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AJR-13 Tuition assistance programs. (2023-2024)

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Assembly Joint Resolution No. 13

CHAPTER 158

Relative to postsecondary education.

[Filed with Secretary of State July 18, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 13, Santiago. Tuition assistance programs.

This measure would request the Congress of the United States to pass, and the President of the United States to sign, the Upskilling and Retraining Assistance Act and the Upward Mobility Enhancement Act.

Fiscal Committee: no

WHEREAS, Tuition assistance programs foster employee retention and the professional growth of a business's team; and

WHEREAS, Prospective students report barriers to enrolling in postsecondary education that are related to cost; and

WHEREAS, When discussing barriers to enrollment, 55 percent of prospective students cite the cost of the program, 45 percent of prospective students mention inflation, and 38 percent of prospective students note the need to work and the opportunity cost of enrolling; and

WHEREAS, Student loan debt in the United States has grown enormously in recent years and is now one of the largest forms of consumer borrowing in the country; and

WHEREAS, As of March 2023, about 44,000,000 United States borrowers collectively owed more than \$1,600,000,000,000 in federal student loans; and

WHEREAS, Tuition assistance programs eliminate financial barriers for working students who pursue a higher education; and

WHEREAS, Continuous learning is a benefit that helps employers retain their employees; and

WHEREAS, Unfortunately, employees must pay federal income taxes on education assistance benefits received from their employer that exceed \$5,250 a year; and

WHEREAS, The amount of \$5,250 falls below the costs of most degree programs when taking a full course load; and

WHEREAS, The \$5,250 limit is not indexed to inflation or tuition costs and has not been adjusted since 1986 when it was raised from \$5,000 to \$5,250 as part of the federal Tax Reform Act of 1986 (Public Law 99-514); and

WHEREAS, The devaluation of the exemption limit pursuant to Section 127 of Title 26 of the United States Code since 1986 has depressed corporate-covered education benefit programs, reducing the versatility and readiness of the American workforce; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature requests that the Congress of the United States pass the Upskilling and Retraining Assistance Act (S. 3296 and H.R. 6401) and the Upward Mobility Enhancement Act (H.R. 6402), and further requests that the President of the United States, Joseph Biden, sign those acts into law; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to each Senator and Representative from California in the Congress of the United States, and to the author for appropriate distribution.