**College Savings Foundation**

**Board Meeting**

**March 3, 2015**

**Austin, TX**

Present: Maria Manotok, Capital Research and Management Company; Mary Morris, Virginia529; John Bryson, John Hancock Investments; Deb Smith, John Hancock Investments; Jim Lynch, Education Trust of Alaska; Gil Johnson, College Savings Bank; John Stergiou, Allianz Global Investors Distributors; Roger Michaud, Franklin Templeton Investments; Bill Raynor, OppenheimerFunds; Kyla Michaud, Fidelity Investments; Paul Curley, Strategic Insight; Elizabeth Fontaine, MEFA; Stefanie Mattson, State Farm; Rich Polimeni, Bank of America/Merrill Lynch;

Phone: Vanessa Curry, John Hancock Investments, Barbara Pate, Davis & Harman

Consultants: Randy Hardock, Davis & Harman; Lynthia Romney, Romneycom; Kathy Hamor, College Savings Foundation

Chairman Mary Morris called the meeting to order at 2:07 p.m. EST and welcomed everyone to the Austin. Mary mentioned that due to weather, many CSF members were not able to make it to the meeting, but hope to be in Austin soon. She also urged people to reach out to financial professionals in the Austin area to attend the financial professionals session as well as the great public session that follows on Thursday afternoon.

**December 2014 Annual Board Meeting Minutes:**

The minutes from the Board meeting held on December 16, 2014 in Washington, DC were approved unanimously.

**Financial Report:**

Kyla Michaud gave the financial report. She reported that conference income has increased; registrations are up 33% and sponsorships are up over 100%. Membership renewals are on track. Current cash on hand is $294,906.31. The Financial Report was approved unanimously by the Board.

**Chair Report:**

Mary Morris mentioned the President’s proposal on 529s. She thanks Lynthia for CSF’s media efforts and Paul Curley for getting us the information we needed to address the proposal that was withdrawn a week after it was introduced in the President’s budget. Mary further mentioned the passage of H.R. 529 in the House and as a result of both the President’s proposal and the passage of H.R. 529, 529 plans are getting a lot of good attention.

**Legislative, Legal and Regulatory Affairs Committee:**

Bill Raynor gave the report which began with a discussion about the President’s 529 proposal and the House passing H.R. 529. Bill then mentioned that ABLE has passed and a number of states are working on it. He asked if people find out what states are doing to please contact him or Chris who are keeping track of this.

Bill thanked Barbara Pate and Randy Hardock for their work on behalf of CSF. Randy then gave a report of federal initiatives. He stated that the republicans are emboldened by what happened with the President’s proposal and feels that democrats could be emboldened to introduce proposals that would limit 529 plans. He felt that the good news is that this (broad support of 529s) will have a carryover effect.

Randy then described major policy initiatives that will happen in 2015 – Department of Homeland Security funding (inc. the President’s Executive Orders on immigration); the highway trust fund running out of funds, in June, the Supreme Court decides the Affordable Care Act case, the debt limit needs to be extended, and sequestration cuts in the budget. With all of these issues, Randy then stated that HR 529 passed the house, but is not sure what or when the Senate will take this up.

The Senate Finance Committee is working on tax reform and it recently reported out a low cost tax bill. Randy stated that tax reform is happening in the House and Senate. House Ways and Means Committee Chair, Paul Ryan and Treasury Secretary Lew have talked about corporate tax reform and funding the Highway Trust Fund. In particular Randy mentioned that they are looking at retired former Ways and Means Committee Chair Camp’s proposal which took the international repatriation provision and dedicated it to the Highway Trust Fund.

Randy mentioned that the House could do corporate, middle class tax reform that could include education tax credits. He further stated that the Senate has established 5 working groups for tax reform – individual income taxes, business income taxes, savings and investment, international tax and community development and infrastructure. He stated that the process is on-going and the next month or so will involve “educating members.” After that the next step is roundtable discussions among the Committee members and come up with ideas. It is anticipated that the Committee will start drafting in April and present this by May 25th.

Randy then reported that Representative Jenkins’s staff reached out to Barbara to start working on phase 2 of 529 plan legislation. This is expected to include the saver’s credit and employer provisions. CSF needs to decide if it asks for changes in investment direction and also if we would like to fix FAFSA issues.

The Chairs of the House and Senate Committees with jurisdiction over the Higher Education Act plan to pass something this year. If CSF is looking for changes to FASFA, this is where we would need to weigh in.

