

ASSEMBLY THIRD READING

ACR 202 (Garcia)

As Introduced May 11, 2026

Majority vote

SUMMARY

Proclaims May 29, 2026, as 529 College Savings Day.

Major Provisions

- 1) For California families that want to save for their children's college education, 529 college savings plans are important tools, 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.
- 2) 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.
- 3) This year, 2026, represents 30 years of 529 plans. 49 states and the District of Columbia offer 529 college savings plans; and, over 17.7 million 529 college savings accounts have been opened, and more than \$603 billion have been saved for future higher education expenses.
- 4) The ScholarShare 529 College Savings Plan, which has served as California's official state-sponsored 529 college savings plan for more than 26 years since its launch in 1999, has grown to more than \$17.3 billion in total plan assets held in over 487,145 ScholarShare 529 accounts.
- 5) Federal financial aid awards have shifted away from student grants to providing access to guaranteed student loans so that, today, nearly 60 % 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.
- 6) 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 allow for savings through college savings plans to be used to pay student loans.
- 7) Over time, the federal government has taken positive steps to expand eligible uses for college savings plans, including to pay for expenses associated with eligible postsecondary credentialing programs and apprenticeships programs, recognizing the value of saving beyond traditional college.
- 8) May 29 is recognized nationally as 529 College Savings Day to raise awareness across the country of the importance of saving for college with the help of 529 college savings plans.

COMMENTS**According to the Author**

As someone who has dedicated my life to teaching, I know firsthand how a college education changes lives. However, it can be costly and out of reach to many. ACR 202 brings awareness to 529 college savings plans and the importance of preparing for one's future.

Arguments in Support

None on file

Arguments in Opposition

None on file

FISCAL COMMENTS

No fiscal impact. This resolution is keyed non-fiscal by Legislative Counsel.

VOTES**ASM RULES: 9-0-1**

YES: Pacheco, Lackey, Ta, Garcia, Mark González, Irwin, Michelle Rodriguez, Sanchez, Zbur

ABS, ABST OR NV: Ahrens

UPDATED

VERSION: May 11, 2026

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