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ACR-85 529 College Savings Day. (2025-2026)

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Assembly Concurrent Resolution No. 85

CHAPTER 106

Relative to 529 College Savings Day.

[Filed with Secretary of State June 25, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

ACR 85, Garcia. 529 College Savings Day.

This measure would proclaim May 29, 2025, as 529 College Savings Day.

Fiscal Committee: no

WHEREAS, 529 college savings plans are important tools for California families that want to save for their children's college education, offering 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, computer equipment, certain room and board costs, and required supplies; and

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

WHEREAS, Today, 49 states and the District of Columbia offer 529 college savings plans, over 17,000,000 529 accounts have been opened, and more than \$525,000,000,000 have been saved for future higher education expenses; and

WHEREAS, The ScholarShare 529 College Savings Plan, which has served as California's official state-sponsored 529 college savings plan for more than 25 years since its launch in 1999, has grown to more than \$16,400,000,000 in total plan assets held in over 454,000 ScholarShare 529 accounts; and

WHEREAS, The ScholarShare 529 College Savings Plan has helped students meet their higher education goals with more than \$1,000,000,000 withdrawn in 2024 alone for qualified higher education expenses and funds distributed directly to over 1,100 colleges and universities; and

WHEREAS, Nationally from 1994–95 to 2024–25, inclusive, average published tuition and fees increased from \$5,740 to \$11,610 at public four-year colleges and universities, and from \$24,840 to \$43,350 at private nonprofit four-year colleges and universities; and

WHEREAS, Federal financial aid awards have shifted away from student grants to providing access to guaranteed student loans so that, today, over 60 percent of all federal financial aid is in the form of loans, substantially increasing the number of college graduates who will face the burden of repaying significant student loan debt upon entering the workforce; and

WHEREAS, According to the Federal Reserve Bank of New York, student loan debt has reached \$1,770,000,000,000 nationally, up from \$620,000,000,000 in 2008; and

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

WHEREAS, College savings plans, such as the ScholarShare 529 College Savings Plan, help families to limit or eliminate future student loan debt by helping them save for future higher education expenses; and

WHEREAS, The contributions families make today pay off in the form of an increased earning potential for their children in the future, with a college graduate earning 59 percent more than a high school graduate according to the National Center for Education Statistics; and

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

Resolved by the Assembly of the State of California, the Senate thereof concurring, That the Legislature hereby proclaims May 29, 2025, as 529 College Savings Day; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the author for appropriate distribution.