Bill asked people to think about what else they would like to see in legislation. He also asked that if any CSF members are aware of state legislation affecting 529s to let him and/or Chris know.

**MSRB/SEC/MISC**

1. *MSRB Creates Professional Qualification Standards for Municipal Advisors*.

The MSRB has received approval from SEC to create baseline standards of professional qualification for municipal advisors. The new standards will be incorporated through amendments to the MSRB’s existing Rules G-2 and G-3 on professional qualifications and take effect April 27, 2015. The MSRB has scheduled a webinar to provide more information on the municipal advisor representative professional qualifications test and related requirements on April 2, 2015 at 3:00 p.m. ET. [Register for the webinar](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMzAyLjQyMjgwMDcxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDMwMi40MjI4MDA3MSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzk4ODIwJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&100&&&http://w.on24.com/r.htm?e=920671&s=1&k=0CC37E90EC2FA2CED0B066E344116217).

1. *MSRB Publishes New Fact Book of Municipal Market Data and Invites User Feedback*. The MSRB today published its annual Fact Book, the only online sourcebook that analyzes trading data, continuing disclosure documents and other statistics for the $3.6 trillion municipal bond market. The new edition provides monthly, quarterly and yearly aggregate market information from 2010 to 2014, and covers different types of municipal issues, trades and interest rate resets. <http://www.msrb.org/News-and-Events/Press-Releases/2015/MSRB-Publishes-New-Fact-Book-of-Municipal-Market-Data-and-Invites-User-Feedback.aspx>
2. *Dall Forsythe Joins MSRB Board of Directors*. The Board of Directors of the MSRB announced today that public policy scholar Dall W. Forsythe will join the Board as a public member to fill the vacancy created by the resignation of Robert A. Fippinger, who is becoming the MSRB’s Chief Legal Officer. The 21-member Board of Directors makes policy decisions, authorizes rulemaking, enhances market transparency systems and oversees operations of the MSRB. <http://www.msrb.org/News-and-Events/Press-Releases/2015/Dall-Forsythe-Joins-MSRB-Board-of-Directors.aspx>
3. *Robert Fippinger to Join MSRB as Chief Legal Officer*. The MSRB announced today that Robert Fippinger, one of the country’s preeminent municipal securities attorneys, will join the MSRB as its Chief Legal Officer, overseeing all legal and external affairs. Fippinger, who currently is Senior Counsel at Orrick, Herrington & Sutcliffe and has served on the MSRB Board of Directors since October 2010, tendered his resignation from the Board effective immediately. The MSRB also announced that it has promoted Deputy General Counsel Michael L. Post to General Counsel-Regulatory Affairs. <http://www.msrb.org/News-and-Events/Press-Releases/2015/Fippinger-to-Join-MSRB-as-Chief-Legal-Officer.aspx>
4. *MSRB Rule G-45 on 529 Plan Data Collection: Upcoming Effective Date and New Manual*. The MSRB reminds dealers of the February 24, 2015 effective date for new Rule G-45 requiring underwriters of 529 college savings plans to electronically submit information about those plans to the MSRB through its [Electronic Municipal Market Access (EMMA®) system](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMjE3LjQxNjkzNzAxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDIxNy40MTY5MzcwMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzg2ODAyJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&100&&&http://emma.msrb.org). Rule G-45 establishes semiannual reporting periods, the first of which is January 1 – June 30, 2015. Additional data on investment option performance is due on an annual basis, beginning with information for calendar year 2015. Underwriters have 60 days following the end of each semiannual reporting period and calendar year to submit the required information to the MSRB. [Read the approval notice for Rule G-45](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMjE3LjQxNjkzNzAxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDIxNy40MTY5MzcwMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzg2ODAyJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&101&&&http://www.msrb.org/~/media/Files/Regulatory-Notices/Announcements/2014-03.ashx?n=1). The MSRB will host an educational webinar about Rule G-45 on Thursday, March 12, 2015 at 3:00 p.m. ET. [Register here](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMjE3LjQxNjkzNzAxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDIxNy40MTY5MzcwMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzg2ODAyJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&102&&&https://event.on24.com/eventRegistration/EventLobbyServlet?target=reg20.jsp&eventid=942917&sessionid=1&key=5ED9A9E5271108CAFAA1979CD74590CE&sourcepage=register). To assist 529 plan underwriters in using electronic Form G-45 to comply with the new submission requirements, the MSRB is providing a [manual and specifications document.](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMjE3LjQxNjkzNzAxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDIxNy40MTY5MzcwMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzg2ODAyJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&103&&&http://www.msrb.org/msrb1/EMMA/pdfs/EMMA-Form-G-45-Manual.pdf) As the manual describes, submitters can choose to submit Form G-45 via the EMMA Dataport web user interface or via an automated computer-to-computer (B2B) interface. The MSRB has also created beta test environments to allow submitters to conduct tests and ensure proper programming and configuration of their applications for making Form G-45 submissions to the EMMA system using either method: EMMA Dataport Web User Interface Beta Environment  
   [emmabeta.msrb.org](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMjE3LjQxNjkzNzAxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDIxNy40MTY5MzcwMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzg2ODAyJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&104&&&http://dataportbeta.emma.msrb.org/AboutDataport.aspx?ReturnUrl=%2fSubmission%2fSubmissionPortal.aspx) . Automated B2B Interface Beta Environment   
   [https://servicesbeta.emma.msrb.org/DisclosureServices/G45DisclosureService.svc](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMjE3LjQxNjkzNzAxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDIxNy40MTY5MzcwMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzg2ODAyJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&105&&&https://servicesbeta.emma.msrb.org/DisclosureServices/G45DisclosureService.svc)Please contact MSRB Support at 703-797-6668 with any questions.
5. Webinars
   1. The MSRB has scheduled a webinar to provide more information on the municipal advisor representative professional qualifications test and related requirements on April 2, 2015 at 3:00 p.m. ET. [Register for the webinar](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMzAyLjQyMjgwMDcxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDMwMi40MjI4MDA3MSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzk4ODIwJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&100&&&http://w.on24.com/r.htm?e=920671&s=1&k=0CC37E90EC2FA2CED0B066E344116217).
   2. The MSRB will host an educational webinar about Rule G-45 on Thursday, March 12, 2015 at 3:00 p.m. ET. [Register here](http://links.govdelivery.com:80/track?type=click&enid=ZWFzPTEmbWFpbGluZ2lkPTIwMTUwMjE3LjQxNjkzNzAxJm1lc3NhZ2VpZD1NREItUFJELUJVTC0yMDE1MDIxNy40MTY5MzcwMSZkYXRhYmFzZWlkPTEwMDEmc2VyaWFsPTE3Mzg2ODAyJmVtYWlsaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZ1c2VyaWQ9Y21jZ2VlQHZpcmdpbmlhNTI5LmNvbSZmbD0mZXh0cmE9TXVsdGl2YXJpYXRlSWQ9JiYm&&&102&&&https://event.on24.com/eventRegistration/EventLobbyServlet?target=reg20.jsp&eventid=942917&sessionid=1&key=5ED9A9E5271108CAFAA1979CD74590CE&sourcepage=register)

