

2014 -- S 2969

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO EDUCATION - HIGHER EDUCATION ASSISTANCE AUTHORITY

Introduced By: Senators DaPonte, Gallo, Ciccone, Ottiano, and DiPalma

Date Introduced: May 01, 2014

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings. -- The general assembly hereby finds and declares  
2 that:

3 (1) Continuous training and education is vitally important in the development of a skilled  
4 Rhode Island workforce and the promotion of a competitive state economy;

5 (2) In a highly competitive 21<sup>st</sup> century global economy, education cannot be considered  
6 a temporary effort, but a lifelong endeavor that requires continuous retraining, upgrading, and  
7 evolution to keep up with the rapidly changing demands of the workplace;

8 (3) From enrolling in credit-bearing courses at colleges and universities, to learning a  
9 new language, to participating in training on new equipment and technology, there are a range of  
10 opportunities for Rhode Islanders to upgrade their skill set, increase their employability and  
11 earnings capacity, and increase the competitiveness and productivity of Rhode Island employers;

12 (4) The costs of such education and training can be difficult for many Rhode Islanders to  
13 meet;

14 (5) Current state and federal incentives and programs to promote educational attainment  
15 have significant gaps in eligibility, allowable training expenses, and enrollment criteria that do  
16 not adequately reflect the policy of lifelong learning and training; and

17 (6) The movement of low-skilled workers into middle-skilled jobs and the movement of  
18 middle-skilled workers into high-skilled jobs will help increase Rhode Island's economic  
19 competitiveness, better insulate the state from disruptive changes to the economy, and achieve a

1 sustainable, world class competitive workforce.

2 SECTION 2. Chapter 16-57 of the General Laws entitled "Higher Education Assistance  
3 Authority" is hereby amended by adding thereto the following section:

4 **16-57-6.8. Lifelong learning account program.** -- (a) The authority, in cooperation with  
5 the governor's workforce board, shall undertake a comprehensive study regarding the  
6 establishment of a lifelong learning savings account program in Rhode Island. Lifelong learning  
7 savings accounts shall be state-administered savings accounts that are owned by individual Rhode  
8 Islanders, and are designed to help save for, and pay for, approved education and training  
9 expenses. Lifelong learning savings accounts may include matching funds from employers and/or  
10 the state.

11 (b) The comprehensive study shall include, but not be limited to:

12 (1) A review of the appropriate role for the authority in administering such a program;

13 (2) A review of the appropriate role of in-state financial institutions and other public,  
14 private, and nonprofit organizations in establishing and maintaining such accounts;

15 (3) Recommendations as to how such a program might be designed to best meet the  
16 training and skill needs of Rhode Island employers and industry sectors;

17 (4) Recommendations as to how such a program might be designed to best meet the  
18 training needs of Rhode Island workers, particularly low-wage workers, including the feasibility  
19 of providing matching state funds, up to a certain amount, to help low-wage workers begin such  
20 accounts;

21 (5) Definitions for approved education and training expenses, provided that the  
22 definitions shall be flexible and inclusive of short-term training and career-related training that  
23 are not typically covered by current education tax benefits and savings programs. Education and  
24 training expenses may be approved:

25 (i) By an agent of the department of labor and training, or an approved partner entity, in  
26 association with an education and training plan; or

27 (ii) Through a mutual agreement between employee and employer regarding a career  
28 development plan that promotes the training and career advancement of the employee;

29 (6) Recommendations regarding the state tax treatment of contributions to, and  
30 withdrawals from, such accounts; and

31 (7) Recommendations on how to coordinate lifelong learning accounts with existing  
32 training and workforce development programs in the state.

33 (b) The authority shall provide a report of its findings and recommendations regarding  
34 the establishment of a lifelong learning savings account program to the governor, the president of

1 [the senate, and the speaker of the house no later than July 1, 2015.](#)

2 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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RELATING TO EDUCATION - HIGHER EDUCATION ASSISTANCE AUTHORITY

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1           This act would authorize the higher education assistance authority and the governor's  
2 workforce board to perform a study of the feasibility of establishing a state-administered lifelong  
3 learning savings account program.

4           This act would take effect upon passage.

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