

Testimony of Grace Lancaster
Before the Senate Assessment and Taxation Committee
February 7, 2012

Today I stand in support of Senate Bill 296. As education costs outstrip inflation every year, it is time that this body starts being proactive when it comes to our economy. You can do this by looking to help our next generation. As student debt increases year to year we are losing out on a huge consumer base. The students will be less likely to buy when a higher percentage of their income is dedicated toward paying back loans. As you probably know spending is the lifeblood of our economy. When people spend, companies can expand and hire new people who will then, in turn, spend themselves.

In 2010, 57% of students in Kansas finished their degree with unpaid loans averaging \$22,280. As these graduates face a 9.1% unemployment rate bearing these costs will be more unmanageable, threatening the stability of our economy.

I believe that creating new jobs will help the Kansas economy gain strength but getting this state out of debt will also be necessary to recovery. This tax break will be an investment in our future not just by relieving student debt but also by encouraging other youth, who didn't think they could overcome the financial hurdle, to enroll in higher education. We want Kansans to be well trained in order for companies to want to come to Kansas. This will help secure that goal.

As a student at the University of Kansas and a prospective law student a bill like this could give me the extra push to attend a graduate institution in the state rather than seeking my education elsewhere. I would love to stay here, this is my home, and I am sure a lot of other students feel the same way. Help them make their decision easier by supporting Senate Bill 296.