

529 COLLEGE SAVINGS PLANS:

AN IMPORTANT TOOL FOR FAMILIES AND STUDENTS

The National Association of State Treasurers seeks to provide advocacy and support that enables member states to pursue and administer sound financial policies and programs benefiting the citizens of the nation. Membership is composed of all state treasurers or state finance officials with comparable responsibilities from the United States, its commonwealths, territories, and the District of Columbia, as well as interested representatives of the private sector who have joined through a Corporate Affiliate Program established to build professional relationships and foster cooperation between the public and private sectors. The association serves its members through educational conferences and webinars, a variety of working groups, policy advocacy and publications that provide information about developments in public finance.

College Savings Plans Network (CSPN)

The College Savings Plans Network was formed in 1991. An affiliate of NAST, CSPN's members make higher education more attainable. CSPN serves as a clearinghouse for information among 529 college savings programs and advocates for federal initiatives that will positively affect 529 plans. Membership in CSPN is open to all officials and senior staff in the executive, legislative and administrative branches of state government with responsibilities in the college savings area and to private-sector administrators and other organizations interested in 529 plans.

529 Plans: Expanding Access To College

Research shows that children with a college savings account in their name are six to seven times more likely to attend a four-year college, compared with similar children with no dedicated account. 529 college savings plans encourage higher education, assist American families in coping with the rising cost of college and help reduce student loan debt for the nation's graduates of public, private, community, technical and vocational schools.

529 Plans: A Tool for American Families

By the end of 2014, investments in 529 plans reached a record level of \$247.9 billion, in 12.1 million total accounts. The average account size was \$20,474, which is approximately the cost of one year of tuition, fees, room, and board at a four year public institution. These plans are offered by 49 states and the District of Columbia. Growth in 529 plans has been fueled by consistent state advocacy and outreach that is targeted to middle class families to help improve college access and affordability and promote a better-educated workforce. 529 plans are affordable and accessible for low and moderate income families, and most plans allow minimum contributions for as low as \$15 to \$25 per month to encourage participation by families of all income levels.

Current Legislation

While the 529 program success is remarkable, with the help of Congress, a few common sense changes could go a long way toward making 529 plans a better tool to help even more families save for college. NAST and CSPN support H.R. 529 and S. 335, legislation that makes improvements to 529 accounts that benefit families saving for college, including making computers an eligible higher education expense and allowing families to redeposit refunds they receive from school back into their 529 account without penalty. H.R. 529 passed the U.S. House of Representatives by a vote of 401-20, and the companion Senate legislation (S. 335) was reported out unanimously by the Senate Finance Committee. The legislation awaits further action on the Senate Floor.

The National Association of State Treasurers strongly supports H.R.529 and S.335 and looks forward to working with Congress to ensure greater access to college through college savings plans.