



March 25, 2019

The Honorable Jose Medina
Chair, Committee on Higher Education
Legislative Office Building, 1020 N Street, Room 173
Sacramento, CA 95814

RE: AB 15 (Nazarian): Children's Savings Account Program
AAP-CA Position: SUPPORT

Dear Assemblymember Nazarian:

The American Academy of Pediatrics, California (AAP-CA) representing the over 5,000 board-certified pediatrician members of California AAP Chapters 1, 2, 3 and 4 statewide strongly supports proposed legislation AB 15 (Nazarian) establishing the Children's Savings Account Program under the Scholarshare Investment Board.

Living in poverty is immensely detrimental to a child's emotional and physical health and well-being. Recent estimates indicate that 20.6% of California families live in poverty. Even a small amount of savings can have a substantial effect on a child's socio-emotional development and improve the family's outlook for the future.

Asset-building programs, such as state-supported 529 children's savings account (CSA) programs, improve family stability and have long-term effects on a child's well-being. Evidence shows that families with low to moderate income who are able to save \$500 are three times more likely to enroll their child in college, and their child is four times as likely to graduate from higher education, breaking the cycle of poverty.

Under AB 15, the Board would administer a master 529 account held by the State. Each child born in California would be automatically enrolled in this program and receive an initial seed deposit from the account to begin college savings. Money from the account can be used by the student for a number of different purposes such as tuition at an accredited college, university, trade school or graduate program; room and board; books; computers and other related expenses. The account would also provide incentive money to children for school accomplishments.

AB 15 would enable families living in poverty to participate in a means of financial investment that would improve California children's chances for future financial independence and self-sufficiency.

Pediatricians across the state support AB 15 (Nazarian) and urge you to vote AYE. We thank you for your leadership on behalf of the health and well-being of children, youth, and families in California.

Sincerely,

A handwritten signature in black ink, appearing to read "Mona Patel".

Mona Patel, M.D., Fellow of the American Academy of Pediatrics
State Government Affairs Committee, American Academy of Pediatrics, California
CC: Kris Calvin, CEO; AAP-CA Leadership