

Testimony in Support of HB 3324

Respectfully submitted by Joe Baessler, Political Director Oregon AFSCME

Chair Read, members of the Higher Education, Innovation and Workforce Development Committee my name is Joe Baessler and I work for Oregon AFSCME. Oregon AFSCME represents over 24,000 members in the State of Oregon and all of our members are concerned about the growing inequities in income and savings in Oregon. Higher education debt is a huge part of this growing inequity. We have been under funding higher education for years in the state of Oregon and this has forced the Universities and Community Colleges to raise tuition. Students are then forced to take out more and more in loans to make up the difference. This debt seems far away in students mind and their current educational needs outweigh the cost down the road. This makes perfect sense to our members who are saddled with higher education debt. The problems are in the long term effects of this debt. Those scholars who take out loans are now spending their income to pay them back loans and not saving that money. Young people today are unable to buy a home without taking on even more debt because they cannot save for a down payment. These Oregonians are spending their income on college debt and not saving for retirement and therefor will have far less money when they retire. Having hundreds of thousands of citizens retiring into poverty is something that we at Oregon AFSCME are very concerned about. Finally those that have crushing student debt will be unable to save for their children's education and this will make the vicious cycle complete and guarantee that the next generation will have a similar fate. We have to find a way to break this cycle.

We believe there are several possible solutions to this problem. All of them are however, partial steps. We strongly believe that we should increase finding for higher education so that tuitions can be lowered. This will help break the cycle but we also need to address those that are suffering from debt right now. We also believe that working to help Oregonians save for retirement is an important piece of the puzzle. However we must address the problem for those that are suffering from higher education debt right now. HB 3324 is a good way to work on this problem. Capping the mortgage interest deduction on home above a certain value is an excellent way to control student debt. It sets up a process where those that can afford it can offset this horrible debt. We need both long term and short solutions and we believe this bill is an important part of that solution. Please support HB 3324 and help curve student debt.