



FIONA MA, CPA
STATE BOARD OF EQUALIZATION
MEMBER, SECOND DISTRICT

May 2, 2016

Assembly Member Sebastian Ridley-Thomas
California State Assembly
State Capitol Room 2176
Sacramento, CA 95814

Re: **AB 2726 (McCarty) – Tax Incentive for California Families Saving for College**

Dear Assembly Woman Gonzalez:

Assembly Bill 2726 (McCarty) is a measure that will provide a tax incentive for California families saving in a ScholarShare 529 college savings account. By increasing the number of families saving for college, the state can reduce student loan debt and increase access to college for California students.

College tuition is at an all-time high and saving for college is more important than ever before. From 2005 to 2014, tuition at the University of California, California State University and California Community College increased by 114%, 117%, and 130% respectively. With limited resources for scholarships, grants and financial aid, more students in our state are forced to take out student loans to finance their post-secondary education. The numbers are staggering – our nation's college students and graduates have a collective \$1.3 trillion worth of student loan debt and that number grows every single day.

Despite these alarming trends, only 49 percent of families with children under 18 are saving for college. The state should provide a financial incentive for families that save for their child's higher education expenses. Similar tax incentives in 33 other states and the District of Columbia have shown to be effective in encouraging families to save for college. It is time for California to also incentivize responsible financial planning for the education of our children. For these reasons I urge your support of AB 2726.

In Peace and Friendship,

A handwritten signature in blue ink, appearing to be "Fiona Ma", is written over the closing text.

Chairwoman Fiona Ma, CPA.