Next LLRA Meeting: April 1, 2015 @ 1:30 p.m.

**Conference Committee:**

Stefanie Mattson gave the conference committee report and thanked the Conference Committee members, moderators and panelists for their work. She noted that this year, CSF is holding a post-conference session for financial professionals and the public session and thanked everyone for their work on these sessions as well. Stef and Kathy thanked the sponsors for their support as well.

**Membership Committee Report:**

Kathy Hamor gave the Membership Committee report for Rob Tirrell whose flight was delayed. Kathy mentioned that CSF has been contacted by Steve Jobe at Legg Mason who plans to join CSF this year. She also discussed the meeting that the Membership Committee had in February. Roger Michaud then discussed the Committee’s initiative of looking at a new level of membership for companies such as Morgan Stanley, UBS, Edward Jones, Raymond James, etc. that sell 529 plans, but are not program managers. The Committee will continue to explore this and plans to make a recommendation at the next Board meeting.

**Data Committee:**

Mary Morris gave the report as John Park’s flight was delayed. She mentioned that the contract with Strategic Insight expires at the end of March and that CSF is planning to continue the relationship, but is exploring the type of data it would like to collect. If people have any recommendations, she urged them to contact John or Kathy with them.

**Media Report**:

Roger Michaud provided the update on CSF media efforts. He discussed the media on which CSF was included/mentioned at the time of the President’s 529 proposal. Roger appeared as the CSF representative in the lead story on the Willis Report on Fox Business and that CSF was mentioned in the press throughout the country during that time.

Roger thanks Lynthia for all of her efforts with the media and Lynthia recapped the efforts on the President’s 529 proposal.

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 middle class families to save for their children’s college education.

Since December 2014 we have:

* Conducted all-out media campaign to combat White House budget plans to roll back tax exemptions to 2001.
* Conducted intensive media outreach for 2015 Conference and Public Session.
* Released 4Q 2015 Data Press Release.

