

TESTIMONY
On House Bill 2433
House Committee on Taxation
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Thank you Chairman Carlson and members of the committee. I appreciate the opportunity to provide testimony to offer our support for HB 2433. As the economy attempts to rebound and it will, our state should position itself to be ready to provide skilled workers to meet the needs of employers. It makes sense that HB 2433 would be a catalyst to do just that. HB 2433 would create a mirrored tax policy to that of the federal government.

During economic downturns, whether instinctive or methodical planning can describe the phenomenon of struggling middle class families gravitating toward more training, we can make it real. By creating additional incentive, the state can be an enabler to those Kansans thinking about seeking to upgrade their educational and skill level. This “shot in the arm” will pay dividends later.

The Great Recession has brought about a unique reaction this time around though, especially in younger adults ages 16-24. The Economic Policy Institute (EPI) describes the phenomenon above as “sheltering in school”, and says this recession has been very different in regards to young people ages 16-24 seeking more education. EPI says the faltering job market prevents these young adults from being able to pay for tuition, books, rent and other expenses. This same sector of young people experienced an unemployment rate of 18.4%, the worst annual rate in 60 years of tracking this data. The National Student Clearinghouse Research Center backs this up citing costs and a family’s uncertainty about the ability to pay. That study looked at traditional students from 2006 – 2010, fall enrollments.

You will know more about the trends of enrollment in post-secondary education and the affect the economy has had on enrollment, but the Kansas AFL-CIO sees this legislation as a tool to keep Kansans in our state and put them to work. The Organization for Economic Co-operation and Development (OECD) did an analysis on pay levels with findings that are not surprising, those with post-secondary earn more. But, key to our discussion here is that investments in human capital can contribute to economic recovery, beat the recession and boost earnings later. This is not a union or non-union issue, the Kansas AFL-CIO wants to see all that want to work back at work. We need to do what we can to make sure our state is poised to bounce back in the global economy. HB 2433 is a step in the right direction.

