



# The Bell Policy Center

Research • Advocacy • Opportunity

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## Concerning savings accounts for job retraining

Senate Bill 10-202

Testimony to the House Education Committee

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My name is Frank Waterous, and I am a senior policy analyst with The Bell Policy Center. The Bell is a nonpartisan, nonprofit research and policy organization dedicated to expanding opportunity for all Coloradans.

**The Bell Policy Center supports Senate Bill 10-202, “Savings Accounts for Job Retraining.” By helping more adults save for their own post-secondary educational opportunities, and by allowing employers to match their employees’ contributions in these savings accounts, the bill is good education policy, good workforce development policy and good economic development policy.**

About one-third of all students enrolled in Colorado’s public higher education institutions are adults age 25 or older.<sup>1</sup> Yet adult post-secondary students are often overlooked when developing statewide education policies and programs. Adults face a complex blend of financial, personal and family concerns when determining whether or not to pursue post-secondary studies.<sup>2</sup> Among the financial barriers for many adults is a lack of information about the variety of options available to them in paying for their post-secondary education.

**Senate Bill 10-202 is good education policy.** It would make information about a little-understood post-secondary financing option more readily available to adults considering upgrading their educational attainment or workforce skills. The bill makes explicit in statute that adult learners can open, for themselves, college savings accounts in pursuit of their own post-secondary opportunities. It also directs the state’s college savings plan authority to implement a plan to promote the use of these accounts by adult learners, determine the most effective savings options for adults, and develop procedures for providing college planning and preparation for adults through College In Colorado.

**Senate Bill 10-202 is good workforce development policy.** It would allow, but not require, employers to support their adult employees’ efforts to enhance their education and skills. Specifically, the bill directs the college savings plan authority to develop and implement procedures for employers to make matching contributions to their employees’ adult learner savings accounts. At a time when many companies are eager to expand the

21<sup>st</sup> century skills of their current workforce, such an opportunity for matching contributions makes good business sense. Additionally, the bill directs the authority to coordinate with the Department of Labor and Employment to make information about adult learner savings accounts available to potential participants.

**Senate Bill 10-202 is good economic development policy.** It would ultimately help to strengthen the quality of Colorado's workforce, which is a key factor in our state's economic competitiveness. As a recent report from the Metro Denver Economic Development Corporation noted, "educational attainment is the single-most important element in job and income growth," and is one of the chief underpinnings of a strong economy.<sup>3</sup>

Let me add one important note before concluding. College savings accounts will be a viable and attractive option for many working adult students, and we strongly support their expansion as envisioned in this bill. But they are not a substitute for a strong state-supported need-based financial aid program, available to all eligible students, including adults. Instead, these accounts represent another important tool in the broader tool-kit needed to expand post-secondary educational opportunity in Colorado.

In summary, The Bell Policy Center believes that Senate Bill 10-202 will benefit adult learners, employers and the state. We urge you to support the bill, and thank you for the opportunity to share this information with you today.

If you have any questions, or if I can provide further information, please call me at 303-297-0456 or email me at [waterous@thebell.org](mailto:waterous@thebell.org).

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## Endnotes

<sup>1</sup> Student enrollment data, statewide public higher education by age, Fall 2008, Colorado Department of Higher Education online searchable database,

<http://highered.colorado.gov/Data/Search/query.asp?report=enroll>

<sup>2</sup> Julie Strawn, "Policies to Promote Adult Education and Postsecondary Alignment," prepared for the National Commission on Adult Literacy, Sept 28, 2007 (rev. 10/18/07),

<http://www.nationalcommissiononadulthoodliteracy.org/content/strawnbriefrev101807.pdf.pdf>

<sup>3</sup> "Toward a More Competitive Colorado: Executive Summary on Competitiveness," Metro Denver Economic Development Corporation, Nov 2009,

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