Date: March 10, 2022
To: Banking Committee
From: Ben Shaiken, Director of Government Relations, The Alliance
Re: S.B. 271 An Act Concerning Student Loans

Good morning, Senator Miller, Representative Doucette, Senator Berthel, Representative Delnicki and members of the Banking Committee:

My name is Ben Shaiken, Director of Government Relations for the CT Community Nonprofit Alliance. The Alliance is the statewide organization representing the nonprofit sector. Community nonprofits provide essential services to over half a million individuals and families in Connecticut every year and employ 115,000 Connecticut workers, improving the quality of life in communities across the State.

Thank you for the opportunity to testify on S.B. 271 An Act Concerning Student Loans.

The bill aims to create a student loan repayment program for certain professions, including social workers. While we appreciate the intent of the bill, as currently drafted it would only include one professional discipline serving the behavioral health needs of Connecticut's residents.

We urge the Committee to expand the bill so that it encompasses other non-social worker clinical staff of nonprofits across Connecticut.

Student loan debt is a significant burden on hundreds of thousands of Connecticut residents, including many employees of Connecticut's nonprofits.

In 2016, Connecticut residents had the highest average student loan debt among the states; now its average student loan debt per borrower is slightly higher than the national average.

- **$17.1 billion** in student loan debt belongs to state residents.
- **$35,448** is the average student loan debt.
- **482,400** student borrowers live in Connecticut.
- **58%** of them are under the age of 35.
- **13% of state residents** have student loan debt.
- Among the state's indebted student borrowers, **only 13% owe less than $5,000**.[1]

[1] https://educationdata.org/student-loan-debt-by-state#connecticut.

Starting May 1, 10% of Connecticut residents will resume payment on student loans that will no longer be in forbearance due to the public health emergency. If every borrower resumes making payments on their loans on May 1, up to $178 million per month will be taken out of circulation in our economy.

Meanwhile, Connecticut's nonprofits are facing a workforce crisis after two years of the COVID-19 pandemic. According to a survey The Alliance released in January, nearly one in five (18%) nonprofit jobs are unfilled across Connecticut. The nationwide exodus from the healthcare industry has been well-documented, but it has hit Connecticut's nonprofits acutely. Staff are leaving for higher paying jobs in private industry and private practice, where they can deliver behavioral health services remotely from their homes, and school districts are hiring clinical staff away from community-based nonprofit providers. The four percent Cost of Living Adjustment in last year's state budget, while appreciated, has been completely enveloped by six percent inflation. And unlike Amazon or Starbucks, nonprofits are paid for their services by the State and cannot unilaterally raise their prices to meet rising costs.

Thank you for the opportunity to testify on this important issue. We look forward to engaging with the Committee to refine this bill in concert with similar proposals in H.B. 5001, H.B. 5130 and H.B. 5040 proposed in other Committees.