



SR1840

LRB099 21664 MST 48167 r

1

SENATE RESOLUTION

2

WHEREAS, 529 college savings plans are important tools for Illinoisans, offering a diverse range of investment options, tax-deferred growth, tax-deductions benefits, and withdrawals free of State and federal taxes when those withdrawals are used for qualified higher education expenses such as tuition, fees, books, computers, certain room and board costs, and required supplies; and

8

9

WHEREAS, The enactment of Section 529 of the Internal Revenue Code by Congress in 1996 allowed states to create "Qualified Tuition Programs"; and

10

11

12

WHEREAS, The Office of the Illinois State Treasurer serves as the Trustee and Administrator for all Illinois 529 College Savings Plans; and

13

14

15

WHEREAS, The Bright Start and Bright Directions College Savings Plans were created in Illinois in 2000 and 2005 respectively, to assist Illinois families to finance the costs associated with a college education; and

16

17

18

19

WHEREAS, Today, over 400,000 accounts have been created in Illinois and over \$7 Billion have been saved for future higher education expenses; and

20

21

1 WHEREAS, The Bright Start and Bright Directions College
2 Savings Plans have helped families meet their higher education
3 goals with over \$400 million withdrawn annually for qualified
4 higher education expenses at colleges and universities in
5 Illinois and throughout the United States; and

6 WHEREAS, In Illinois, over the past 15 years, tuition rates
7 at four-year universities, and over the past 40 years, tuition
8 rates have consistently increased at two to three times the
9 rate of inflation every year; and

10 WHEREAS, Financial Assistance has shifted away from grants
11 to providing access toward student loans so that today nearly
12 60% of all federal financial aid is in the form of loans,
13 substantially increasing the number of college graduates who
14 will face the burden of repaying significant student loan debt
15 upon entering the workforce; and

16 WHEREAS, According to the Federal Reserve Bank of New York,
17 student loan debt has now reached \$1.2 trillion nationally,
18 which is more than triple the amount owed in 2005; and

19 WHEREAS, Americans are burdened with student loan debt as
20 there are 40 million borrowers with an average balance of
21 \$29,000; and

1 WHEREAS, The Illinois College Savings Plans help families
2 to limit or prevent future student loan debt by helping them
3 save for future higher education expenses; and

4 WHEREAS, The investments families make today pay off in the
5 form of increased earning potential for their children in the
6 future, with a college graduate earning an average of \$1
7 million more than a high school graduate during his or her
8 career according to the United States Census Bureau; and

9 WHEREAS, In Illinois, the dream of achieving academic and
10 professional success is being threatened by increasing tuition
11 rates and decreasing financial aid; and

12 WHEREAS, May 29th is recognized nationally as 529 College
13 Savings Day to raise awareness across the country about the
14 benefits of tax-advantaged college savings plans, known as 529
15 College Savings Plans, as important vehicles to save for
16 college; therefore, be it

17 RESOLVED, BY THE SENATE OF THE NINETY-NINTH GENERAL
18 ASSEMBLY OF THE STATE OF ILLINOIS, that we designate the date
19 of May 29, 2016 as 529 College Savings Day in the State of
20 Illinois to help raise awareness about the escalating costs of
21 higher education and the importance of saving for college with

1 the help of 529 college savings plans.