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Testimony of Tracy Gibbs, SEDR
In Opposition of HB 2304, The Tax Credits for Tuition Bill
Before the House Higher Education and Workforce Development Committee
February 8, 2013

Thank you for this opportunity to testify in opposition to HB 2304. My name is Tracy Gibbs and as a current Portland State University student, I wanted to lend a voice to the pressing need for funding for public higher education. I applaud the legislature's commitment to examining this issue. There is near-total agreement that Oregon higher education funding needs to be a top priority. However, HB 2304 needs to be reexamined.

The assumption that all college students will have earned taxable liability is highly questionable. At best, most college students will have a part-time job. Even after college, post-graduates will most likely be non-refundable and low wage income earners who likely won't have tax liabilities. For all the years in have been in college, I (like many of my friends) have had a part-time job the entire time. I have also not had a tax liability. Under the conditions of the proposal, my friends and I would not be eligible for the tax credit. This tax credit disqualifies students like me who have to work, not only for tuition, but also for the cost of living, since few of them are likely to get through even in 3 or 5 years.

The potentiality of two tax credits of \$125 (for a community college student) or four tax credits of \$250 for a graduate of a four year institution is very unlikely to provide motivation—particularly now when many us students know we will be really lucky to get a job that will provide us with a tax liability upon graduation. Education tax credits can help offset those costs; however these costs have been driven so high that the legislature needs re-support higher education, for all Oregon students. To give a picture of how diminutive the tax credit would help cover the cost of college, my last tuition bill was \$1,807.00 dollars with extra 427.00 in student fees, degree application fee, and books, and I'm signed up for only 10 hours (part-time status) of credit this term. This proposed tax credit would only cover just fewer than 15 percent of my current tuition bill.

This proposal also ignores the fact that most students don't know about many of the current tax credits available. The tax credits are a nebulous and intricate system that most post graduates can't even understand. I work at the Portland Art Museum, and as a part of my job I have to soft sell our memberships to patrons. Being a member of the museum, a 501c3 non-profit, more than half of the patrons that come in don't even know that they can get a tax deduction from being members. I can't even imagine that the average patron would fully know all of the tax credits that are available. Let alone all of the new IRS tax credits available. This proposal would be a very narrow and obscure non-refundable tax credit that would require a new set of rules to be written, revenue agents and tax preparers to be trained—all for an unproven stimulus. While a largely underfunded and well known program is just waiting for more funding, and that is the Oregon Opportunity Grant.

As it stands right now, the OOG is woefully inadequate; it is available to only 25 percent of those who need grants and only cover no more than \$2,000 toward one year's education. Therefore, I urge the committee to reconsider HB 2304. If you've have extra money to spend, give to the Oregon Opportunity Grant or fund the higher education system so that all of Oregon's students can get the quality education that they deserve.

I would like to thank the committee for allowing me to speak.