TESTIMONY BEFORE THE
HIGHER EDUCATION AND EMPLOYMENT ADVANCEMENT COMMITTEE
LEGISLATIVE OFFICE BUILDING
FEBRUARY 14, 2019

My name is Michelle Rakebrand and I am Assistant Counsel for the Connecticut Business and Industry Association (CBIA). CBIA is the largest business association in Connecticut and has represented both small and large businesses for over 200 years. We are proud to say that most of our membership is made up of small employers.

While CBIA appreciates the intent behind HB 6472 and HB 6891, we respectfully recommend that such programs be tailored towards the needs of the workforce in an effort to close the state’s skills gap and transition graduates into regionally in-demand careers.

HB 6472 establishes a personal income tax credit for graduates with a bachelor’s or associate degree equal to the amount of the graduate’s student loan payment. Similarly, HB 6891 establishes a personal income tax deduction in the amount of the graduate’s student loan interest. We often hear from our members about the difficulties they have finding skilled workers as the baby boomer generation enters retirement. With approximately 10% of Connecticut’s workforce projected to retire within the next few years, it is important to replenish those retirees with young talent. Both of these bills provide an incentive for students to remain in the state, while also addressing the issue of student loan debt.

Currently, Connecticut is one of five states that does not offer a student loan reimbursement program. Out of the other forty-five states that do offer such programs, all forty-five offer one or more student loan reimbursement programs specific to the needs of that state’s workforce. These programs range from providing loan reimbursement for in-demand sectors, regionally underserved areas, as well as public interest jobs. Not focusing a student loan reimbursement program around the needs of the state’s workforce would be a missed opportunity for Connecticut as we continue to recover jobs lost from the recession.

CBIA respectfully requests that the members of this committee consider focusing a state student loan reimbursement program around regionally projected in-demand jobs. Connecticut’s Department of Labor, Office of Research, already tabulates sufficient labor market information to forecast regionally in-demand jobs in order to determine the future needs of the state’s workforce, which can readily be applied to a student loan reimbursement program. CBIA would like to voice its concern for the cost implications of this bill, and note that all of the aforementioned state student loan reimbursement programs have set caps in both years of eligibility and annual amount of reimbursement.

Thank you for your time and consideration. CBIA welcomes to opportunity to work with the committee on the adoption of the above recommendations.