Portland State Convenes “Debt to Degree” Town Hall Meeting
23 October 2013
8 a.m. to 1:30 p.m.
Smith Memorial Student Union, Room 355 (1825 SW Broadway)

Portland State hosted a town hall meeting to discuss and develop an action plan in response to rising college costs and student debt. It included two keynote speakers, a student question and answer panel, audience surveys and a workshop for Oregon students and families on how to pay for college.

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Section I: Order of Events

8:30 a.m.
Opening remarks from President Wim Wiewel
Tracy Barry of KGW News welcomes keynote speaker, Mark Kantrowitz,

8:50 a.m.
Keynote with Mark Kantrowtiz

9:30 a.m.
Tracy introduces student panel: Dayalo Bennette (PSU Junior) Nina Nguyen (OSU student) Rayleen McMillan (PSU Junior)
Interactive discussion with students

10:30 a.m.
Tracy asks clicker questions (see results in Section III)

10:45 a.m.
Tracy welcomes second keynote speaker, Rohit Chopra

11:15 a.m.
Tracy transitions audience into four breakout discussion groups (See results in Section IV)

Breakout leaders:
"Administration" led by Jackie Balzer, PSU Vice President for Enrollment Management and Student Affairs

"Students" led by Emma Kallaway, Executive Director of the Oregon Student Association and Rayleen McMillan, Director of University Affairs ASPSU

"State" led by Mary King, Portland State University Professor and Debbie Koreski, PSU Director of State Government Relations

"Federal" led by Ryan Mann, Field Representative Office of Congresswoman Suzanne Bonamici and Mary Moller, PSU Director of Local and Federal Government Relations

11:50 a.m.
Each team presents 3 suggestions from their groups

12:20 p.m.
Tracy’s concluding remarks

12:30 p.m.
Workshop with Phillip Rodgers, Financial Aid Director at PSU assisted by the
Oregon University System and Portland Community College
Section II: Speaker Bios

Host Tracy Barry:

Tracy Barry can be seen weeknights anchoring KGW NewsChannel 8. Tracy joined NewsChannel 8 in 1985. Her prior experience includes work as an anchor and reporter at KATU-TV (ABC) in Portland; at KSTW-TV (UPN) in Tacoma, Washington; at KTVB-TV (NBC) in Boise, Idaho; and at KPVI-TV (NBC) in Pocatello, Idaho. A 1977 graduate of Washington State University, Barry earned a Bachelor of Arts from the Edward R. Murrow School of Communications.

Tracy is the recipient of numerous awards for her anchoring and reporting. In 2009 she was honored as one of the most respected journalists in the Northwest with induction into the Northwest Regional Emmy's Silver Circle. In 2011, Tracy was honored to be inducted into the Hall of Achievement by the Edward R. Murrow College of Communication at Washington State University.
Keynote Speaker Mark Kantrowitz:

Mark Kantrowitz is a nationally recognized expert on student financial aid, scholarships and student loans. He is Senior Vice President and Publisher of Edvisors Network. His mission is to deliver practical information, advice and tools to students and their families so they can make informed decisions about planning and paying for college. He was named a “Money Hero” by Money Magazine. He is the author of two bestselling books about scholarships and financial aid, including Secrets to Winning a Scholarship.

Mark serves on the editorial board of the Journal of Student Financial Aid and the editorial advisory board of Bottom Line/Personal (a Boardroom, Inc. publication). He is also a member of the board of trustees of the Center for Excellence in Education and a member of the board of directors of the National Scholarship Providers Association.

Mark is ABD on a PhD in computer science from Carnegie Mellon University (CMU). He has Bachelor of Science degrees in mathematics and philosophy from MIT and a Master of Science degree in computer science from CMU. He is also an alumnus of the Research Science Institute program established by Admiral H. G. Rickover.
Second Keynote Speaker Rohit Chopra:

Rohit Chopra is Student Loan Ombudsman and Assistant Director of the Consumer Financial Protection Bureau, where he leads the agency’s work on behalf of students and young Americans. The treasury secretary appointed Chopra in October 2011 to the ombudsman position created by the Dodd-Frank Act. Before joining the CFPB, he worked at McKinsey & Company. Chopra holds a B.A. from Harvard University and an M.B.A. from the Wharton School at the University of Pennsylvania.
Section III: Clicker Data

Attendees were given clickers to register their response to the questions below. The responses to each question are measured by the bar graph pictured next to each question.

Who are you?

1. Current student
2. Parent
3. Faculty or staff
4. Prospective student
5. Other
For students and prospective students, how much college debt are you looking at upon graduation?

1. None
2. Less than $10,000
3. $10,000 to $25,000
4. $25,000 to $35,000
5. $35,000 to $50,000
6. More than $50,000

How important is cost in deciding where to attend college?

1. The No. 1 consideration
2. Important but not the most important
3. One of several factors to consider along with quality, location, programs.
4. Not a significant factor.
How important are college costs and student debt in determining your career plans?

1. The No. 1 consideration
2. Important but not the most important
3. A short-term consideration but not enough to determine my long-term career plans
4. Not a significant factor

If you have taken or plan to take student loans for college, how informed are you about how much money you will need, when and how you will pay back the loans and other details?

