

S T A T E   O F   N E W   Y O R K

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I N   S E N A T E

May 9, 2014

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Introduced by Sen. RIVERA -- read twice and ordered printed, and when printed to be committed to the Committee on Higher Education

AN ACT to require the conducting of a study by the board of regents of feasible alternative methods of funding a college education at public four-year institutions of higher learning in New York state

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1       Section 1. The legislature recognizes that post-secondary education  
2 has expanded opportunities for New Yorkers to qualify for high-quality  
3 jobs and entry into the middle class, providing clear benefits to this  
4 state's economy.

5       Regrettably, public investment in higher education in this state has  
6 decreased over the past decade, resulting in substantial increases in  
7 annual tuition, fees and room and board imposed by public four-year and  
8 two-year institutions of higher education in the state. These increases  
9 have out-paced increases in the average family income in the state,  
10 forcing students to incur larger amounts of debt in order to afford to  
11 attend college. The average student loan debt of students graduating  
12 from public four-year institutions of higher education in New York now  
13 exceeds \$25,000.

14      Such high levels of student debt are damaging not only to the individual  
15 student's ability to succeed financially but also will have grave  
16 consequences for the future economy of this state.

17      The legislature finds that it must halt the decrease in the state's  
18 support for public education and, over time, must increase its contribution  
19 to the funding of higher education. It also finds that the state  
20 must immediately seek another approach to financing the students' share  
21 of the cost of public higher education in this state that will not  
22 result in students graduating from New York's public colleges and  
23 universities burdened with debt.

24      S 2. The board of regents shall consider the creation of a proposed  
25 pilot program called "Pay Forward, Pay Back".

26      (a) The pilot program would:

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1       (i) Replace the current system of charging students tuition and fees  
2 for enrollment at public institutions of higher education; and  
3       (ii) Identify one or more public institutions of higher education to  
4 participate in the pilot program.

5       (b) If the board of regents determines that a pilot program is  
6 warranted, the commission shall submit a proposed pilot program to the  
7 2016 regular session of the legislature for approval.

8       (c) The proposed pilot program shall:

9           (i) Allow students who are residents of this state, as defined by the  
10 institution, and who qualify for admission to the institution to enroll  
11 in the institution without paying tuition or fees;

12           (ii) Provide that, in lieu of paying tuition or fees, students must  
13 sign binding contracts to pay to the state of New York or the institution  
14 a certain percentage of the student's annual adjusted gross income  
15 upon graduation from the institution for a specified number of years;

16           (iii) Specify the number of years and the percentage of annual  
17 adjusted gross income for contracts at each participating institution  
18 and base the specifications on research to date; and

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

22       (d) The pilot program may vary by institution depending on:

23           (i) The total cost of education at the institution.

24           (ii) The portion of the cost that is paid by the state.

25           (iii) The number of years specified in the contract.

26           (iv) The percentage of annual adjusted gross income specified in the  
27 contract.

28       S 3. (a) The board of regents shall conduct a study on whether public  
29 universities in the state can successfully implement a tuition freeze  
30 that will guarantee that incoming undergraduate students have the same  
31 tuition rate for four years. The study must include an analysis of:

32           (i) The 'Western Tuition Promise' offered by Western Oregon University;

33           (ii) The 'Finish in Four' program proposed in Florida; and

34           (iii) Ways of mitigating the financial strain that the adoption of a  
35 tuition freeze would place on a university's finances.

36           (b) The board of regents shall submit a report on the study described  
37 in subdivision (a) of this section to the committees relating to higher  
38 education during the 2015 regular session of the legislature.

39       S 4. This act shall take effect immediately.