

INFORMATION ITEM

Montana Family Education Savings Plan: Information Re Affordability Initiative

The Family Education Savings Program has been considering ways to enhance student affordability and accessibility to college in Montana. A new FESP program enhancement called the “Montana \$1,000 College Savings Award” is designed to make college more affordable for Montanans.

The “Montana \$1,000 College Savings Award” features a proposed incentive designed to promote the opening of new FESP accounts through the provision of a \$1,000 contribution each month to a randomly-selected account. The money for the incentives will come from administrative fees paid to the plan by non-resident account-holders. The awards will go into the winner’s FESP account, with the money earmarked for college. This promotion is open only to Montanans and is designed to further university system goals of making college affordable and accessible. The first award is expected to be made in February, 2012.

Similar promotions are being utilized by other states’ college savings plans. Regent Todd Buchanan, member of the FESP Oversight Committee, recommended this idea after reading about other states’ use of this promotion. The FESP Oversight Committee is aware of this promotion and favors its implementation.

ATTACHMENTS

Montana \$1000 College Savings Award rules