

**PROPOSED AMENDMENTS TO
HOUSE BILL 3472**

1 After line 2 of the printed bill, insert:

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

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

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

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

22 “Whereas with college costs rising beyond the reach of many Oregonians,

1 financial aid programs are inadequate to reach all students with financial
2 need, with state grants of financial aid cut by 75 percent in the 2010-2011
3 academic year to \$19.3 million, providing aid to just eight percent of all
4 Oregon students; and

5 “Whereas the increasing unaffordability of a college education has forced
6 students to borrow more money to pay for higher education, causing 60 per-
7 cent of students graduating from public four-year institutions of higher edu-
8 cation in Oregon in 2010 to be left with student debt averaging \$24,626, a 50
9 percent increase from the average student debt of \$16,361 that was owed by
10 students graduating from Oregon’s public four-year institutions of higher
11 education just seven years earlier; and

12 “Whereas high levels of student debt are damaging not only to the indi-
13 vidual student’s ability to succeed financially but also will have grave con-
14 sequences for the future economy of this state; and

15 “Whereas the Legislative Assembly now finds that it must halt the de-
16 crease in this state’s support for public education and, over time, must in-
17 crease its contribution to the funding of higher education; and

18 “Whereas the Legislative Assembly finds that it must immediately seek
19 another approach to financing the students’ share of the cost of public higher
20 education in this state that will not result in students graduating from
21 Oregon’s public colleges and universities burdened with debt; and

22 “Whereas there is growing interest in a new financing strategy known
23 as ‘Pay Forward, Pay Back’; and

24 “Whereas the Legislative Assembly recognizes that it is in this state’s
25 interest to study and recommend a potential Pay Forward, Pay Back pro-
26 gram; now, therefore,”.

27 After line 3, insert:

28 **“SECTION 1. (1) The Higher Education Coordinating Commission,**
29 **Oregon Student Access Commission, Oregon University System and**
30 **Department of Community Colleges and Workforce Development shall**

1 jointly create a proposed pilot program called ‘Pay Forward, Pay
2 Back.’ The pilot program shall be designed to replace the current
3 system of charging students tuition and fees for enrollment at public
4 institutions of higher education. The proposal shall identify one or
5 more public institutions of higher education to participate in the pilot
6 program.

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

9 “(3) The pilot program shall:

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

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

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

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

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

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

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

23 “(5) The proposal shall specify the number of years and the per-
24 centage of annual adjusted gross income for contracts at each partic-
25 ipating institution and base the specifications on research to date.

26 “(6) The proposal shall establish an immediate funding source for
27 the first 15 to 20 years of the pilot program and must include the es-
28 tablishment of a revolving fund to deposit payments made under the
29 pilot program.

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

1 **2015.”.**

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

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

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