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Written Testimony of

Jeff Leake, Vice President of the Connecticut Education Association

Before the Higher Education and Employment Advancement Committee and the Banking Committee

Re: SB 950 AN ACT ENABLING THE REFINANCING OF STUDENT LOANS

March 5, 2015

Good afternoon Senator Bartolomeo, Senator Winfield, Representative Willis, Representative Lesser and members of the Higher Education and Employment Advancement Committee and the Banking Committee. My name is Jeff Leake, Vice President of the Connecticut Education Association.

CEA represents 43,000 active and retired teachers across the state, and I submit these written remarks on their behalf in support of SB 950, which will allow at least some much needed relief to students who must borrow in order to fund the ever-increasing cost of a college education.

Like many of my colleagues and I'm sure some of you, my college experience was much more affordable than is the case for students in our colleges and universities today. In addition, the ability to find employment to help pay for that experience was more readily available. And when I graduated, there was indeed a full-time position for me as a teacher.

Today, almost all of the specifics of my experience have been reversed. College costs have risen beyond belief, employment opportunities for young people are not plentiful, and employment in a chosen field of study is simply not there for too many college graduates. The Economic Policy Institute reports that a total of 16.8 percent of new graduates are "underemployed," meaning they're either jobless and hunting for work; working part-time because they can't find a full-time job; or want a job, have looked within the past year, but have now given up on searching. A number of our student members and those members in their first few years of teaching certainly substantiate all of these circumstances when we talk with them about this situation.

These are some of the reasons that this bill should find acceptance during this legislative session. It certainly does not solve the growing student debt situation, but it is clearly a first step and something that can be accomplished with limited additional resources. Recent graduates tend to have very few options for managing their education debt, and this bill would provide some needed relief. It will allow students who live in this state to refinance their education loans with the Connecticut Higher Education Supplemental Loan Authority in order to survive those toughest years just after graduation. It will also allow parents who have supported their children by receiving or paying for an education loan to refinance as circumstances require.

As important as passing this legislation is, it will clearly be as important to ensure that the regulations regarding the refinancing terms are flexible enough to ensure an effortlessness refinance process. In addition, some leeway should be allowed for those whose credit rating is not at the highest levels. Again, many of our student and newest members relate that their credit history, due to the amount of loans they now have and/or their inability to find employment commensurate with their degree, has suffered. This is especially true for those who are struggling to be the first in the family to achieve the dream of a rewarding college education.

If we truly believe that every American deserves a fair shot at higher education and the ability to be a contributing member of our economic system, then anything we can do to facilitate that journey we must do. Although our public higher education institutions are not as affordable as they once were and we are still experiencing unprecedented income inequality, a college degree is still a solid step to a better job, a home and the ability to raise a family. Members of the Connecticut Education Association believe that we must do everything we can to ensure the transition from student to productive citizen, and that is why, in addition to supporting this bill, we are striving for even more measures at the national level through the NEA's campaign "Degrees Not Debt". If we are serious about ensuring that we have the professionals we need for a robust and successful society, then we must take positive action on measures such as the loan restructuring that this bill will facilitate. There's more to do, but this is a positive first step.