



Testimony of  
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Higher Education & Employment Advancement Committee  
February 27, 2014

***HB 5241 An Act Requiring a Study of Pay-It-Forward College Payment Plan***

Good afternoon Senator Cassano, Representative Willis and members of the Higher Education and Employment Advancement Committee. My name is Steve McKeever and I am the First Vice President of AFT Connecticut, a diverse state federation of local unions representing more than 29,000 public and private sector workers, including PreK-12 educators and higher education faculty and staff. It is on their behalf that I testify against HB 5241 as it is currently written.

Last year, the Oregon Legislative Assembly enacted legislation calling for the state's Higher Education Coordinating Commission to consider the creation of a "Pay Forward, Pay Back" pilot program at an unspecified number of public colleges and universities in the state. The pilot was to allow students to pay no up-front tuition cost for admission to the institution and require students to pay a percentage of their annual adjusted gross income upon graduating back to the school over a number of years. The "Pay it Forward" model was originally created by the Economic Opportunity Institute in the state of Washington.

Though AFT Connecticut applauds the innovation behind this approach, we fear that the model itself is deeply flawed and we are concerned about its impact on equity and accessibility to higher education in the following ways:

- Pay it Forward deflects attention from the core problem of long term state disinvestment in higher education by shifting the burden of financing higher education from the state to private individuals. It does nothing to address how college is becoming increasingly unaffordable or to improve existing student loan programs.
- Pay it Forward is not complete solution, as it does not include all higher education costs. Only four years of tuition is covered in the model. Housing, books, fees and other related expenses are not. Students would still be faced with finding a way to pay for a significant part of their college education, while the implementation of Pay it Forward will likely undermine need based financial aid to low-income students.
- There are a number of unanswered questions, such as how the significant initial upfront costs will be met and how will logistical issues be handled such as collecting repayments, including from individuals who leave the state. What is the long term feasibility of this program?

We encourage you to amend HB 5241 to include alternative solutions in the proposed study that are grounded in the following priorities:

- Relieving the debt burden of current borrowers
- Promoting debt-free college
- Enhancing state funding for higher education
- Prioritizing academic needs in institutional budgets
- Eliminating fraud and abuse in student lending and financial aid

We support the creative thinking and commitment to college affordability that advocates of Pay it Forward have embraced. Their intentions are good, but given our concerns, we are unable to support this bill as written and urge those advocates to pursue other options that actually get to the root causes of escalating college costs. Thank you for the opportunity to weigh in on this issue.