

College Tuition Savings Plan Advisory Commission
Minutes of Meeting Held: June 7, 1999
State House, Room 103 – Moved to State House Cafeteria

The twenty fifth meeting of the College Tuition Savings Plan Advisory Commission (the Commission) was called to order at 9:45 a.m., with legislator Andrew Peterson presiding. The following Commission members were present which resulted in a quorum:

| <u>Member</u> | <u>Represents</u> |
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| Michael A. Ablowich | Budget Director, Office of Governor, Representing the Governor |
| Mike Cryans | Public Member from Hanover Appointed by the Governor |
| Ingrid Lemaire | Director of Public Relations, NH Higher Education Assistance Foundation |
| Mary Milliken | Business Administrator, Representing Regional Community Technical College System |
| Andrew R. Peterson | Representative from Peterborough |
| Georgie A. Thomas | State Treasurer, Treasury Department |
| O. Alan Thulander | Representative from Frankestown |

The following members were absent:

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| Martha Gooze | Public Member from Durham Appointed by the Governor |
| Edward Gordon | Senator from Bristol |
| Richard A. Gustafson | President, New Hampshire College, Representing College and University Council |
| Sylvia Larsen | Senator from Concord |
| Edward MacKay | Vice Chancellor for Budget and Planning, University System of New Hampshire |
| Hannah M. McCarthy | President, Daniel Webster College, Representing Postsecondary Education Commission |

The first item on the agenda was the minutes of April 5, 1999. Representative Alan Thulander moved to approve the minutes, seconded by Ingrid Lemaire. The minutes passed unanimously. The next item discussed was the intermediary plan. Abram Claude of Fidelity reported that it is still in the development phase and needed to be discussed with the IRS. Discussions will wait until the private letter ruling for the Unique Plan is received.

Raquel Colby reported on the status of rules. The final form substantive rules passed the rules committee. The objection to the 100 series rules was on the telephonic meetings. If anyone

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challenges the College Savings Plan rules, the burden of proof will be on the commission unless a statute is passed that addresses the issue. The commission needs to determine whether or not to proceed with the rules as written and a resolution adopting the rules CSP100, CSP200 and CSP300 as written should be passed. Georgie A. Thomas made a motion to adopt the rules as written, seconded by O. Alan Thulander. The rules passed unanimously.

Next Abram Claude introduced Leslie Bonnyman who reviewed the survey results. Sixty five percent of people surveyed had some form of savings put away for college. One third of the 65 % use some form of tax advantaged accounts. Over one third co-mingle these assets. Eighty three percent of people expect to receive some type of scholarship towards education. Only 3% actually received one. Sixty percent of tuition payment was in the form of loans. Eighty five percent of New Hampshire survey participants were not familiar with 529 plans, compared with the national average of 83%.

Abram Claude discussed the media plan. The primary focus is instate coverage and awareness. Fidelity will continue to speak on a national level. The focus would be print and radio advertising. Including a press release with the survey results, followed by an aggressive follow up. The primary instate spokesperson will be Georgie A. Thomas. The whole state will be blanketed in the media coverage.

It was further discussed targeting various PTO group meetings and school districts. Joe Riley of Rath, Young and Pignatelli spoke about attending the New Hampshire School Administration Association meetings. Fidelity would do the presentation but it would carry more weight if a Commission member spoke as well. Other promotions are the birthday party at Concord with the governor cutting the cake and children's activities on July 16th. Currently \$104 million is under management.

Debbie Paladino of Fidelity spoke in regarding the fiscal year end and annual report. By September 30th an auditor must be selected. Price Waterhouse Coopers was the Fidelity auditor. At fiscal year end a report must be filed with the MSRB.

Representative Andrew Peterson presented a legislative update. Senate Bill 204 passed the senate but is held up in the house education committee as a result of the disclosure for the commission members. Abram Claude reviewed the federal legislation, the main focus being bankruptcy protection of the assets in 529 plans. New Jersey also passed legislation of 529 plans regarding retroprocity between states.

O. Alan Thulander made a motion to adjourn; Georgie A. Thomas seconded the motion. The motion passed unanimously. The meeting adjourned at 11:08 a.m.