

HOUSE AMENDMENTS TO HOUSE BILL 3472

By COMMITTEE ON HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

April 18

1 After line 2 of the printed bill, insert:

2 “Whereas the Legislative Assembly recognizes that post-secondary education has expanded op-
3 portunities for Oregonians to qualify for high-quality jobs and entry into the middle class, providing
4 clear benefits to this state’s economy; and

5 “Whereas Oregon ranks 42nd in the United States in terms of state appropriations for higher
6 education, with public investment in higher education in this state decreasing over the past decade
7 from its peak of \$856 million in the 2000-2001 academic year to \$626.9 million in the 2010-2011 aca-
8 demic year, a 27 percent decline; and

9 “Whereas in response to decreased state support, over the past two decades annual tuition and
10 fees in this state have risen by nearly \$4,100, or 133 percent, at public four-year institutions of
11 higher education and by more than \$1,900, or 150 percent, at public two-year institutions of higher
12 education; and

13 “Whereas tuition at Oregon’s public institutions of higher education has been rising far more
14 rapidly than family incomes, with tuition, fees and room and board at public four-year institutions
15 of higher education in Oregon rising from 18 percent of median household income in the 1990-1991
16 academic year to nearly 31 percent of median household income in the 2009-2010 academic year; and

17 “Whereas with college costs rising beyond the reach of many Oregonians, financial aid programs
18 are inadequate to reach all students with financial need, with state grants of financial aid cut by
19 75 percent in the 2010-2011 academic year to \$19.3 million, providing aid to just eight percent of all
20 Oregon students; and

21 “Whereas the increasing unaffordability of a college education has forced students to borrow
22 more money to pay for higher education, causing 60 percent of students graduating from public
23 four-year institutions of higher education in Oregon in 2010 to be left with student debt averaging
24 \$24,626, a 50 percent increase from the average student debt of \$16,361 that was owed by students
25 graduating from Oregon’s public four-year institutions of higher education just seven years earlier;
26 and

27 “Whereas high levels of student debt are damaging not only to the individual student’s ability
28 to succeed financially but also will have grave consequences for the future economy of this state;
29 and

30 “Whereas the Legislative Assembly now finds that it must halt the decrease in this state’s sup-
31 port for public education and, over time, must increase its contribution to the funding of higher
32 education; and

33 “Whereas the Legislative Assembly finds that it must immediately seek another approach to fi-
34 nancing the students’ share of the cost of public higher education in this state that will not result
35 in students graduating from Oregon’s public colleges and universities burdened with debt; and

1 “Whereas there is growing interest in a new financing strategy known as Pay Forward, Pay
2 Back; and

3 “Whereas the Legislative Assembly recognizes that it is in this state’s interest to study and re-
4 commend a potential Pay Forward, Pay Back program; now, therefore,”.

5 After line 3, insert:

6 **“SECTION 1. (1) The Higher Education Coordinating Commission, Oregon Student Access
7 Commission, Oregon University System and Department of Community Colleges and
8 Workforce Development shall jointly create a proposed pilot program called Pay Forward,
9 Pay Back. The pilot program shall be designed to replace the current system of charging
10 students tuition and fees for enrollment at public institutions of higher education. The pro-
11 posal shall identify one or more public institutions of higher education to participate in the
12 pilot program.**

13 **“(2) The proposed pilot program shall be submitted to the Seventy-eighth Legislative
14 Assembly for approval.**

15 **“(3) The pilot program shall:**

16 **“(a) Allow students who are residents of this state, as defined by the institution, and who
17 qualify for admission to the institution to enroll in the institution without paying tuition or
18 fees.**

19 **“(b) Provide that, in lieu of paying tuition or fees, students must sign binding contracts
20 to pay to the State of Oregon or the institution a certain percentage of the student’s annual
21 adjusted gross income upon graduation from the institution for a specified number of years.**

22 **“(4) The pilot program may vary by institution depending on:**

23 **“(a) The total cost of education at the institution.**

24 **“(b) The portion of the cost that is paid by the State of Oregon.**

25 **“(c) The number of years specified in the contract.**

26 **“(d) The percentage of annual adjusted gross income specified in the contract.**

27 **“(5) The proposal shall specify the number of years and the percentage of annual adjusted
28 gross income for contracts at each participating institution and base the specifications on
29 research to date.**

30 **“(6) The proposal shall establish an immediate funding source for the first 15 to 20 years
31 of the pilot program and must include the establishment of a revolving fund to deposit pay-
32 ments made under the pilot program.**

33 **“SECTION 2. Section 1 of this 2013 Act is repealed on June 30, 2015.”.**

34 In line 4, delete “1” and insert “3”.

35 In line 15, delete “2” and insert “4”.