

2022 -- S 2893 SUBSTITUTE A

LC005738/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STAY INVESTED IN RI  
WAVEMAKER FELLOWSHIP

Introduced By: Senators Pearson, Gallo, Goodwin, Cano, Murray, Zurier, and Seveney

Date Introduced: April 26, 2022

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-64.26-3, 42-64.26-4, 42-64.26-5 and 42-64.26-12 of the General  
2 Laws in Chapter 42-64.26 entitled "Stay Invested in RI Wavemaker Fellowship" are hereby  
3 amended to read as follows:

4 **42-64.26-3. Definitions.**

5 As used in this chapter:

6 ~~(2)~~(1) "Applicant" means an eligible graduate who applies for a tax credit for education  
7 loan repayment expenses under this chapter.

8 ~~(3)~~(2) "Award" means a tax credit awarded by the commerce corporation to an applicant  
9 as provided under this chapter.

10 ~~(4)~~(3) "Commerce corporation" means the Rhode Island commerce corporation established  
11 pursuant to chapter 64 of title 42.

12 ~~(5)~~(4) "Eligible expenses" or "education loan repayment expenses" means annual higher  
13 education loan repayment expenses, including, without limitation, principal, interest and fees, as  
14 may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to  
15 repay for attendance at a postsecondary institution of higher learning.

16 ~~(6)~~(5) "Eligible graduate" means an individual who meets the eligibility requirements  
17 under this chapter.

18 ~~(7)~~(6) "Eligibility period" means a term of up to four (4) consecutive service periods

1 beginning with the date that an eligible graduate receives initial notice of award under this chapter  
2 and expiring at the conclusion of the fourth service period after such date specified.

3 ~~(8)~~(7) "Eligibility requirements" means the following qualifications or criteria required for  
4 an applicant to claim an award under this chapter:

5 (i) That the applicant shall have graduated from an accredited two (2) year, four (4) year  
6 or graduate postsecondary institution of higher learning with an associate's, bachelor's, graduate, or  
7 post-graduate degree and at which the applicant incurred education loan repayment expenses;

8 (ii) That the applicant shall be a full-time employee with a Rhode Island-based employer  
9 located in this state throughout the eligibility period, whose employment is for work in one or more  
10 of the following covered fields: life, natural or environmental sciences; computer, information or  
11 software technology; advanced mathematics or finance; engineering; industrial design or other  
12 commercially related design field; or medicine or medical device technology.

13 ~~(9)~~(8) "Full-time employee" means a person who is employed by a business for  
14 consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other  
15 standard of service generally accepted by custom or practice as full-time employment, or who is  
16 employed by a professional employer organization pursuant to an employee leasing agreement  
17 between the business and the professional employer organization for a minimum of thirty-five (35)  
18 hours per week, or who renders any other standard of service generally accepted by custom or  
19 practice as full-time employment, and whose wages are subject to withholding.

20 (9) "Healthcare applicant" means any applicant that meets the eligibility requirements and  
21 works as a full-time employee as a high-demand healthcare practitioner or mental health  
22 professional, including, but not limited to, clinical social workers and mental health counselors  
23 licensed by the department of health, and as defined in regulations to be promulgated by the  
24 commerce corporation, in consultation with the executive office of health and human services,  
25 pursuant to chapter 35 of this title.

26 (10) "Healthcare fund" means the "Healthcare Stay Invested in RI Wavemaker Fellowship  
27 Fund" established pursuant to § 42-64.26-4(b).

28 ~~(12)~~(11) "Rhode Island-based employer" means (i) an employer having a principal place  
29 of business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an  
30 employer registered to conduct business in this state that reported Rhode Island tax liability in the  
31 previous tax year.

32 ~~(10)~~(12) "Service period" means a twelve (12) month period beginning on the date that an  
33 eligible graduate receives initial notice of award under this chapter.

34 (13) ~~"Fund"~~ "STEM/design fund" ~~refers to~~ means the "Stay Invested in RI Wavemaker

1 Fellowship Fund" established pursuant to § 42-64.26-4(a).

2 ~~(H)~~(14) "Student loan" means a loan to an individual by a public authority or private lender  
3 to assist the individual to pay for tuition, books, and living expenses in order to attend a  
4 postsecondary institution of higher learning.

5 ~~(4)~~(15) "Taxpayer" means an applicant who receives a tax credit under this chapter.

6 **42-64.26-4. Establishment of fund -- Purposes -- Composition.**

7 (a) There is hereby established the "Stay Invested in RI Wavemaker Fellowship Fund" ~~(the~~  
8 ~~"fund")~~ ("the STEM/design fund") to be administered by the commerce corporation as set forth in  
9 this chapter.

10 ~~(b) There is hereby established the "Healthcare Stay Invested in RI Wavemaker Fellowship~~  
11 ~~Fund" (the "healthcare fund") to be administered by the commerce corporation as set forth in this~~  
12 ~~chapter.~~

13 ~~(b)~~(c) The purpose of the ~~fund~~ STEM/design fund and healthcare fund is to expand  
14 employment opportunities in the state and to retain talented individuals in the state by providing  
15 tax credits in relation to education loan repayment expenses to applicants who meet the eligibility  
16 requirements under this chapter.

17 ~~(e)~~(d) The ~~fund~~ STEM/design fund and healthcare fund shall consist of:

- 18 (1) Money appropriated in the state budget to the fund;  
19 (2) Money made available to the fund through federal programs or private contributions;  
20 and  
21 (3) Any other money made available to the fund.

