



**CALIFORNIA DEPARTMENT
OF EDUCATION**

TOM TORLAKSON
STATE SUPERINTENDENT OF
PUBLIC INSTRUCTION

1430 N STREET, SACRAMENTO, CA 95814-5901 • 916-319-0800 • WWW.CDE.CA.GOV

February 27, 2018

Dear County and District Superintendents, Charter School Administrators, and Elementary and Middle School Principals:

ScholarShare 529 Scholar Dollars Grant Program

The ScholarShare Investment Board, which oversees California's ScholarShare 529 College Savings Plan, is once again launching the Scholar Dollars grant program. These grants will provide K–8 public and charter schools statewide with more than \$300,000 to support programs and services that foster a rich college-going culture on their campuses, innovatively prepare students for success in higher education, and enhance extracurricular and enrichment activities.

Scholar Dollars will award grants ranging from \$5,000 to \$30,000 to 20 participating schools. (Grants are awarded in six categories based on the school's enrollment size.) Schools are free to spend the grants on musical instruments, computers, library books, sports equipment, field trips, or gardening tools. The grants also can be used for tutoring labs; science, technology, and math instruction; student counseling; clubs; and many other activities.

Entering your school in the Scholar Dollars program is easy and fast. To participate, a school representative must visit the Scholar Dollars Web site, find and select their school, enter their County-District-School code, and briefly describe the new or existing program(s) or service(s) they would like to fund. Then, they can encourage all members of their school community—parents, teachers, administrators, and boosters—to support their proposed program by voting online. The schools that garner the greatest level of participation from their respective communities will be awarded a grant.

Grant entries will be accepted until **March 7, 2018**. To learn more about Scholar Dollars, past grant recipients, or ScholarShare 529, please visit <http://www.myscholardollars.com/>.

Why Is It Important for Families to Start Thinking About Saving for College?

During the past 40 years, college tuition rates have been consistently increasing at two to three times the rate of inflation each year. During this same period, federal financial

February 27, 2018

Page 2

aid funding has shifted away from student grants and instead toward guaranteed student loans. Today, the percentage of federal financial aid that comes in the form of loans is 32 percent for undergraduates and 63 percent for graduate students, which raises the national student loan debt average to approximately \$34,000 per student. The goal of the Scholar Dollars grant program is to enrich the educational experiences of students, inspire the pursuit of a higher education degree, and generate a meaningful conversation about the importance of saving early for future educational expenses.

What Is ScholarShare 529 and How Does It Help Families Save?

ScholarShare 529, which is administered by the ScholarShare Investment Board and chaired by State Treasurer John Chiang, was established in 1999 to help California families of all income levels save for future higher education costs in a tax-efficient manner. Named after Section 529 of the *Internal Revenue Code*, 529 plans such as ScholarShare 529 provide families with a valuable savings tool that offers a diverse set of investment options, tax-deferred growth, and withdrawals free from state and federal taxes when used for qualified higher education expenses such as tuition, books, personal computers, and room and board.

ScholarShare 529 savings can be used at eligible educational institutions, which include most public and private four-year universities, graduate programs, community colleges, vocational schools, and many colleges abroad. Any adult with a Social Security number or federal tax identification number can open an account with as little as \$25. Through regular contributions via direct deposit from a bank account or paycheck, a ScholarShare 529 account can potentially grow substantially over time.

For more information about ScholarShare 529 or the ScholarShare Investment Board, please visit <https://www.scholarshare529.com/> or <http://www.treasurer.ca.gov/ScholarShare/> or call 916-651-6380.

We encourage you to share the information in this letter with all your students' teachers, parents, guardians, and any other interested parties.

Thank you for your attention to this important topic.

Sincerely,



Tom Torlakson

TT:pc
2018-00620