

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2099 Session of
2025

INTRODUCED BY PASHINSKI, SANCHEZ, KHAN, GIRAL, HILL-EVANS,
CIRESI, SCHLOSSBERG, FRANKEL, FIEDLER, HARKINS, DEASY AND
GREEN, DECEMBER 11, 2025

REFERRED TO COMMITTEE ON EDUCATION, DECEMBER 12, 2025

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," providing for Delayed Payment Plan
6 Program; establishing the Delayed Payment Plan Program Fund;
7 and imposing duties on the Pennsylvania Higher Education
8 Assistance Agency.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
12 as the Public School Code of 1949, is amended by adding an
13 article to read:

14 ARTICLE XIX-I

15 DELAYED PAYMENT PLAN PROGRAM

16 Section 1901-I. Definitions.

17 The following words and phrases when used in this article
18 shall have the meanings given to them in this section unless the
19 context clearly indicates otherwise:

20 "Agency." The Pennsylvania Higher Education Assistance

1 Agency.

2 "Department." The Department of Education of the
3 Commonwealth.

4 "Fund." The Delayed Payment Plan Program Fund established
5 under section 1905-I.

6 "Income." Salary, wages, interest, dividends and other
7 earnings that are reportable for Federal income tax purposes.

8 "Income share agreement." An agreement between the agency
9 and a student under which the student commits to pay a specified
10 percentage of the student's future income, for a specified
11 period of time, in addition to the requirements and terms
12 specified under sections 1903-I and 1906-I, in exchange for
13 payments to, or on behalf of, the student for a portion of the
14 student's tuition for attendance at the institution of higher
15 education.

16 "Institution of higher education." As defined under section
17 118(c).

18 "Participating institution." A participating institution of
19 higher education.

20 "Program." The Delayed Payment Plan Program established
21 under section 1902-I.

22 "Tuition." A sum of money charged for teaching or
23 instruction by a participating institution.

24 Section 1902-I. Establishment of program.

25 Subject to receipt of grants, contributions or amounts
26 appropriated specifically for this purpose, the Delayed Payment
27 Plan Program is established. The agency may enter into an income
28 share agreement with a student accepted for enrollment at any of
29 the 15 Pennsylvania State community colleges or the Thaddeus
30 Stevens College of Technology beginning with the 2025-2026

academic year. The agency may decide to offer the program to
students accepted or enrolled in any State System of Higher
Education institution beginning with the 2026-2027 school year.
Section 1903-I. Eligibility requirements.

In order to qualify for participation in the program, a
student must meet all of the following requirements:

(1) The student must be a resident of this Commonwealth,
as defined by the Pennsylvania State Grant Program.

(2) The student must agree to remain a resident of this
Commonwealth for 10 years after graduation or until the
tuition is repaid, whichever occurs first.

(3) The student shall pursue a degree in a high-need
area, as identified by the participating institution and
approved by the agency.

(4) The student must demonstrate Federal Direct Student
Loan eligibility.

Section 1904-I. Powers and duties of agency.

The agency shall have the following powers and duties:

(1) Impose reasonable limits on the terms of income
share agreements.

(2) Partner with participating institutions to publicize
the availability of the program to students and to select
participants for the program, subject to the number of
students that may be supported by the fund.

(3) Distribute income share agreement program money to
participating institutions based on the total annual tuition
cost for participating students.

(4) Contract with a program administrator for execution
of income share agreements.

(5) Ensure transparency in investment decisions and

1 processes.

2 (6) Make, execute and deliver contracts, conveyances and
3 other instruments necessary to exercise and discharge the
4 agency's powers and duties under this article.

5 Section 1905-I. Delayed Payment Plan Program Fund.

6 (a) Establishment.--The Delayed Payment Plan Program Fund is
7 established within the State Treasury from which income share
8 agreement money shall be disbursed to program administrators
9 through the agency. Expenditures from the fund may be used only
10 for the program. Administrative costs for the program may not
11 exceed \$400,000 in the first year of the program or \$300,000
12 annually thereafter. Only the agency may authorize expenditures
13 from the fund.

14 (b) Sources of fund.--The fund shall consist of:

15 (1) Grants and contributions from private sources.

16 (2) Appropriations made to the fund by the General
17 Assembly.

18 (3) Money collected under income share agreements.

19 (4) Interest on money deposited into the fund.