22 ~~(d)~~(e) The ~~fund~~ STEM/design fund shall be used to pay for the redemption of tax credits  
23 or reimbursement to the state for tax credits applied against ~~a taxpayer's~~ the tax liability of any non-  
24 healthcare applicant that received an award. The healthcare fund shall be used to pay for the  
25 redemption of tax credits or reimbursement to the state for tax credits applied against the tax  
26 liability of any healthcare applicant that received an award on or after July 1, 2022. The ~~fund~~ funds  
27 shall be exempt from attachment, levy or any other process at law or in equity. The director of the  
28 department of revenue shall make a requisition to the commerce corporation for funding during  
29 any fiscal year as may be necessary to pay for the redemption of tax credits presented for  
30 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The  
31 commerce corporation shall pay from the fund such amounts as requested by the director of the  
32 department of revenue necessary for redemption or reimbursement in relation to tax credits granted  
33 under this chapter.

34 **42-64.26-5. Administration.**

1 (a) Application. An eligible graduate claiming an award under this chapter shall submit to  
2 the commerce corporation an application in the manner that the commerce corporation shall  
3 prescribe.

4 (b) Upon receipt of a proper application from an applicant who meets all of the eligibility  
5 requirements, the commerce corporation shall select applicants on a competitive basis to receive  
6 credits for up to a maximum amount for each service period of one thousand dollars (\$1,000) for  
7 an associate's degree holder, four thousand dollars (\$4,000) for a bachelor's degree holder, and six  
8 thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the  
9 education loan repayment expenses incurred by such taxpayer during each service period  
10 completed, for up to four (4) consecutive service periods provided that the taxpayer continues to  
11 meet the eligibility requirements throughout the eligibility period. The commerce corporation shall  
12 delegate the selection of the applicants that are to receive awards to a fellowship committee to be  
13 convened by the commerce corporation and promulgate the selection procedures the fellowship  
14 committee will use, which procedures shall require that the committee's consideration of  
15 applications be conducted on a name-blind and employer-blind basis and that the applications and  
16 other supporting documents received or reviewed by the fellowship committee shall be redacted of  
17 the applicant's name, street address, and other personally-identifying information as well as the  
18 applicant's employer's name, street address, and other employer-identifying information. The  
19 commerce corporation shall determine the composition of the fellowship committee and the  
20 selection procedures it will use in consultation with the state's chambers of commerce.  
21 Notwithstanding the foregoing, the commerce corporation shall create and establish a committee  
22 to evaluate any healthcare applicant for an award in the same manner as prescribed in this  
23 subsection. The executive office of health and human services ("EOHHS") shall be represented on  
24 the committee and provide consultation to the commerce corporation on selection procedures.  
25 Notwithstanding EOHHS's consultation and representation in the selection of healthcare applicants,  
26 the commerce corporation shall administer all other aspects of a healthcare applicant's application,  
27 award, and certification.

28 (c) The credits awarded under this chapter shall not exceed one hundred percent (100%) of  
29 the education loan repayment expenses paid by such taxpayer during each service period completed  
30 for up to four (4) consecutive service periods. Tax credits shall be issued annually to the taxpayer  
31 upon proof that (i) The taxpayer has actually incurred and paid such education loan repayment  
32 expenses; (ii) The taxpayer continues to meet the eligibility requirements throughout the service  
33 period; (iii) The award shall not exceed the original loan amount plus any capitalized interest less  
34 award previously claimed under this section; and (iv) The taxpayer claiming an award is current on

1 his or her student loan repayment obligations.

2 (d) The commerce corporation shall not commit to overall [STEM/design](#) awards in excess  
3 of the amount contained in the [STEM/design](#) fund [or to overall healthcare awards in excess of the](#)  
4 [amount contained in the healthcare fund](#).

5 (e) The commerce corporation shall reserve seventy percent (70%) of the awards issued in  
6 a calendar year to applicants who are permanent residents of the state of Rhode Island or who  
7 attended an institution of higher education located in Rhode Island when they incurred the  
8 education loan expenses to be repaid.

9 (f) In administering award, the commerce corporation shall:

10 (1) Require suitable proof that an applicant meets the eligibility requirements for award  
11 under this chapter;

12 (2) Determine the contents of applications and other materials to be submitted in support  
13 of an application for award under this chapter; and

14 (3) Collect reports and other information during the eligibility period for each award to  
15 verify that a taxpayer continues to meet the eligibility requirements for an award.

16 **42-64.26-12. Sunset.**

17 No incentives or credits shall be authorized pursuant to this chapter after December 31,  
18 ~~2022~~ [2023](#).

19 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STAY INVESTED IN RI  
WAVEMAKER FELLOWSHIP

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1           This act would expand the provisions of the Wavemaker Fellowship program to include a  
2 healthcare fund for healthcare applicants that meet the eligibility requirements and works as a full-  
3 time employee as a high-demand healthcare practitioner or mental health professional, including,  
4 but not limited to, clinical social workers and mental health counselors licensed by the department  
5 of health, and as defined in regulations to be promulgated by the commerce corporation, in  
6 consultation with the executive office of health and human services, pursuant to chapter 35 of this  
7 title.

8           It would also provide that the Wavemaker fellowship fund shall be used to pay for the  
9 redemption of tax credits or reimbursement to the state for tax credits applied against the tax  
10 liability of any non-healthcare applicant that received an award. The healthcare fund shall be used  
11 to pay for the redemption of tax credits or reimbursement to the state for tax credits applied against  
12 the tax liability of any healthcare applicant that received an award on or after July 1, 2022.

13           No incentives or credit shall be authorized after December 31, 2023.

14           This act would take effect upon passage.

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