

Testimony of Sami Alloy  
Before the House Committee on Higher Education and Workforce Development  
April 3rd, 2013  
RE: HB 2838

Chair Dembrow, Vice-chairs Huffman and Harker, members of the committee, thank you for having me. For the record, my name is Sami Alloy. I am here on behalf of Oregon Working Families, and I'm also here as a recent graduate of Portland State University who cares about affordability and access to our state's excellent public higher education system.

I received my BA from PSU in 2011, and despite receiving a scholarship, the Pell grant, and the Oregon Opportunity Grant, I graduated with \$18,000 in student debt. This is well below the statewide average, which is now more than \$25,000, but I can assure you, it feels like plenty to me. My debt is a psychological and financial burden. It prevents me from saving for retirement, making investments, visiting my parents, and a host of other financial decisions. But, I still think that getting an education was one of the best decisions that I've ever made. That's why I want to ensure that all students have access to a higher education who want one.

Oregon Working Families was a community partner for the PSU Senior Capstone class that helped create this bill. Through the capstone, I've been working with the brilliant and dedicated PSU students who you heard from at the first public hearing for this bill. I won't rehash their testimony, so I'll just reiterate that this is an issue that students are deeply invested in.

I've brought a petition in support of Pay It Forward that has been signed by over 4,000 Oregonians. Student debt is an issue that a lot of people across the state care about. This is no longer an issue that only affects the young. According to a report by the National Association of Consumer Bankruptcy Attorneys, student loans to parents have increased by 75% since 2005. Nationally, the average debt per family is \$34,000, which, over a standard 10 year repayment plan becomes \$50,000. This is an inaccessible price to pay for Oregon working and middle class families.

Pay It Forward makes it possible to graduate without debt. Unlike the federal Income Based Repayment program, students would not graduate with debt on their credit report as they enter an uncertain job market. Having a high debt load hampers graduates' access to equity, which causes young people to delay investment decisions like buying a home or starting a small business. It makes them less able to spend money in our local economy, and it makes people afraid make investment risks which are critical to innovation and job creation.

While Pay It Forward is not a one-stop solution for all of the problems facing public higher education, it would be a critical step toward making public higher education more accessible and affordable for students. Together with continued investment by the legislature, Pay It Forward would create a stable and growing funding stream for our public institutions over the long term.

This idea is very new, and we all have questions about how it would work, but clearly, our public higher education system needs bold ideas if we are to meet our 40-40-20 goals. This idea, as well as others, such as the Treasurer's plan deserve further exploration. We also support the OCCA's concern that an institution be able to opt into hosting a pilot program. There are numerous ways that a task force could implement a Pay It Forward pilot program, and I will leave it up to them to determine the best way to do so.

Thanks again for hearing my remarks, and I am willing to answer any questions.