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Pay It Forward College Affordability Act of 2013

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Education

Introduced: Dec 20, 2013

Current Status: Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

Latest Action: Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (Dec 20, 2013)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/1884>

Sponsor

Name: Sen. Merkley, Jeff [D-OR]

Party: Democratic • **State:** OR • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	Dec 20, 2013

Subjects & Policy Tags

Policy Area:

Education

Related Bills

Bill	Relationship	Last Action
113 HR 3959	Related bill	Jun 13, 2014: Referred to the Subcommittee on Higher Education and Workforce Training.

Pay It Forward College Affordability Act of 2013 - Direct the Secretary of Education to conduct studies regarding the feasibility of, and options for, implementing the Pay It Forward model for funding postsecondary education.

Directs the Secretary, unless the studies determine that the funding model is not feasible or beneficial, to award competitive matching grants to states to establish and carry out Pay It Forward model state pilot programs.

Limits the number of states and students that may participate in the programs.

Describes the "Pay It Forward model" as a system in which the Secretary, a state, or an institution of higher education (IHE) replaces students' need to borrow under the William D. Ford Federal Direct Loan program by covering all or part of their cost of attending an IHE in exchange for their agreement to contribute a certain percentage (not to exceed 5%) of their annual income for a specified number of years (not to exceed 25 years) after graduating or ceasing to be enrolled at the IHE.

Requires that model to cover at least a student's cost of tuition and mandatory fees, but only to the extent they do not exceed the cost of tuition and mandatory fees at the most expensive public IHE in the state that is the same type of IHE the student attends.

Requires states to give program priority to IHEs that have a plan, or a history of making an effort, to reduce or hold constant students' cost of attendance.

Requires states to ensure that variations in the time that a student's tuition and mandatory fees are covered by the state are reflected in the length of the student's contribution period and the percentage of the student's annual income to be contributed.

Continues students' eligibility for grants, scholarships, or funds that do not have to be repaid and for student loans that are not Direct loans, but requires the deduction of those amounts from the tuition and mandatory fees that the state would otherwise cover under the Pay It Forward program.

Directs the Secretary to: (1) establish a technical advisory council to make recommendations to the Secretary regarding the implementation and evaluation of the Pay It Forward model, and (2) evaluate the model five years and ten years after its implementation.

Authorizes the Secretary to expand the Pay It Forward model if doing so: (1) will not increase the federal cost of carrying out federal loan programs under title IV (Student Assistance) of the Higher Education Act of 1965, (2) may be accomplished using amounts available for title IV programs, and (3) is in the best interests of students and the United States.

Establishes a Pay It Forward Fund in the Treasury into which Pay It Forward contributions are to be deposited.

Prohibits an IHE program designed to prepare students for a recognized occupation or profession requiring licensing or other entry pre-conditions from participating in a Pay It Forward program, unless it:

- fully prepares students to satisfy those entry pre-conditions in the state in which the program is operated and in any state in which the program claims a successful program graduate will be prepared to work in the particular occupation or profession involved;
- provides timely placement of students in required pre-licensure positions, such as internships or apprenticeships;

and

- meets specialized state accreditation requirements or notifies students if the program has not yet been fully accredited.

Actions Timeline

- **Dec 20, 2013:** Introduced in Senate
- **Dec 20, 2013:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.