1. Very informed
2. Somewhat informed
3. Uninformed
4. I'll worry about the details after I graduate
5. My parents or someone else is minding the details of my loan
6. I have no loans or don’t intend to take out a loan
The Oregon Legislature passed a bill this year to consider a “Pay it Forward” approach. Instead of taking out loans, students would pay for college by agreeing to pay back their debt to the state over time out of their paychecks once they are working. Your thoughts on this idea?

1. Sign me up
2. It seems like a good idea but how will the state come up with the money to pay for it?
3. This idea sounds good but needs more study
4. Stick with the current system of public and private lending but keep interest rates low
5. No opinion
Section IV: Attendee Workgroup Suggestions

Attendees broke into groups to answer the following question “What can we do to make college more affordable and reduce student debt?” Four different groups, “Administration”, “State”, “Federal” and “Students”, approached this question from their respective viewpoint. At the conclusion, a leader from each group presented three suggestions to the attendees. Notes on these suggestions are below.

Administration

1. Offer early, mandatory and personalized financial literacy coaching and support, to help students make good decisions about loan amounts and types.
2. Streamline and articulate curriculum between and through high school, community college and university degrees and offer proactive mandatory advising to help student stay on track.
3. Universities should do all they can to control costs and create additional programs that help students pay for college. This could include more student jobs, service awards, payment plans, and low cost housing.

State

1. The Oregon Opportunity Initiative will allow bonding to better fund Oregon Opportunity Grants and programs like Pay it Forward. These programs must be maintained by the state. To this end, Oregon needs to restructure the tax system to properly fund public higher education.
2. Additionally, high school education must adequately prepare students for college. A possible 5th and even 6th year of high school and focus on AP classes could help students amass college credits.
3. Lastly, Oregon Opportunity Grants are currently completely inadequate to need. Oregon needs to ensure that Pay it Forward works with OOG and Pell grants.
Federal

1. The government must protect the resources already available to students by re-passing the Higher Education Act. This act establishes funding for Pell grants and Perkins loans, among other things.

2. Increase funding for these same programs. Education is a very small percentage of the federal government’s discretionary budget; even a slight increase in this percentage would help more low-income students qualify for these programs.

3. The FAFSA should offer a better formula for calculating expected contributions. Using financial data from the previous year makes it difficult for students to have their incomes assessed for the year in which they will be attending college. This can be a barrier for first generation or independent students to estimate their budget for the school year and to receive the amount of aid they’re entitled to.

Students

1. Students should advocate for themselves and others, offering students advice about funding education.

2. Simple systems that get the word out about student debt would be beneficial.

3. Universities should lower costs and include students in decisions about spending.
Section V: Policy Implications & Remarks on “Pay it Forward”

The Pay Forward, Pay Back program – or “Pay it Forward” was discussed at length during the “Debt to Degree” meeting as a means of reducing the burden of student debt. This program, developed by PSU students and PSU faculty members Mary King and Barbara Dudley, would allow students to attend an OUS college free of charge in exchange for a percentage of their future earnings. Students would pay roughly 3% of their incomes for a 20-year period toward a revolving fund that would finance future students. At present, a bill (HB 28238) has been proposed to direct the Higher Education Coordinating Commission (HECC) to create a pilot program to study the idea.

As noted in the town hall meeting, there are numerous unanswered questions and conceivable problems associated with Pay it Forward. The first is that the program would only cover tuition and fees. Housing, textbooks and living expenses would still be the responsibility of the student. Those students who might have otherwise been eligible for grants to cover these expenses would most likely have to take out loans to do so under the Pay it Forward regime. Secondly, students who earn more in lucrative fields would end up subsidizing future students to a greater extent than lower earning students. Subsequently, majors in the more profitable STEM fields may resent funding students in less remunerative fields like philosophy and art. High-income students and high future-earners may remove themselves to private universities or out-of-state institutions to correct this imbalance or to avoid the program.

Enforcement of the contract may also be quite difficult. International students and students who move out of state after the completion of their degree may be particularly difficult to collect from. Lastly, there were reportedly some concerns expressed by students that the long terms of the contract represent a form of indentured servitude. Unlike loans, which can be repaid early if the student is in the position to do so, the Pay it Forward program would obligle students to contribute for 20 years.
Even with these obstacles present, attendees agreed that the Pay it Forward program is symbolically important. The consideration of this program by the state legislature marks a possible reassessment by the state of the importance of funding higher education. The last five years has seen Oregon reduce spending per student by 32%. Innovation with regard to lowering students’ debt burden deserves recognition by the state and may contribute to a reconsideration of overall education-funding policy. Furthermore, the student discussion panel revealed that the psychological burden of acquiring so much debt distracts students from focusing their attention on their education. More importantly, the fear of debt creates a barrier to entry for low-income students. The Pay it Forward program could potentially aid this demographic in seriously considering an advanced degree when they might otherwise have rejected the idea due to the immediate, out-of-pocket costs of college.

With regard to higher education policy in general, it is understood that Pay it Forward will not solve the student debt crisis on its own. The state and federal government must make funding higher education a priority. Institutions must work hard to reduce costs and students must learn the basics of personal finance in order to avoid more debt than is necessary.
**Section VI: Additional Resources**

KGW news report about the “Debt to Degree” meeting:


Oregon Live Column on student debt: