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Testimony before the Higher Education and Employment Advancement Committee Regarding H.B. 6162 and S.B. 570

Gwen Pastor, Policy Analyst, Connecticut Association for Human Services, February 23, 2017

Good afternoon, Senator Linares, Senator Bye, Representative Haddad, and members of the Higher Education and Employment Advancement Committee.

My name is Gwen Pastor, and I am the Policy Analyst at the Connecticut Association for Human Services (CAHS). CAHS is a statewide nonprofit agency that works to reduce poverty and promote economic success through both policy and program initiatives.

I am testifying in support of H.B. 6162, An Act Concerning the Implementation of a Debt-Free Program for Students Attending Public Institutions of Higher Education, and S.B. 570, An Act Concerning Loan Information Provided to Students by Institutions of Higher Education.

An educated workforce is vital to the economic success of a state. Connecticut is a national leader in education. 43.1% of adults in the state have an associate degree or higher, compared to 35.9% nationally.¹ However, Connecticut's apparently high levels of education are less impressive when examining the education levels of people of color. 49.5% (774,875) of non-Hispanic white adults in Connecticut hold associates degrees or higher, compared to 28.8% (201, 860) of minority adults.²³

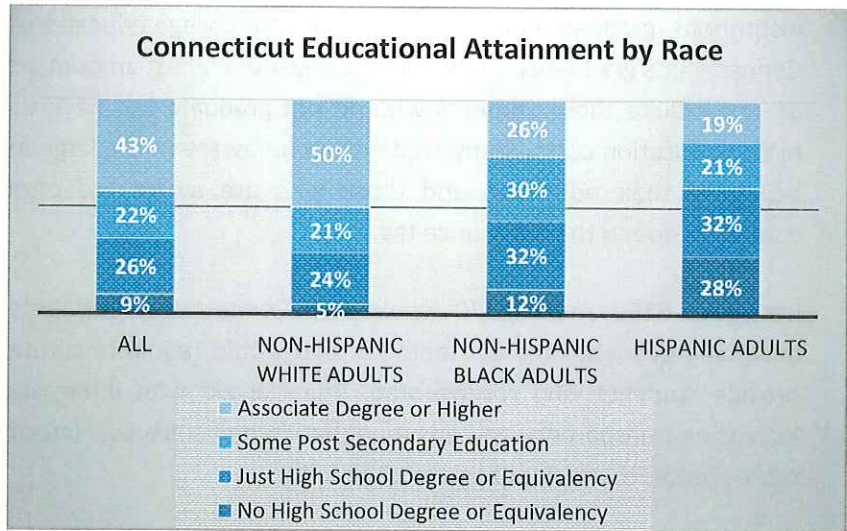


Figure 1: Working Poor Families Data 2015

Statistically, greater levels of education lead to higher paying jobs. People in Connecticut with some

¹ Working Poor Families Project Compiled Data. 2015. "Percent of All Adults 25 and older with Associate Degree or Higher, 2013."

Working Poor Families Project Compiled Data. 2015. "Percent of Working Families Below 200% Poverty in which No Parent has some Post-Secondary Education, 2013."

² Working Poor Families Project Compiled Data. 2015. "Percent of Non-Hispanic White Adults 18-64 with an Associates Degree or Higher."

³ Working Poor Families Project Compiled Data. 2015. "Percent of Minority Adults 18-64 with an Associates Degree or Higher."

college or an associate degree earn approximately \$7,586 more per year than someone with just a high school diploma or equivalency.⁴ Additionally, in 45% of working families below 200% of the federal poverty level and 49% of families below 100% of the federal poverty level no parent has any post-secondary education.^{5,6}

The gap in educational attainment between racial groups is reflected in their subsequent incomes and job opportunities, with only 23.1% of non-Hispanic white workers holding low-wage jobs, compared with the 40.3% of minority workers who hold low-wage jobs.^{7,8}

Despite the importance of cultivating and maintaining a well-educated workforce in Connecticut, for many of Connecticut's

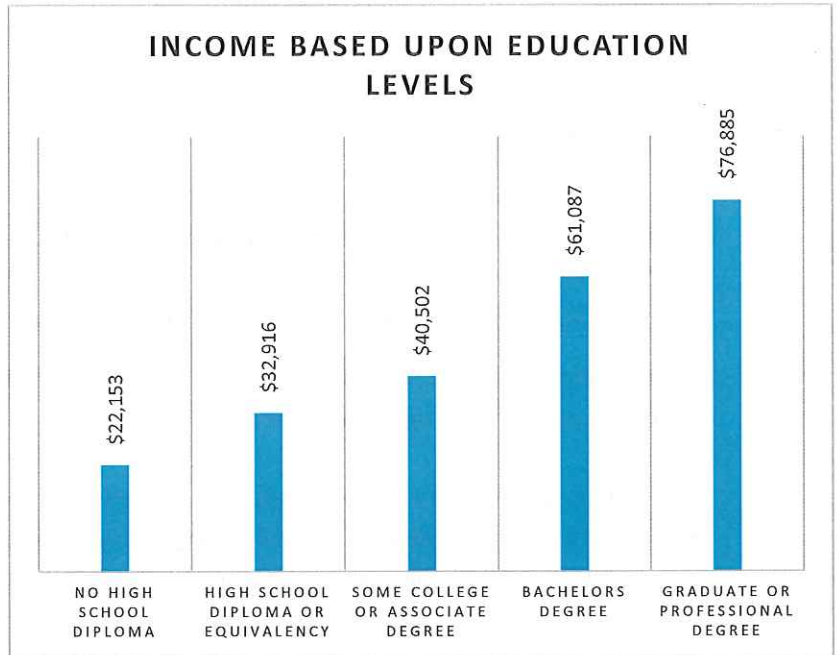


Figure 2: ACS 2014 1-Year Estimates

residents higher education is far beyond their financial reach or leaves them grappling with high amounts of debt. In 2014, 62% of graduates from Connecticut's public and private non-profit four-year institutions graduated in debt due to loans for college education, and the average amount of debt for Connecticut's graduates is \$29,750, the seventh highest amount among all fifty states.⁹ These numbers do not include those students who do not graduate but nevertheless are burdened with debt from higher education costs. Many students are unaware of the large amounts of debt they will incur when beginning their education and those who are aware are often dissuaded from pursuing higher education due to the hefty price tag.

Both H.B. 6162 and S.B.570 would help Connecticut's residents achieve higher education without becoming overwhelmed by debt. S.B. 570 would require institutions of higher education to annually provide students who receive state financial aid with information regarding each student's loans, increasing transparency and ensuring that students are well-informed about their finances and able to make choices to mediate some of their debt.

⁴ American Community Survey. 2014. "Median Earnings in the Past 12 Months (in Inflation-Adjusted Dollars) by Sex by Educational Attainment for the Population 25 Year and Over (Connecticut)."

⁵ Working Poor Families Project Compiled Data. 2015. "Percent of Working Families Below 200% Poverty in which No Parent has some Post-Secondary Education, 2013."

⁶ Working Poor Families Project Compiled Data. 2015. "Percent of Working Families Below 100% Poverty in which No Parent has some Post-Secondary Education, 2013."

⁷ Working Poor Families Project Compiled Data. 2015. "Percent of Non-Hispanic White Adults 18 and Over in Low-Wage Jobs, 2014."

⁸ Working Poor Families Project Compiled Data. 2015. "Percent of Minority Adults 18 and Over in Low-Wage Jobs, 2014."

⁹ Institute for College Access and Success. 2015. "Student Debt and the Class of 2014."

H.B. 6162 would prohibit the regional community-technical college system from charging tuition for degree and certificate programs, increase the funding available to the Board of Regents for Higher Education, and require the Board of Regents for Higher Education and the University of Connecticut to develop and submit plans to provide debt-free education for all in-state students attending public institutions of higher education. This would provide Connecticut's residents with the ability to achieve higher education, strengthening Connecticut's workforce and increasing economic opportunity for all of Connecticut's residents.

We understand that hard decisions must be made this session. However, affordable and accessible higher education is crucial to developing the workforce Connecticut needs. CAHS supports these bills and all bills that would make higher education more accessible and affordable in order to strengthen Connecticut's workforce and families.