

House Higher Education Committee on HB 2838 - Pay It Forward
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Members of the committee, for the record my name is Wim Wiewel, I am president of Portland State University and I am pleased to be here today to testify in support of HB 2838.

This bill is important to Portland State, not just because Pay It Forward could have a profound effect on how Oregon students pay for their college education but because its origins can be traced to the hard work of PSU faculty members Mary King and Barbara Dudley and a creative group of students enrolled in their senior Capstone course, "Student Debt, Economics, Policy and Advocacy." In PSU's Capstone courses students from a variety of majors and backgrounds work as a team, pooling resources, and collaborating with faculty and community leaders to understand and help solve some of the real problems of our community. Pay It Forward is an excellent example of this engaged scholarship in action.

Pay It Forward is also an intriguing idea because it addresses a problem that threatens the affordability and accessibility of a college education; student debt, which has - according to a 2013 study by the Federal Reserve - reached crisis proportions.

- This Federal Reserve study estimates that although the national average for all students is \$24,300, nearly 18 percent of borrowers now have student loan debts of \$25,000 to \$50,000, and nearly 4 percent have balances greater than \$100,000.
- Between 2004 and 2012 student debt almost tripled and is now approaching \$1 trillion dollars. It was the only type of household debt that continued to rise through the Great Recession and is now the second largest source of debt, after mortgage debt.
- The report also confirms the student debt crisis has its roots in state cuts to public colleges and universities that began in the 1980s. By reducing support to the institutions that educate nearly 70

Oregon. I also agree that *now* is the perfect time to convene a legislative funding and affordability taskforce with representation from the public, community colleges, universities, legislators, the unions, faculty members and students to do a comprehensive study of the many student aid ideas being proposed. While this taskforce should certainly study Pay It Forward, it should also consider Treasurer Wheeler's proposal as well as other proposals that address this charge. However, if the legislature's goal is to truly make Oregon's colleges and universities more affordable and accessible, there should be no illusion that any *one* of these proposals *by themselves* can do so. Therefore the charge of this taskforce should be expanded to include a deep analysis of *all* the financial issues affecting the affordability of our universities.

In conclusion, let me reiterate that we already know student success is highly correlated with affordability, especially at a university with an access mission, like Portland State. We also know that programs like Pay It Forward, with further study, may provide our students with some of the debt relief they need to attend university. But while reducing student debt is important to student success, addressing this problem while ignoring our more basic funding challenges will not solve the access and affordability issues we must solve today - if we are to achieve our 40-40-20 goals - tomorrow.

Thank you again to members of the Higher Education Committee for the opportunity to testify here today. I am happy to answer your questions at this time.