

Employee Information Student Loan Repayment Programs (SB19-057)

Testimony to Senate Education Committee

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Madame Chair and members of the committee, thank you for this opportunity to testify on behalf of Senate Bill 57.

My name is Amanda Valenta and I'm a policy analyst on work and learning at the Bell Policy Center. The Bell Policy Center provides policymakers, advocates and the public with reliable resources to create a practical policy agenda that promotes economic mobility for every Coloradan.

As you likely know, student debt is a critical issue in this country. Student loan borrowers in the U.S. owe \$1.5 trillion in outstanding debt, more than credit card debt and car loans, and second only to mortgage loans. Since 2007, Colorado student loan debt has grown 176 percent, reaching over \$26 billion.

The sheer scale of student debt represents a crucial barrier to economic mobility for over 700,000 Coloradans. Research shows student loan borrowers today are more likely to postpone pivotal personal and economic milestones, such as starting a family, buying a home, or starting a business, due to the financial burdens posed by their student loan debt. This hurts individuals, who are less able build assets or grow their families, but it also affects our economy writ large.

Tens of thousands of Colorado borrowers are eligible for Public Service Loan Forgiveness, but only an estimated 1 percent of eligible borrowers are aware of and accurately tracking their payments and employment. Student loan servicers, who are responsible for making repayment information clear and accessible to those who are eligible have been documented obscuring such information.

Senate Bill 57 directs the Department of Personnel to make this information accessible and clear, so our teachers, our first responders, our active duty military, and other public servants who qualify, can claim the relief to which they are entitled under federal law. Not only will this help ease the burden of debt for those in critical, but often low-paying jobs, data also demonstrate that such relief yields higher retention of these professionals in their chosen fields.

This bill is simple, straightforward, and costs nothing to implement. The information is already available: The federal government offers a toolkit and educational materials Colorado can use to guarantee accuracy in notifications and prevent cost. All that is required of Personnel is provision of these existing materials to the Department of Education, the Department of Higher Education, the Secretary of State, and the Division of Local Government for distribution to potentially eligible employees.

Your support for this bill will help ensure the Coloradans serving Colorado will be able to stay in the careers they have chosen, and stay in the state we all love, without the crushing burden of student debt preventing them from full participation in our economy and our way of life. Thank you for your time, and I'm happy to answer questions.