

February 25 2013

Re: HB 2838, "Pay Forward, Pay Back" pilot program

Committee on Higher Education and Workforce Development
Rep. Michael Dembrow, Chair
Chris Harker, Vice-Chair
John Huffman, Vice-Chair
Other Committee Members
Oregon State Legislature
900 Court St. NE, H-487
Salem, OR 97301

Dear Reps. Dembrow, Harker, Huffman and other Members,

When Mary learned that she would get \$800 back as her tax refund, she had mixed feelings. As a single mother who had just lost her job, she needed that money to pay the rent, but her worry was that Sallie Mae would garnish her tax return because she was behind on payments on her student loans, which are over \$40,000. She had no idea what to do. When she came to see me she was in tears. She felt her dream of owning a home of her own for her and her son would never come true. *What should I tell her?*

Innovative Changes is a nonprofit that provides financial education, coaching, small dollar loans and savings opportunities to people of low income in Oregon. Every day we work with people who are paralyzed by extremely high student debt loads. They are overwhelmed and have no idea where to turn. All too often they feel taken advantage of by a system that is suppose to help people move up the ladder to middle class. Instead, they are dragged down by a funding structure for higher education that makes no sense.

This is a letter of strong support for passage of House Bill 2838 that directs Oregon Education Investment Board, Oregon University System and Department of Community Colleges and Workforce Development to implement a pilot program to replace the current system of tuition and fees required to attend institutions of higher education and replace it with "Pay Forward, Pay Back". We can lead the nation in implementing the right solution to unsustainable student debt, hardship, and lack of opportunity that now grips people like Mary across Oregon and the nation.

The "Pay Forward, Pay Back" plan is practical and do-able. It will attract investors and it will stabilize funding for community colleges, colleges and universities over time. It's time to break the debt cycle and fund higher education as a public good. I urge you to enthusiastically commit to passage of HB 2838 to pursue a full-blown "Pay Forward, Pay Back" plan that will be implemented as a pilot program in Oregon.

Sincerely yours,

Nancy Yuill
Executive Director
Innovative Changes