

MARK HASS
STATE SENATOR
DISTRICT 14



COMMITTEES:
Finance and Revenue, Chair
Education
General Government and Accountability
Conduct
Joint Student Success
Joint Tax Credits

OREGON STATE SENATE

Chair Reardon and Committee:

For the record, I am Sen. Mark Hass representing Beaverton and Aloha in Washington County. I am testifying in support of SB 1554-A.

The goal here is to help lower-income families save for college by removing the barriers those folks face when they place funds in 529 accounts like the Oregon College Savings Plan. Under current law, families may be in danger of losing public benefits if they place even a modest amount in those accounts. Just the fear of which may at least discourage some families from even considering using these accounts.

However, it is obvious we need to do more to ensure every Oregonian has one of those accounts. The benefits of them are clear. A student more is likely to expect that she will pursue some sort of postsecondary education simply because she has funds in one. The same is true for that student's parents and when parents expect their child to go to college that child often goes to college. Other benefits of using these accounts to save for college include improved K-12 academic performance, increased postsecondary education completion, and increased asset attainment after college. I imagine the benefits are even greater for lower-income students.

SB 1554 helps remove the barriers discussed above by excluding funds saved in one's Oregon College Savings Plan account from asset tests for various public benefits. Federal law already excludes savings in these accounts from affecting one's eligibility for SNAP benefits. SB 1554 simply changes Oregon law so that those same savings do not affect one's eligibility for TANF, housing assistance, and most other state provided benefits.

The bill, however, does not also apply to asset tests for state financial aid programs like the Oregon Opportunity Grant and the Oregon Promise. That means some families may not open one of these accounts out of fear that it may disqualify them from those benefits.

To fix this, SB 1554 also tasks the Higher Education Coordinating Commission (HECC) to study the effect of excluding funds in these accounts on asset tests for state financial aid programs. HECC must also study policies the state could implement to encourage lower-income families to use these accounts at a higher rate. A report on HECC's findings must be given to the Legislature by December 1, 2018 so we can draft legislation to fix this in advance of the 2019 Legislative session.

I respectfully ask for a "do pass" recommendation to the Floor of the Oregon State House of Representatives. Thank you.