

Appropriations Committee JOINT FAVORABLE REPORT

Bill No.: HB-7234

AN ACT CONCERNING A STUDY OF STUDENT LOAN REPAYMENT

Title: PROGRAMS.

Vote Date: 4/24/2025

Vote Action: Joint Favorable

PH Date: 3/28/2025

File No.:

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SPONSORS OF BILL:

Appropriations Committee.

REASONS FOR BILL:

HB-7234 directs the Office of Higher Education to study the student loan repayment programs available to Connecticut students. A comprehensive report to the appropriate legislative committees evaluating which programs are most effective and their relevant utilization is due no later than February 1, 2026. Vetting the existing processes and programs for postsecondary financial assistance and debt will give policymakers substantial information for policy development and solutions to the student debt crisis.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Timothy Larson, Commissioner, Office of Higher Education](#)

Commissioner Larson "support[s] the concept and recognize[s] the value of identifying and reviewing the number and impact of the state's existing student loan programs." He cautions this requirement would force OHE to "prioritize staff time away from other agency activities to conduct a study of this scale."

NATURE AND SOURCES OF SUPPORT:

[Chris Senecal, Senior Public Policy and Media Relations Officer, The Hartford Foundation, Supports with Recommendations](#)

Postsecondary education and training are critical to the economic mobility of their recipients. Adequate financial aid directly affects many groups' abilities to attend postsecondary schooling and job training: low & moderate-income families, adults reentering schooling, first-generation students, youth disconnected from school and work, and communities of color.

To understand what works and what is still needed, this study must: (1) examine current student loan repayment options, "including assessments of Connecticut's Student Loan Repayment Program;" (2) incorporate local, existing research; and (3) survey program strategies used by nonprofits "to help students navigate financing, gaining entry, and persisting in college or other career pathways." To better understand student experience with loan programs, this study "should also examine how students learn about available loan programs, their experience in navigating online applications, and responses to questions throughout the loan process."

Both monetary assistance and wraparound services are crucial to helping students succeed. Needs include help with financial aid applications, transition and acclimation to college, "enhanced advising and college coaching both before and during enrollment, immersion in learning communities, and sustained contact with scholarship recipients about requirements to increase college access, persistence, and completion." Monetary needs beyond tuition include laptops, textbooks, living expenses, and emergencies. Please see: [the executive summary of a literature review](#) and a [Hartford Foundation learning brief](#).

Cristher Estrada-Perez, Executive Director, Student Loan Fund, Supports with Recommendations

The predatory student loan system is at fault for the foreseeable student debt crisis, which disproportionately affects communities of color, low-income families, and first-generation students. Connecticut alone "holds \$18.3 billion in student debt," and nationally the sum is closer to \$1.7 trillion.

In the 1960s, political support for funding public education diminished. As women and students of color began enrolling in higher education, political decisions were made to "defund public higher education, shift costs onto students and families, and allow private lenders and servicers to profit from people's aspirations." A national crisis was born once education became "a commodity—where access depends on [one's] family's wealth or ability to take on debt." It is damaging communities "historically excluded from wealth building."

To ensure this study goes beyond a "neutral, bureaucratic exercise," it must unveil "bold, equity-driven state action" wherein "higher education is fully funded" and "public goods are actually public." The study must address: (1) the voices and experiences of borrowers; (2) the systemic failures of both federal and state loan repayment programs; (3) local and national research findings; (4) the viability of "state-based repayment and cancellation programs that are universal, accessible, and structured to deliver real relief, not just delay or deferral;" and (5) structural transformation.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Rebecca Hyland

Date: May 6, 2025