

Senate File 2029 - Introduced

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BY BOLKCOM

A BILL FOR

1 An Act directing the state board of regents and the
2 department of education to convene a commission to study
3 financing strategies for the state's public postsecondary
4 institutions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. STUDY OF FINANCING STRATEGIES FOR PUBLIC
2 POSTSECONDARY INSTITUTIONS.

3 1. The state board of regents and the department
4 of education shall convene a commission consisting of
5 representatives of the community colleges and the institutions
6 of higher education governed by the board to study financing
7 strategies, as described in this section, for the state's
8 public postsecondary institutions.

9 2. a. The commission shall study the feasibility of
10 establishing the alternative payment pilot program described
11 in paragraph "b" to replace the current system of charging
12 students tuition and fees for enrollment at public institutions
13 of higher learning. The commission shall, at a minimum, review
14 the following:

15 (1) Potential short-term and long-term funding sources for
16 the pilot program.

17 (2) The manner and extent to which a student who withdraws
18 from the participating institution will pay for the education
19 credits earned.

20 (3) The maximum number of years a student may be enrolled in
21 the participating institution under the pilot program.

22 (4) The rate of payment by students necessary to sustain the
23 pilot program.

24 (5) Deferment of payment or a reduced rate of payment for
25 students who after graduation are unemployed or underemployed.

26 (6) How the state or the participating institution may fund
27 the pilot program's implementation.

28 (7) How the state or the participating institution may
29 collect accurate income data on students who move out of state.

30 (8) How the state or the participating institution may
31 collect and enforce payments from students.

32 (9) How the pilot program may account for and apply to
33 part-time students, transfer students, mid-career students, and
34 other nontraditional students.

35 (10) How the pilot program may function with federal and

1 state financial aid programs.

2 (11) The provisions or services that may be provided to
3 low-income students under the pilot program.

4 (12) Whether participation in the pilot program should be
5 limited to specific academic programs, such as programs that
6 lead to employment in workforce shortage areas.

7 (13) The "pay forward, pay back" pilot program considered by
8 the Oregon higher education coordinating commission.

9 b. If the commission determines that a pilot program is
10 warranted, the commission shall identify one or more public
11 institutions of higher education to participate in the pilot
12 program and shall submit the proposed pilot program in the
13 report required under subsection 4.

14 (1) The proposed pilot program submitted by the commission
15 shall do the following:

16 (a) Allow students who are residents of this state, as
17 defined by the participating institution, and who qualify for
18 admission to the participating institution to enroll in the
19 participating institution without paying tuition or fees.

20 (b) Provide that, in lieu of paying tuition or fees,
21 students must sign binding contracts to, upon graduation from
22 the participating institution, pay to the state of Iowa or the
23 participating institution a certain percentage of the student's
24 annual adjusted gross income for a specified number of years.

25 (c) Specify the methodology by which the number of years and
26 the percentage of annual adjusted gross income for contracts
27 shall be determined and base the specifications on research to
28 date.

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

33 (2) The proposed pilot program submitted by the commission,
34 and the contracts entered into under the program, may vary by
35 institution depending on factors which include but are not

1 limited to the following:

2 (a) The total cost of education at the participating
3 institution.

4 (b) The portion of the cost of education that is paid by
5 appropriations of funds from the state of Iowa.

6 3. The commission shall also conduct a study of whether
7 the state's public postsecondary institutions can successfully
8 implement a tuition freeze that will guarantee incoming
9 undergraduate students the same tuition rate for four years.
10 The study must include an analysis of:

11 a. The western tuition promise program offered by western
12 Oregon university.

13 b. The finish in four program proposed in Florida, and
14 similar programs.

15 c. Options for mitigating the financial strain that the
16 adoption of a tuition freeze would place on an institution's
17 finances.

18 4. The commission shall submit its findings and
19 recommendations in a report to the state board of education,
20 the state board of regents, the governor, and the general
21 assembly by January 15, 2015.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill directs the state board of regents and the
26 department of education to convene a commission consisting of
27 representatives of the community colleges and the institutions
28 of higher education governed by the board to conduct two
29 studies regarding financing strategies related to payment of
30 tuition and fees at public postsecondary institutions.

31 The commission is directed to study the feasibility of
32 creating an alternative payment pilot program to replace the
33 current system of charging students tuition and fees for
34 enrollment at public institutions of higher learning.

35 With regard to the pilot program study, the commission is

1 directed to, at a minimum, review issues relating to funding
2 sources for the pilot program, student payments under the
3 pilot program, the scope of the pilot program in regards
4 to participation of students and academic programs, data
5 collection under the pilot program, and the manner in which the
6 pilot program may function with federal and state financial
7 aid programs. The commission is also directed to review the
8 "pay forward, pay back" pilot program considered by the Oregon
9 education coordinating commission.

10 The proposed pilot program submitted by the commission
11 shall allow students who are residents of this state, and
12 who qualify for admission, to enroll in the participating
13 institution without paying tuition or fees; provided that,
14 in lieu of paying tuition or fees, students sign binding
15 contracts to pay to the state or the participating institution
16 a certain percentage of the student's annual adjusted gross
17 income upon graduation from the participating institution
18 for a specified number of years. The pilot program is to
19 specify the methodology by which the number of years and the
20 percentage of annual adjusted gross income for contracts shall
21 be determined and base the specifications on research to date
22 and to establish an immediate funding source for the first
23 15 to 20 years of the pilot program, which is to include the
24 establishment of a revolving fund to deposit payments made
25 under the pilot program.

26 The proposed pilot program may vary by institution depending
27 on the total cost of education at the participating institution
28 and the portion of the cost that is paid by the state.

29 The commission is also directed to study the question of
30 whether the state's public postsecondary institutions can
31 successfully implement a tuition freeze that will guarantee
32 that incoming undergraduate students have the same tuition
33 rate for four years. The study must include an analysis of a
34 tuition promise program offered by western Oregon university,
35 the finish in four program proposed in Florida and similar

1 programs, and ways of mitigating the financial strain that the
2 adoption of a tuition freeze would place on an institution's
3 finances.

4 The commission must submit its findings and recommendations
5 in a report to the state board of education, the state board of
6 regents, the governor, and the general assembly by January 15,
7 2015.