529 Campaign:

* In response to President Obama’s plan to roll back the Federal tax exemptions of 529 plans to 2001 regulation, the media committee collaborated to orchestrate an all-out media objection to the plan. The White House withdrew it one week later.
  + - CSF was included in early *CNN.com* story (Melanie Hicken).
    - *Forbes’* Ashlea Ebeling ran gifting story that had been prepared in December, quoting College Savings Bank, and included CSF position on the 529 debate and stats.
    - Roger Michaud appeared on the top story for *The Willis Report* 1/21. *FoxNews.com* quoted CSF in coverage.
    - AnnaMaria Andriotis included CSF in her coverage for *WSJ.com.*
    - Mary Morris spoke with Tara Siegel-Bernard of the *New York Times,* resulting in CSF included as expert in story.
    - Mary Morris spoke with Liz Weston for full *Reuters* column.
    - *Kansas City Star’s* syndicated columnist Steve Rosen included CSF in entire column on gifting prepared in December.
    - *Washington Post* begins including CSF stats in its news coverage.
* Mary Morris interviewed by *NPR,* which ran January 26*.*
* Mary Morris interviewed by *NY1 – Time Warner*, broadcast Jan. 26.
* Mary Morris interviewed by Michelle Singletary of *Washington Post*, whose column ran the evening of January 26 after Obama dropped the proposed plan, citing “distraction.”
* Mary Morris interviewed by *Ignites.*
* *Education Week* and numerous blogs such as *Ryan Ellis (under Forbes.com*), *GoLocalProv*, *Lauren Clark, Main Street*, *VA House GOP* picked up CSF statistics and quotes.
* Draft and issue a statement to media supporting withdrawal of plan.
* Media coverage ensued quoting CSF: *BBC, The Hill, Detroit News, The Chronicle of Education* *The Fiscal Times, Epoch Times, The Guardian, Lincoln Journal Star, The Patriot Post, The Inquisitr*, *CBS Minnesota, National View by Dr. John Sparks, Sierra Sun Times, South Coast Today.*

Additional media:

* Arrange interview for Mary Morris with *NJ.com* which resulted in full story.

**2015 Conference & Public Session:**

Conducted aggressive national outreach starting in December and regional outreach the first week in February with the following results one week prior to Conference.

* National Media:
  + Liz Skinner, *InvestmentNews*
  + Liz Weston, *Reuters* columnist and personal finance writer
* Regional Media:
  + Ralph Haurwitz, *Austin American Statesman*
  + Katie Mangan, *Chronicle of Education*, Austin Bureau
  + Jennifer Curington, *Community Impact Newspaper*
* Broadcast media:
  + Time Warner – may cover conference and promote public session
* Public Session Publicity: Posted event listings on:
  + do512
  + Austin Texas.org
  + Eventful (Austin 360)
  + Austin Culture Map
  + Austin Family
  + Home School Moms
* Reached out to numerous educational organizations:
  + Texas Charter School Newsletter (newsletter)
  + Texas Assn. for Gifted and Talented (newsletter)
  + Texas Elementary Principals & Supervisors Association (will post the information about the public session on their social media accounts)

**4Q 2014 Data Press Release:**

* Crafted press release and distributed to national media.

**Marketing Task Force:**

Co-Chair Vivian Tsai gave the report. She noted the CSF’s social media presence has increased and we now have 99 followers on Facebook. She also mentioned that the Task Force launched its survey of financial advisors and their use of 529 plans in February.

**Administrative Issues Task Force:**

Deb Smith gave the report. The Task Force met in February and went over the results of last year’s survey on priorities for the Task Force. The Task Force identified two issues to pursue:

1. Omnibus
2. RIAs

With regard to Omnibus there seems to be a lack of knowledge sharing. The Task Force plans to have a user group/best practices group to help with the industry efforts with Omnibus. The Task Force will be soliciting CSF members to form a user’s group. Current plans are to have the group meet quarterly and the Task Force is still working on identifying how to share the information from the group.

Regarding the RIA, there is a challenge involving the wrap fee and trying to take it from the 529 account as a non-taxable event. The Task Force will continue to work on these issues.

**Other Issues:**

The CSF Board meetings in 2015 are being held in Washington, DC at the offices of Davis & Harman on the following dates:

* June 16
* September 22
* December 15 (annual Membership and Board meetings)

The meeting was adjourned at 3:41 p.m.