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SENATE 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dollars have been saved for future higher education expenses, and more than one million students nationwide have withdrawn funds from 529 accounts to help pay higher education expenses; and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 Illinois Treasurer currently offers and

1 administers two 529 college savings plans, the Bright Start
2 College Savings Plan and the Bright Directions College Savings
3 Plan; and

4 WHEREAS, In 2018, Morningstar, which independently
5 evaluates and rates college savings plans, selected the Bright
6 Start 529 College Savings Plan as a Gold-Rated 529 and granted
7 the Bright Directions Advisor-Guided 529 College Savings Plan
8 a silver rating, which was the highest rating for all
9 advisor-sold plans; and

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

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

16 WHEREAS, In 2000, the average tuition rate at an Illinois
17 public university was \$4,160, while the average rate at a
18 private four-year institution was \$15,625; in 2018, those
19 rates skyrocketed to \$15,182 for public universities and
20 \$36,747 for private universities; and

21 WHEREAS, Federal financial aid awards have shifted away

1 from student grants and moved to providing access to
2 guaranteed student loans so that, today, nearly 63 percent of
3 all federal financial aid is in the form of loans,
4 substantially increasing the number of college graduates who
5 will face the burden of repaying significant student loan debt
6 upon entering the workforce; and

7 WHEREAS, As of 2018, student loan debt had reached \$1.5
8 trillion nationally, which rose from \$548 billion in 2007, and
9 more than 1.6 million Illinois residents had student loans
10 totaling more than \$52 billion; and

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

14 WHEREAS, College savings plans, such as Bright Start and
15 Bright Directions, help families limit or eliminate future
16 student loan debt by helping them save for future higher
17 education expenses; and

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

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

5 RESOLVED, BY THE SENATE OF THE ONE HUNDRED THIRD GENERAL
6 ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF
7 REPRESENTATIVES CONCURRING HEREIN, that we declare May 29,
8 2023 as 529 College Savings Day in the State of Illinois; and
9 be it further

10 RESOLVED, That we urge all Illinoisans to explore the
11 benefits that 529 college savings plans offer families; and be
12 it further

13 RESOLVED, That suitable copies of this resolution be
14 delivered to the Governor of Illinois, the Director of the
15 Illinois Student Assistance Commission, the Treasurer of
16 Illinois, the Director of the Community College Board, and the
17 Director of the Board of Higher Education.