**College Savings Foundation**

**Board Meeting**

**March 7, 2012**

**Charleston, SC**

Present: Peter Mazareas, Strategic Advancement Group; Roger Michaud, Franklin Templeton Investments; Arthur Dunn, Boston Financial Data Systems; Mary Morris, Virginia College Savings Plan; Patricia Roberts, AllianceBernstein Investments; Colleen Rooney, MFS Investments; Tricia Brady, Upromise Investments; Kyla Doyle, Fidelity Investments; Rich Polimeni, Bank of America/Merrill Lynch; Steve Jobe, savingforcollege.com; Vivian Tsai, BlackRock/iShares; Jeff Coghan, Hartford Life Insurance Companies; Mary Nickeson, Archimedes Systems; Scott Hintz, State Farm; Amy Gordona, John Hancock; Paul Curley, FRC; Stacey Belford, American Century Investments; Jeff Howkins, Upromise Investments; Sara Cook, MFS Investments; Jim Lynch, Education Trust of Alaska; Craig Parkin, TIAA CREF; Bill Raynor, OppenheimerFunds; Richard Walsh, OppenheimerFunds; Katryn Gabrielson, Finance Authority of Maine; Beth Bordowitz, Finance Authority of Maine; Peter Kerwin, RIHEAA; Jennifer Tierney, AllianceBernstein Investments

By Telephone: Sarah Henriksen, Wells Fargo

Consultants: Barbara Pate, Davis & Harman (by phone); Randy Hardock, Davis & Hardock; Lynthia Romney, Romneycom; Kathy Hamor, College Savings Foundation

Chairman Roger Michaud called the meeting to order at 2:05 p.m. and welcomed everyone to the Board Meeting. He then introduced Laura Lutton from Morningstar who gave a presentation to the Board meeting attendees and answered questions. The presentation addressed how Morningstar ranks programs, changes that have been made and are being made

**December 2011 Board Meeting Minutes:**

The minutes from the Board meeting held on December 13, 2011 were approved unanimously.

**Financial Report:**

Mary Morris gave the financial report. CSF has $395,228.72 on hand. Mary mentioned that finances are on target for the first quarter. The Financial Report was approved unanimously by the Board.

**Conference Committee:**

Kathy Hamor and Jeff Coghan gave the conference committee report. The conference began the evening of March 7th with a reception. Even though there are nearly 120 attendees, a number of them did not stay at the hotel which resulted in CSF not being able to meet the number of rooms for which it contracted. It was suggested that in the future, CSF contract for fewer rooms. For the first time, at the end of the conference on Friday afternoon, CSF is hosting a public forum for the local community about financing college and college admissions.

**Media Report**:

Tricia Brady and Lynthia Romney provided the update on CSF media efforts since the last board meeting. The goal continues to be to position CSF as a trusted resource on issues of college savings and financing, with an emphasis on the benefits of 529s as a superior product enabling American families to save for their children’s college education.

In the first quarter of 2012, the following key initiatives were publicized:

* Third annual *How Youth Plan to Fund College* survey of nearly 500 16- and 17-year olds across the country
* CSF Forum for parents, educators and financial advisors, “Making Sense of College Costs,” following Conference in Charleston.
* Quarterly Data
* Other – Peter Mazareas appeared on ***Bob Brinker Show*** January 8th for 40 minutes interview and live Q&A. Roger Michaud appeared on ***Home Family & Finance*** for an extensive interview. Bill Raynor was quoted in a story put out by Oppenheimer.

*How Youth Plan to Fund College* Survey:

* Updated, launched and publicized 2012 *How Youth Plan to Fund College* survey. Created Press Release and Executive Summary telling the story clearly in charts and graphs.
* Stories using our statistics appeared in ***U.S. News & World Report University,*** ***Accounting Today, Deseret News, City Town Info Career Search/Education Channel, FreeScore blog, Business Insider*** (2011 survey results including all charts), ***YPulse.com*** and Amazon description for ***ACT for Dummies*** *(Wiley Press).*
* Additionally, our press release appeared on 280+ websites via PR Newswire.
* Press release was picked up in full by ***MarketWatch, Sacramento Bee, Hawaii News Now, Digital Journal,*** among others.

Quarterly Data:

* ***InvestmentNews*** ran large Q&A with Roger Michaud following December interview emanating from discussion on the third quarter 2011 data
* Crafted and distributed press release on fourth quarter 2011 data
  + Roger Michaud interviewed by ***Ignites,*** and positive story ran quoting him.
  + ***InvestmentNews*** ran positive story, quoting Roger.

Charleston Forum PR:

Roger Michaud interviews arranged at press time:

* ***Post and Courier*** Business Editor for advance story; and expect them to cover the Forum. Also ran Forum Event Listing.
* ***Carolina Now – FM*** Radio show on Saturday, March 3, to be run this week on ***Charleston Morning News FM*** from 6-9 am.
* **NBC-TV – WCBD** (taped March 6) and it also ran Forum Event Listing.
* **CBS-TV – WCSC** (Live at 4 pm March 6)

Liz Skinner from ***InvestmentNews*** will attend the conference.

For the next quarter, the media committee plans to conduct a survey of recent college graduates. Amy Gordona is co-chair of the Media Committee.

**Membership Committee Report:**

Rich Polimeni gave the membership committee report. Rich thanked everyone for their membership and noted that the Committee’s goal in 2012 is to increase membership by 4 new members and in the first quarter three new members joined CSF; JFH Innovative (Joe Hurley), Finance Authority of Maine and FRC. He urged members to go through the list that was handed out to see if they could facilitate a conversation with prospective members. He further mentioned that the conference is a good forum to approach prospective members.

