**South Carolina General Assembly**

120th Session, 2013-2014

**H. 4414**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Limehouse

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Introduced in the House on January 14, 2014

Currently residing in the House Committee on **Education and Public Works**

Summary: Palmetto Pay Forward

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/10/2013 House Prefiled

12/10/2013 House Referred to Committee on **Education and Public Works**

1/14/2014 House Introduced and read first time ([House Journal‑page 71](file:///H:\HJ%20Archive\2014\01-14-14.docx))

1/14/2014 House Referred to Committee on **Education and Public Works** ([House Journal‑page 71](file:///H:\HJ%20Archive\2014\01-14-14.docx))

**VERSIONS OF THIS BILL**

[12/10/2013](file:///p:\pprever\2013-14\4414_20131210.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 9 TO CHAPTER 104, TITLE 59 SO AS TO CREATE THE PALMETTO PAY FORWARD, PAY BACK PILOT PROGRAM; TO PROVIDE THE COMMISSION ON HIGHER EDUCATION SHALL CREATE A SYSTEM IN WHICH A PERSON ACCEPTED TO ATTEND A PUBLIC INSTITUTION OF HIGHER LEARNING IN THIS STATE CAN FORGO PAYING TUITION AND FEES IN EXCHANGE FOR CONTRACTING WITH THE INSTITUTION TO PAY IT OR THE STATE A PERCENTAGE OF HIS INCOME FOR A SPECIFIED NUMBER OF YEARS AFTER GRADUATION, AMONG OTHER THINGS; AND TO PROVIDE THE COMMISSION SHALL SUBMIT ITS PROPOSED PILOT PROGRAM TO THE GENERAL ASSEMBLY BEFORE DECEMBER 1, 2015.

Whereas, the South Carolina General Assembly finds that post‑secondary education has expanded opportunities for South Carolinians to qualify for high‑quality jobs and entry into the middle class, providing an enhanced workforce that strengthens the State’s economy; and

Whereas, the South Carolina General Assembly finds that rising higher education costs force an increasing number of students to borrow greater amounts of money to pay for higher education, with the resulting burden of substantial student debt damaging not only the individual student’s ability to succeed financially but also posing grave consequences for the future economy of this State; and

Whereas, the South Carolina General Assembly finds it must immediately seek a creative alternative for students to obtain higher education without graduating under the burden of student loan debt; and

Whereas, the South Carolina General Assembly finds that there is a growing interest in a new financing strategy known as Pay Forward, Pay Back; and

Whereas, the South Carolina General Assembly recognizes that it is in the best interests of this State to study and recommend a potential Pay Forward, Pay Back program for South Carolina; Now, therefore,

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 104, Title 59 of the 1976 Code is amended by adding:

“Article 9

Palmetto Pay Forward, Pay Back Pilot Program

Section 59‑104‑810. The pilot program that must be known as the Palmetto Pay Forward, Pay Back Pilot Program is hereby established to create a system in which a person accepted to attend a public institution of higher learning in this State can forgo paying tuition and fees in exchange for contracting with the institution to pay it or the State a percentage of his income for a specified number of years after graduation, among other things.

Section 59‑104‑820. (A) The Commission on Higher Education is responsible for implementing this pilot program. Before December 1, 2015, it shall submit a proposed pilot program to the General Assembly for approval. This proposed pilot program must:

(1) allow a student who is a resident of this State and who qualifies for admission to a public institution of higher learning to enroll in the institution without paying tuition or fees, in lieu of which the student must sign a binding contract to pay a certain percentage of his annual adjusted gross income to the institution or the State of South Carolina for a specified number of years after graduation, transfer, withdrawal, or expulsion;

(2) specify the number of years and the percentage of annual adjusted gross income for contracts specific to each respective participating institution;

(3) provide for circumstances in which a contracting student dies, becomes incapable of work due to incapacity or disability, and for imputing income to a contracting student who is wilfully unemployed or underemployed;

(4) specify a method to prioritize or apportion repayment among multiple public institutions of higher learning that the contracting student attends under the terms of such a contract, where applicable; and

(5) establish an immediate funding source for the first fifteen to twenty years of the pilot program and include the establishment of a revolving fund to deposit payments made under the pilot program.

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

(1) total cost of education at the institution;

(2) portion of the cost that is paid by the State of South Carolina;

(3) number of years specified in the contract; and

(4) percentage of annual adjusted gross income specified in the contract.

Section 59‑104‑830. The Palmetto Pay Forward, Pay Back Pilot Program must expire on December 1, 2015.”

SECTION 2. This act takes effect upon approval by the Governor.

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