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Chair Holvey and Members of the Committee,

House Bill 4102-A provides an important first step and the start of a larger conversation to provide students with cost-free, transparent and accessible financial aid disbursement options. Our ideal is for students to receive their financial aid disbursement quickly and without any fees charged to their accounts. We also recognize that HB4102-A does not fully achieve this and represents a quality compromise between students, institutions and third-party firms targeting the most significant challenges students are facing with third-party financial aid disbursement.

We, students, want to provide clarity on the issues related to this bill and urge a 'do pass' recommendation to the House Floor. The following are questions from this committee and our response to them:

Is it more desirable to maintain the debit swipe fee or to remove it triggering the third-party firms to charge institutions a higher service fee and will pass the cost to students in the form of tuition?

With this question we are asked to choose between the lesser of two evils. Do we charge this fee to low-income students utilizing financial aid or do we spread the cost among all students through a minor tuition increase? In this case we choose to spread the cost among all students to avoid targeting the neediest students in Oregon. That said, neither are positive options for students, as we believe students should not be charged to access their financial aid funds. I will also ask the committee to consider how many banks or credit unions, in the free market, charge their clients a fee on a debit card transaction.

Isn't Higher One a viable option for students without bank accounts?

Yes. We do not deny the need for a small population of students on our campuses to have an account for their financial aid disbursement to be deposited in. This was never a question that we denied the viability of. With this bill, students are asking for a financial aid disbursement system that is transparent and accessible to them. The problem is not having an account or debit card, the problem is with the fees associated and how information about the fees is produced to students.

Do students prefer to return to paper checks over a debit card form of disbursement?

No. Students need a financial aid disbursement system that makes their aid available quickly and is accessible to them. Again, the focus of this conversation needs to be on transparency and accessibility of financial aid. We have seen the debit swipe fee negotiated out of contracts at Portland State and Southern Oregon University, without inhibiting the ability of the institution to contract with Higher One. Passing HB4102-A will not create an inhibition that prevents institutions from contracting with third-party firms.

Significant compromises have been made on this bill and students are satisfied with the current language. We are again asking this body to prioritize the needs of Oregon students as they relate to third-party financial aid disbursement and request a 'do pass' recommendation from this committee.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Noll', is written over a white background.

Eric Noll
Chair, OSA Board of Directors