



Testimony on House Bill 2929
House Higher Education and Workforce Development Committee
March 28, 2017

Chair Reardon, Vice-Chairs Whisnant and Alonso León, and members of the Committee. My name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission. Thank you for the opportunity to provide comment on House Bill 2929.

As proposed, HB 2929 directs the Commission to establish a loan-counseling program for Oregon residents who use student loans to pay for college. The bill also requires HECC to establish and monitor a certification program for employers who provide loan repayment assistance to employees.

The Oregon Student Assistance Commission (OSAC), now the HECC's Office of Student Access and Completion (with the same acronym), was the state's designated guarantee agency for federal student loans under the Federal Family Education Loan Program. However, in 2005, OSAC ended its participation in federal student loan programs. Since that time, HECC-OSAC's only participation in student loans has been in administering several small loan repayment programs and servicing accounts for several students with outstanding balances on very old loan programs from the 1990s. As such, HECC-OSAC has no remaining infrastructure to support a loan program or a loan counseling service.

HECC also has no current access to any borrower information related to federal or private student loans, so it would be a complicated and potentially expensive process for HECC to collect such information timely from schools or to contract with the National Student Clearinghouse to receive such information. At this time, it is uncertain if HECC could receive NCS data without a valid federal purpose for doing so.

For these reasons, the scope and cost of the proposed program is difficult to project. Moreover, since any supplemental counseling program must be voluntary, the number of Oregon residents entering repayment on their student loans who might take advantage of such a program is unknown.

HECC has no staff with expertise in student loan counseling, so there may be considerable expense required to hire experienced staff or train new staff. The loan counseling program would require HECC to build a comprehensive online system that includes all current federal student loan programs and provisions or to search for a vendor that provides such a service. This too could require extensive development for online systems and publications.

Similarly, as it relates to Section 11 of the bill, HECC has limited expertise in monitoring and certifying employer tax credit programs. Given the number of Oregon residents who have outstanding student loans, it would be difficult to forecast the scale of an employer tax credit program or the number of staff members who would be needed to monitor participant certification. It is also unclear in the legislation whether the role of the HECC is to certify the employer to make payments that are creditable against tax liability, or to certify the payments themselves.

I appreciate your time and attention to this testimony. Please do not hesitate to contact me with further questions.