



**Senator Andrew O. Brenner – 19th District
Senate Ways and Means Committee
October 22, 2019
Senate Bill 125 – Sponsor Testimony**

Chairman Roegner, Vice Chairman Blessing, Ranking Member Williams and members of the Senate Ways and Means Committee I thank you for hearing SB 125. I come before you today as the joint sponsor with the architect of the bill, Jay Hottinger, to request that you favorably report SB 125, a bill that will give more access to 529 plans here in Ohio.

Americans and Ohioans have a mountain of student loan debt. According from an article in Time Magazine, “more than half of all jobs paying over \$35,000 require a bachelor’s degree or higher” and “more than 44 million Americans have outstanding student loan debtⁱ.” According to Pew Research, student loan debt in the United States now tops \$1.5 trillion and around 1/3 of all adults under the age of 30 have student loan debtⁱⁱ. The average student loan debt is around \$17,000 per person, with postgraduate degrees averaging over \$45,000ⁱⁱⁱ.

My wife and I have taken out student loans for our own degrees. We now owe part of that debt, as just last year I completed my master’s in education, where I took on student loans. My wife is currently working on a PhD in Education and she too has taken on student loans to front the funding for that degree. I started repaying those loans earlier this year. Hundreds of thousands of Ohioans will be paying student loan debt for the foreseeable future. This can be curtailed, if more Ohioans could pay for their college with cash.

Ohio’s 529 plan can be the saving grace for hundreds of thousands of students. Parents can invest funds each year to help pay for their children’s college, when they graduate from high school. Think about it, students who participate in College Credit Plus can graduate high school with a two year degree and then go on, using funds from a 529 plan to pay for a bachelors or graduate degree. This will grant those graduates the freedom to pursue their careers or other ventures; which many cannot afford to do, because of student loan debt. 529 plans can be used by anyone with no age limit or income restrictions^{iv}.

This bill allows for contributions to any 529 plan, including those started in other states or by other educational institutions. This will make Ohio more competitive because we will be able to attract more students to the state. In doing so, Ohio will be able to retain students, instead of seeing them leave for other states or not come here. This will also help reduce the debt burden of students and families. Thank you for hearing SB 125. I will be happy to answer any questions you might have.

ⁱ <https://time.com/5662626/student-loans-repayment/>

ⁱⁱ <https://www.pewresearch.org/fact-tank/2019/08/13/facts-about-student-loans/>

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^{iv} <https://www.collegeadvantage.com/new-to-collegeadvantage/what-is-a-529>