20 Section 1906-I. Income share agreement terms.

21 An income share agreement entered into under this article
22 must:

23 (1) Specify the period of repayment, which shall not
24 exceed 10 years and shall commence six months after the later
25 of graduation of the student from:

26 (i) A participating institution upon successful
27 completion of a degree, diploma or certificate program.

28 (ii) A four-year institution of higher education, if
29 the student is admitted to the four-year institution of
30 higher education within six months of completing required

1 coursework, or at the discretion of the agency.

2 (2) Except as provided under paragraph (5), provide that
3 no monthly payment be owed by the student for any period of
4 time during which the student's annual income is equal to or
5 less than \$30,000.

6 (3) Specify the terms and conditions under which the
7 student may extinguish the student's repayment obligation
8 under the agreement before the end of the repayment period.

9 (4) Specify that the student is required to repay a
10 minimum of 2% of future annual income or no less than \$50 per
11 month for 10 years or until the tuition is repaid, whichever
12 occurs first.

13 (5) Provide that a student with an outstanding balance
14 at the end of the 10-year period under paragraph (4) be
15 required to repay the remaining balance plus 3.5% annualized
16 interest on the remaining balance until repaid.

17 (6) Specify a cap on the total amount that a student is
18 required to repay under the agreement, which may not exceed
19 200% of the amount provided to the student under the income
20 share agreement.

21 (7) Specify that a student's obligation under an income
22 share agreement may be forgiven if the student meets either
23 of the following:

24 (i) Is unable to engage in substantial gainful
25 activity by reason of medically determinable physical or
26 mental impairment that:

27 (A) can be expected to result in death;

28 (B) has lasted for a continuous period of not
29 less than 60 months; or

30 (C) can be expected to last for a continuous

1 period of not less than 60 months.

2 (ii) Has been determined by the United States
3 Secretary of Veterans Affairs to be unemployable due to a
4 service-connected disability.

5 (8) Specify that a student's obligation under an income
6 share agreement shall be discharged if the student dies.

7 (9) Specify that an income share agreement is not a debt
8 instrument.

9 (10) Provide that a participating student who does not
10 complete coursework after six years be required to repay the
11 student's outstanding balance with a \$50 per month minimum
12 payment plus 3.5% annualized interest, unless the student
13 meets any of the criteria specified in paragraph (7).

14 Section 1907-I. Notification to student.

15 An income share agreement is not in compliance with this
16 article unless the student, prior to entering into the income
17 share agreement, is provided with written notification that
18 clearly states all of the following:

19 (1) That the income share agreement is not a debt
20 instrument.

21 (2) That the amount the student will be required to pay
22 under the income share agreement may be more or less than the
23 amount provided to the student, but shall not be more than
24 the cap determined under section 1906-I(6).

25 (3) The terms and conditions under which the student may
26 extinguish the student's repayment obligation under the
27 income share agreement before the end of the repayment
28 period.

29 (4) The duration of the student's obligation under the
30 income share agreement.

1 (5) The percentage of the student's future annual income
2 that the student is committing to pay under the income share
3 agreement, as determined under section 1906-I(4) and the
4 minimum amount of annual income that triggers the student's
5 repayment obligation under the income share agreement.

6 (6) The definition of "income" used to calculate the
7 student's repayment obligation.

8 Section 1908-I. Reports.

9 (a) Initial report.--The agency, in consultation with
10 participating institutions, shall submit a report to the
11 Appropriations Committee of the Senate, the Appropriations
12 Committee of the House of Representatives, the Education
13 Committee of the Senate and the Education Committee of the House
14 of Representatives no later than March 1, 2027. The report shall
15 include, but not be limited to:

16 (1) The number of students, by credit level, who have
17 entered into an income share agreement with a participating
18 institution.

19 (2) The average amount of money provided to students
20 under income share agreements.

21 (3) A complete count, by course of study, of all
22 students who have entered into an income share agreement with
23 a participating institution.

24 (b) Further report.--The agency, in consultation with
25 participating institutions and the department, shall submit a
26 report to the Appropriations Committee of the Senate, the
27 Appropriations Committee of the House of Representatives, the
28 Education Committee of the Senate and the Education Committee of
29 the House of Representatives no later than March 1, 2030. The
30 report shall include, but not be limited to:

1 (1) The number of students, by credit level, who have
2 entered into an income share agreement with the participating
3 institutions.

4 (2) The number of graduates who entered into an income
5 share agreement with participating institutions, the average
6 and range of annual incomes of those graduates and the
7 average and range of the monthly payments under income share
8 agreements.

9 (3) The balance of the fund.

10 Section 2. This act shall take effect in 60 days.