Higher Education and Employment Advancement Committee
Public Hearing
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Testimony
by
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HB 6472 AAC Tax Credits for Graduates of CT Higher Ed Institutions
HB 6891 AAC A Deduction from Personal Income Tax for Student Loan Interest

Members of the Committee, my name is Nathan Fuerst and I am the Vice-President for Enrollment Planning & Management at the University of Connecticut.

Thank you for this opportunity to provide testimony on behalf of the University concerning HB 6472 AAC Tax Credits for Graduates of CT Higher Ed Institutions and HB 6891 AAC A Deduction from Personal Income Tax for Student Loan Interest.

First and foremost, we applaud the Committee’s efforts through these bills to invite a conversation about increasing assistance to students who graduate from higher education institutions in Connecticut and choose to stay and work in the state.

The University takes seriously its role of attracting and retaining Connecticut’s brightest students. As we all know, prior to 1995 and UConn 2000 our state was experiencing a “brain drain,” losing many of our best students to out of state schools. Today, UConn is proud to report that we are reversing the brain drain. This fall’s incoming freshmen class numbered 5,500 students across all campuses and UConn continues to enroll increasing numbers of high-achieving students. 50% of this year’s Storrs freshman class was in the top 10% of their high school class and 84% were in the top 25% of their high school class and 175 valedictorians and salutatorians enrolled. The incoming freshmen class was also the most diverse entering class with 40% being students of color. University-wide, nearly 80% of our students are Connecticut residents with all 169 Connecticut cities and towns represented among our student body, as are all 50 states and 106 countries across the world.

One way we are able to recruit and retain such a talented group of students is by providing a quality education at affordable and competitive prices among peer institutions. UConn provides an excellent education at an affordable cost. Best Colleges for your Money ranked UConn 50th out of 727 universities in the U.S. for 2018. Kiplinger’s Personal Finance ranked UConn in the top 35 best value public colleges nationally out of 300 schools. About 76% of UConn students receive some form of financial aid (University supported merit and need based aid, Roberta Willis Scholarship Fund, Federal Pell Grants, private scholarships, student loans, etc.), which means that many students and families are not paying the full cost of tuition and fees.

We strive to do all we can to ensure that every student who is academically qualified enough to gain admission to UConn is able to attend. The average debt undergraduate students graduate UConn with is $28,222, which is slightly lower than the national average of $28,650. The student debt default rate for UConn graduates is 2.5%, which is significantly lower than the national average for four-year public institutions at 7.1%. The debt default rate is a key measure of the financial health of our graduates and of their debt burden.
Once UConn students graduate, more than 73 percent of Connecticut students are employed in the state and a number of our graduates remain in the state to attend graduate school, medical, dental, and law school. These students earn MBA degrees, become doctors, engineers, principals and school superintendents. They start businesses and emerge as the next generation of taxpayers, thinkers, innovators and problem-solvers in our state.

Efforts by the state to incentivize UConn graduates to stay in the state and contribute to the state’s highly educated and skilled workforce once they graduate is admirable. HB 6472 would establish a personal income tax credit in an amount equal to the payment of student loans by any individual who receives a bachelors or associates degree from UConn and is a resident of the state. HB 6871 would provide tax relief for our students with student loan debt by establishing a deduction from the personal income tax for student loan interest.

Thank you for your continued support of the University of Connecticut.