It was recommended that a CSF member benefits page be added to the conference book for future conferences.

**Legislative Committee:**

Bill Raynor, Patricia Roberts and Randy Hardock discussed legislative activity. The Committee has met once this year. Bill mentioned that due to elections and a stagnant Congress, not a lot is expected to happen this year.

Randy gave the update on federal issues. He discussed that the end of the year will bring a ‘perfect storm.’ The need for a debt limit increase, the 2001 and 2003 tax cuts and payroll tax holiday expire. It is anticipated that the tax preference for 529s are not in play. However, this could be an opportunity to fix the interaction between Coverdell ESAs and 529s which would be a technical correction. Looking ahead to 2013, deficit reduction and tax reform will be on the table as both are intertwined. The good news for 529s is that they are not expensive and are backloaded.

Current legislation in Congress:

* H.R. 529 is expensive; especially the employer piece and the saver’s credit
* ABLE Legislation is a new 529 adjunct for the disabled. It is very popular with Congress and the disability community
* Cleaver Bill seems to be dormant for now

**State Activity:**

Patricia gave the report on state legislation. Since CSF does not have a state monitoring program in place, members were asked to let Patricia and Bill know about any state legislative developments.

Arizona: the tax parity bill that passed had a sunset of 5 years that is now here. There are 2 bills in the state. One would make the deduction permanent while the other would extend it for another 5 years.

Kansas: The Governor proposed to streamline the tax code; lowering the rate, but eliminating all tax credits and deductions. There is legislation to put the 529 deduction back in.

New Jersey: A bill providing a state tax deduction for contributions to the state 529 plan was pocket vetoed by Governor Christi.

Pennsylvania: is looking to eliminate tax parity by going after parity to those who get the deduction, but are not putting funds into the home state plan.

Tricia mentioned that there is legislation in Indiana and Oklahoma.

Bill reminded everyone that CSF has rules of engagement in effort regarding state tax parity.

**Regulatory and Legal Affairs Committee:**

The latest MSRB request for comment regarding EMMA has a due date in the beginning of April. CSF will get a small group of interested members together to prepare the response.

**Data Committee:**

Mary Morris gave the report. Almost all members are reporting and efforts are working well.

**Marketing Task Force:**

Co-chairs Colleen Rooney and Vivian Tsai gave the report.

Colleen and Vivian have looked at previous efforts of the Task Force and have new ideas about how CSF’s efforts can be better leveraged. Colleen and Vivian recommended that the target audience be expanded to include people in the industry so they will see CSF as a resource and as a result be better able to address their customers, the American family, with a college savings (through 529s)message. Colleen and Vivian recommended the following changes for the Marketing Task Force’s efforts.

CSF Mission: The College Savings Foundation (CSF) mission is to ultimately help American families achieve their education savings goals.  CSF’s members include investment managers, governmental bodies, law firms, accounting and consulting firms, and non-profit agencies that participate in the sponsorship or administration of 529 college savings plans. CSF focuses on building public awareness of and providing public policy support for 529 college savings plans – an increasingly vital college savings vehicle.

CSF Target Audience: Though the ultimate beneficiaries of CSF’s mission are American families, it is recommend that the primary target audience for CSF messaging and marketing include centers of influence (i.e. financial planners, estate planners, CPAs, and the financial media) in addition to the 529 industry. Students, parents and grandparents are a secondary target audience.

Key Messaging:

Saving for college in a 529 college savings plan is as important, and integral, to the American family as is saving for retirement.

Supporting Messaging:

* Those who have a savings goal, and plan, are more successful at achieving that goal than those who don’t.
* Value of higher education
* Cost of college and student loans – save now, borrow less later

Colleen reminded people that CSF has contracted with Hilltop Consultants (Georgetown University) to help develop a social media strategy along with resource requirements. Peter Mazareas recommended that the Task Force help market the CSF conference in the future. The Board agreed with the approach that the Task Force is taking.

**Administrative Issues Task Force:**

Arthur Dunn gave the report and reviewed the status of these efforts. CSF member firms are actively participating in the 4 CSPN Operations Committee initiatives. The status of those projects is as follows.

The Distributions to Schools Project is pulling together data for participants and the schools on how to distribute the funds to the schools. There are problems that need to be solved with the data portion of this.

The Employer Panel is looking for CSF support for this. The efforts are close to an implementation phase.

The Rollover Project is creating a database to help people understand how to do a rollover for each plan.

They are looking for consistency in the process. Jim Lynch will share a survey with Kathy so she can share it with CSF members.

The New Account Process is looking at a universal application to simplify paperwork and how to automate it to make sales of 529s easier.

**By-Laws Review Committee:**

Patricia Roberts gave the report. The Bylaws were last amended in 2007. The Committee has met on one occasion to discuss changes to the Bylaws. There will be another call and all CSF members are invited to join. Some of the issues to be addressed are:

* Appointment of a proxy to attend meetings and vote
* Qualifications standards for being on the Executive Committee
* Definition of a small business

**Summit**

Peter Mazareas will head this effort which will include the findings of a research paper that CSF is undertaking about 15 years of 529s. Peter will be asking members to volunteer to help with this effort. Depending on the time it takes for the completion of the research paper, the summit will be held either in September or December around the Board meeting dates.

**Other**

Roger raised the issue about how life insurance is being used to pay for college. It was noted that CSPN is looking into this and is preparing a paper about it.

**Dates for 2012 Board Meetings:**

* June 5th at 1 p.m.
* September 18th  at 1 p.m.
* December 4th from 11 a.m.

The meeting was adjourned at 4:50 p.m. EST