher education. Requires the Board to identify one public institution of higher education to participate in the pilot program. Provides that the pilot program shall (1) allow undergraduate students to attend the institution without paying for tuition and fees, books and supplies, and room and board; (2) provide that, in lieu of paying, students must sign binding contracts to pay to the State of Illinois or the institution, for a specified number of years, a certain percentage of the student's annual adjusted gross income as soon as he or she earns an income after graduation from the institution, but in no event may payments begin to be made more than 10 years after graduation from the institution; (3) specify the number of years and the percentage of annual adjusted gross income for contracts and base the specifications on research to date; (4) guarantee graduation from the institution within 4 years after enrollment if the student makes sufficient educational progress and does not change his or her academic major or major concentration; and (5) 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. Requires the Board to submit reports to the General Assembly.

LRB098 14797 NHT 49736 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 undergraduate students tuition and fees and  
11 other educational expenses at a public institution of higher  
12 education. The Board shall identify one public institution of  
13 higher education to participate in the pilot program.

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

15 (1) Allow undergraduate students who are residents of  
16 this State, as defined by the institution, and who qualify  
17 for admission to the institution to attend the institution  
18 without paying for tuition and fees, books and supplies,  
19 and room and board.

20 (2) Provide that, in lieu of paying for tuition and  
21 fees, books and supplies, and room and board, students must  
22 sign binding contracts to pay to the State of Illinois or  
23 the institution, for a specified number of years, a certain

1 percentage of the student's annual adjusted gross income as  
2 soon as he or she earns an income after graduation from the  
3 institution, but in no event may payments begin to be made  
4 more than 10 years after graduation from the institution.

5 (3) Specify the number of years and the percentage of  
6 annual adjusted gross income for contracts at the  
7 institution and base the specifications on research to  
8 date.

9 (4) Guarantee graduation from the institution within 4  
10 years after enrollment if the student makes sufficient  
11 educational progress and does not change his or her  
12 academic major or major concentration.

13 (5) Establish an immediate funding source for the first  
14 15 to 20 years of the pilot program and include the  
15 establishment of a revolving fund to deposit payments made  
16 under the pilot program.

17 (c) 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.