

# Montana Family Education Savings Program (MFESP)

August 1, 2011

GSL Conference Room 201A – Helena, MT

1:00-4:00 PM

## In Attendance:

**Committee Members:** Jon Satre, John Driscoll, Paul Christofferson, Robert Minto, Lynne Egan, and Todd Buchanan

**Governor's Office:** Nate Thomas with OBPP

**Public:** Sarah Scott from D.A. Davidson

**GSL/OCHE Staff:** Bruce Marks, Robin Graham, Amy Berry, and Amy DeMato

## **1. Welcome and Introductions:**

Jon welcomed everyone to the meeting, introductions were made.

Lynne Egan **Motioned:** to approve the minutes from the last meeting, Robert Minto seconded.

**Vote:** all in favor, none-opposed.

## **2. MFESP & 529 Product Discussion:**

- Amy Berry briefly discussed the need to start thinking about the RFP and what products the plan has requested in the past and if the plan should continue to offer a similar suite of products as the current ones.
- Jon Satre expressed his concerns about the design of the plan and its tendency to benefit those who are more affluent.
  - How can we reach people who are less inclined to invest in 529 plans?
- Robert Minto explained a few reasons why people do not want to invest in 529's include:
  - Financial aid is greatly based upon need, so 529 plans often work against the student trying to receive funding.
  - Discussions then turned to the current economy and continued cost increases associated with attending college, many students who want to go cannot.
- Todd Buchanan gave the comprehensive prospective of less aid being available at the federal level.
  - Graduates are leaving school with greater amounts of debt.
- Sarah mentioned that the Vanguard option has been very beneficial and prior to the addition of Vanguard she typically advised people to participate in the Virginia plan.
  - There have been many questions from grandparents regarding accounts and the options available to them.
  - She reiterated that scholarships are not treated as penalties to 529 plans.
- John Driscoll related that as a grandparent the website is not very user friendly.
  - The process of rolling over or moving accounts is difficult.
  - People need to know that they can safely rollover IRAs into a college savings bank IRA.
  - The option of directly rolling-over an IRA to College Savings Bank without paying taxes on those funds is a valuable resource that is not well-known or easily found.
  - Information regarding Traditional and Roth IRA's along with corresponding forms should be available on the MFESP website.
- Todd Buchanan inquired if we were currently doing any educational workshops. Amy Berry informed him that there are none right now, but it can be discussed further.
- Jon Satre began discussing the contract options associated with marketing
  - Amy Berry informed him that informational pamphlets are being sent home with each newborn baby, but very little response has been received.
  - Robert Minto suggested that we try and use a different vehicle, such as partnering with a group like Kiwanis or the Lions Club as we do not have enough manpower to reach as many people as we would like.
  - Paul Christofferson suggested that we try to communicate more with state employees



- **Amy and Robin discussed the possibility of starting a giveaway program**
  - Details of the program still need to be discussed from a legal aspect, but the committee supported the idea of a program such as this.
- **Amy has had several calls with the Museum of the Rockies and the Exploration Works program about sponsorships. Possibly sending information related to saving for college home with students of varying ages as they visit.**
  - We would like to contact the school districts and OPI regarding this subject.

7. **Next Meeting:**

- At this point the next meeting will be determined on an “as needed” basis.