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LRB101 11214 MST 56473 r

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HOUSE JOINT RESOLUTION

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WHEREAS, 529 college savings plans are important tools for Illinois families who want to save for their children's college education; they offer a diverse range of investment options, tax-deferred growth, and withdrawals free of state and federal taxes when those withdrawals are used for qualified higher education expenses such as tuition, fees, books, certain room and board costs, computer equipment, and required supplies; and

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WHEREAS, While the first college savings plans were developed by states in 1988 as innovative programs designed to help families and students save for higher education expenses, it was not until the enactment of Section 529 of the Internal Revenue Code by Congress in 1996 that college savings plans began to rapidly gain popularity across the country; and

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WHEREAS, Today, all 50 states and the District of Columbia offer 529 college savings plans; 12.5 million 529 accounts have been opened, more than \$253 billion dollars have been saved for future higher education expenses, and more than one million students nationwide have withdrawn funds from 529 accounts to help pay higher education expenses; and

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WHEREAS, The State of Illinois currently offers three separate savings plans: the "College Illinois! 529 Prepaid

1 Tuition Program", which is administered by the Illinois Student
2 Assistance Commission, and the "Bright Start College Savings
3 Plan" and the "Bright Directions College Savings Plan", which
4 are administered by the Illinois Treasurer; and

5 WHEREAS, 529 college savings plans allow families to save
6 for tuition at two-year and four-year institutions, including
7 vocational, trade, community, state, or technical schools; and

8 WHEREAS, Illinois residents can claim a state tax deduction
9 on contributions of up to \$10,000 a year (\$20,000 for married
10 couples filing jointly) to any state plan; and

11 WHEREAS, In 2000, the average tuition rate at an Illinois
12 public university was \$4,160, while the average rate at a
13 private four-year institution was \$15,625; in 2018, those rates
14 have skyrocketed to \$15,182 for public universities and \$36,747
15 for private universities; and

16 WHEREAS, Federal financial aid awards have shifted away
17 from student grants and moved to providing access to guaranteed
18 student loans so that, today, nearly 63 percent of all federal
19 financial aid is in the form of loans, substantially increasing
20 the number of college graduates who will face the burden of
21 repaying significant student loan debt upon entering the
22 workforce; and

1 WHEREAS, As of 2018, student loan debt has now reached \$1.5
2 trillion nationally, which rose from \$548 billion in 2007, and
3 more than 1.6 million Illinois residents have student loans
4 totaling more than \$52 billion; and

5 WHEREAS, When Illinoisans are burdened with student loan
6 debt, they are not able to buy homes, cars, and other products
7 that boost our economy; and

8 WHEREAS, College savings plans, such as CollegeIllinois!,
9 Bright Start, and Bright Directions, help families limit or
10 eliminate future student loan debt by helping them save for
11 future higher education expenses; and

12 WHEREAS, The contributions families make today pay off in
13 the form of an increased earning potential for their children
14 in the future, with a college graduate earning an average of \$1
15 million more than a high school graduate during his or her
16 career, according to the United States Census Bureau; and

17 WHEREAS, May 29th is recognized nationally as 529 College
18 Savings Day to help raise awareness across the country of the
19 importance of saving for college with the help of 529 college
20 savings plans; therefore, be it

1 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE
2 HUNDRED FIRST GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE
3 SENATE CONCURRING HEREIN, that we declare May 29, 2019 as 529
4 College Savings Day in the State of Illinois; and be it further

5 RESOLVED, That we urge all Illinoisans to explore the
6 benefits that 529 college savings plans offer families; and be
7 it further

8 RESOLVED, That suitable copies of this resolution be
9 delivered to the Governor of Illinois, the Director of the
10 Illinois Student Assistance Commission, the Treasurer of
11 Illinois, and the Director of the Board of Higher Education.