

Legislation Text

File #: 180243, **Version:** 0

Urging the Pennsylvania General Assembly to adopt legislation to create a statewide “Keystone Scholars” Higher Education Savings Program.

WHEREAS, According to the Federal Reserve Bank of New York, student debt is the fastest-growing segment of consumer debt in the United States, having increased by 170 percent in the past ten years. The study also found that about 44 million Americans currently hold student debt; and

WHEREAS, Pennsylvania has one of the nation’s highest student-debt rates, with an average \$35,000 in debt per graduate. High amounts of debt can prevent student borrowers from reinvesting earnings into the economy, according to State Senator Vincent Hughes; and

WHEREAS, Studies show that increasing graduation rates can significantly decrease student debt among students. To increase these rates, colleges, parents, and students need to make a collaborative effort to strive for and encourage student success and timely graduation; and

WHEREAS, Since the recession, many of the new jobs created in Pennsylvania require training beyond high school, ranging from trade or vocational to four-year degree; and

WHEREAS, Pennsylvania State Treasurer Joe Torsella announced a pilot program called Keystone Scholars, which would provide newborns in Pennsylvania with a \$100 donation to a higher education savings fund; and

WHEREAS, According to State Treasurer Torsella, “Research has shown that a baby with a higher education savings account at birth is three times more likely to pursue education or training after high school, and four times more likely to graduate.” This means that a universal college savings fund could increase graduation rates and ease financial burdens on all Pennsylvanians; and

WHEREAS, Keystone Scholars will begin immediately by providing those born or adopted in 2018 with \$100 in a savings fund in six Pennsylvania counties: Delaware, Elk, Indiana, Mifflin, and Westmoreland; and

WHEREAS, State Treasurer Torsella is working with a bi-partisan group of state senators to draft and pass legislation that would expand the Keystone Scholars program to the entire state of Pennsylvania; and

WHEREAS, The statewide program will be funded by private donations and surplus funds from the current 529 Guaranteed Savings Plan; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That we hereby urge the Pennsylvania General Assembly to adopt legislation to create a statewide “Keystone Scholars” Higher Education Savings Program.