



OREGON HOUSE OF REPRESENTATIVES

Testimony in support of SB 610

April 4, 2023

Thank you Chair Lively, Vice Chairs McIntire and Ruiz, and members of the committee,

My name is Farrah Chaichi and I am the Representative from District 35, which includes Beaverton and Aloha. I'm here today to urge your support for House Bill 3499, which would make higher education free at the point of service for Oregonians attending a public college or university.

It can hardly be said enough how important higher education is in our modern times, but I hope you'll allow me to briefly try. We know that higher levels of formal education have a strong correlation to higher incomes and better quality of life. Higher incomes directly lead to greater tax revenue for the state. Additionally, a better quality of life has a strong correlation to lower crime, and less need for government programs. There are even more indirect benefits to a better educated citizenry, like a more secure democracy, improved scientific and technological advancement, and other innumerable economic benefits. But I did say I would try to be brief.

Though the benefits of higher education are well known, I think it is also important to address the urgent need for higher education. In the 1909-10 school year, only 3% of 18- to 24-year-olds in the US (355,000) were enrolled in higher education, according to the National Bureau of Economic Research. By 2012, those numbers climbed to 41% (31.4 million).

When most public universities were founded in this nation, more than 150 years ago, they were usually free to attend, but over time that changed. For example, when the University of California system was created in 1868, it was free to attend. No fees, no tuition. The same was true of California's community college system which came a few decades later.

In 1950, more than two thirds of California's public university system was funded from the state alone. There was no tuition, and fees made up less than 10% of funding, but in 1960, that began to change with the allowance of greater mandatory "fees". Shortly after being elected Governor of California in 1966, Ronald Reagan proposed a tuition for the state's university system. This proposal was met with strong opposition from students and faculty, but



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the state continued down a path of shifting the cost of higher education away from government sources and onto students.

By 2000, state funding accounted for only one third of UC's budget. By 2014, state funding for the UC system accounted for less than 10% of its budget, and tuition and fees now account for more than half of UC's "core funding". I use California's public universities as an example not only because it is the most populated state in the US, and therefore has some of the most extensive research and reporting, but because its story is a common one repeated in states all across the nation, including our own.

Currently, our state ranks 45th among states for per-student state funding of public universities, and we spend less than half the national average on financial aid. In 1990, Oregon paid more than 60% of the cost of our public universities, and students paid for less than 30%, but in 2021 those roles were reversed. Now students pay for more than 65% of the total costs, and the state is covering less than 27%. Under the current proposed budget that trend would continue with students accounting for more than 68%, and the state less than 24%.

I hear often in this building that folks are concerned with whether or not legislation we pass signals that Oregon is "open for business". Investing in our workforce through education is one of the best ways to attract and retain businesses to Oregon. A highly skilled and educated workforce also means more opportunities for people to start their own businesses, become entrepreneurs, and philanthropists. Investing in our children and grandchildren now will yield immeasurable returns. Their higher incomes will generate increased tax revenue for our state. Their better educated minds will generate more arts, culture and scientific research, which means more commerce, more enterprise, and more industrial innovation. They will have a better chance at success in their careers, fulfillment in their lives, and they'll be more competitive in our global labor market. Investing in college and university now will make our future brighter and more hopeful. College and university should be for everyone who wants to attend, not just those who can afford to pay, or afford to risk their future pay

The US already has experience with higher education that is free at the point of service. In the early days the GI Bill paid for 2.2 million US residents to earn a college education, and another 5.6 million to receive vocational training (that included veterans, servicemen and women, and their spouses). In 1947, nearly half of all students in the US were using the GI Bill.



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An estimated 40% of those students would not have been able to attend college otherwise. GI Bill recipients generated an extra \$35.6 billion of income over 35 years and an extra \$12.8 billion in tax revenue, resulting in a return of \$6.90 for every dollar spent. This investment in our future helped kickoff one of the most prosperous times in our nation's history.

Today the cost of higher education is one of the largest expenses families have, particularly in Oregon. Instead of investing in our colleges and universities, we've expanded our prisons and jails. It doesn't have to be this way. Making higher education free at the point of service will not only reduce student debt and boost our state economy, it will improve the lives of our residents. Too many potential students are kept from earning a college degree by its high cost, and this lack of opportunity creates despair. Not everyone can afford to risk going into debt, when being able to find and maintain employment, and being able to repay those loans is not guaranteed. Student debt can lead to bankruptcy, eviction, and being unable to support one's family. The fear of student debt, largely driven by the horror stories of their peers, keeps many potential students from attending a college or university.

This bill would only make Oregon's public colleges and universities free at the point of service for Oregon residents, meaning that to qualify, a person must reside in Oregon for at least 12 consecutive months and demonstrate an intent to reside in Oregon. This bill would also only apply to students enrolled in a degree program who are earning their first undergraduate and/or graduate degree. Guaranteeing that every resident can earn a degree is one the best ways to increase equality in our state, especially for Oregon's long marginalized BIPOC and immigrant communities. Many studies have shown that a higher level of education is not just the best way to escape generational poverty, but oftentimes it is the only way. If we are committed to honoring the potential of every young mind to achieve something magnificent, if we are committed to providing equal opportunities for all our state's residents to succeed, if we are committed to a prosperous future based on merit and equality, we must eliminate all barriers to education, like its cost.

This bill also will study bringing our public universities and colleges back under the centralized oversight of HECC. When Oregon decided to decentralize its university system, the results were immediate and far-reaching. Some universities are still paying for the consequences. Prior to 2013's decentralization, Oregon's public universities were required to share resources with each other. After decentralization, there were massive budget shortfalls,



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particularly for the regional universities, because the resource sharing stopped. There used to be limits to how much debt a university could incur, and how much they could pay their employees. In short, there was oversight that kept our public universities from being run like businesses. Since decentralization, our public universities have had to focus on raising revenue and fending for themselves. Our public universities have more flexibility when it comes to tuition and fee increases, and administrator pay, but this flexibility hasn't generally resulted in better outcomes for our students.

As of last year, more than 60% of US residents support making public four-year institutions cost-free. Not just tuition-free, but entirely cost free, just like K-12 education. If we are to live up to our stated values of liberty and justice, equality and solidarity, Oregon must take this necessary and popular step, to pass HB 3499, making higher education available to all Oregonians, not just those who can afford it. Investing in students' education today will give us the best payoff imaginable: a well-educated populace.

Respectfully,

Representative Farrah Chaichi
House District 35,
Beaverton & Aloha