
From: Bob Sowdon <sowdon.bob@gmail.com>
Sent: Friday, June 07, 2013 11:17 PM
To: Eric Sorenson; Rep Komp; Rep Frederick; Rep Sprenger; Sen Edwards C; Sen Girod; Sen Monroe
Cc: Rep Hanna; Sen Prozanski
Subject: HB 3472 A Pay Forward, Pay back

Please make my testimony public record.

Joint Committee On Ways and Means SubCommittee On Education

Members of the committee,

I oppose the Pay Forward, Pay back proposal.

Milton Friedman wrote about similar concepts in the 1950s, "He suggested the government should provide people with money for college, and then charge them a percentage of their income later,"

University of California, considered a similar proposal, It functions essentially like Social Security, in that the earnings of graduates would cover the tuition costs of the next generation. We know how well that has worked for Social Security. Something similar to a baby boom would put the taxpayer at risk!

There are many problems when you make Oregon the lender with no guarantee of a payback, the Federal Government has already taken over the student loan program from private enterprise, why put Oregonians at further risk.

Consider part 3(b) above: (b)" Provide that, in lieu of paying tuition or fees, students must sign binding contracts to pay to the State of Oregon or the institution a certain percentage of the student's annual adjusted gross income upon graduation from the institution for a specified number of years. Implies that the students' repayment schedule may be based on his/her ability to pay down the loan based on income. So no guarantee of a payback, considering that many students will work for non-profits or get those high paying jobs, which will affect the program to be able to sustain itself. Making the university the lender and the "banker" for financing higher education tuition and costs.

Will greatly increase the bureaucracy necessary to oversee this program.

Please consider opposing the Pay Forward, Pay Back, keep Oregon taxpayers out of the lending business!

Thank you,

Bob Sowdon
Cottage Grove