

**Minutes of AZ529, Arizona’s Education Savings Plan
Advisory Committee Meeting
June 25, 2024**

The quarterly meeting of the AZ529, Arizona Education Savings Plan Advisory Committee (Committee) was held on June 25, 2024, in-person and via WebEx. Treasurer Yee called the meeting to order at 10:07 a.m.

Members Present:

The Honorable Kimberly Yee, Chair, Arizona State Treasurer
Keith Alexander, Special Assistant to the President for Community & Government Relations,
Eastern Arizona College (via WebEx)
Susan Ciardullo, Executive Director, Life Long Learning, Inc.
David Eaker, Campus President, The Refrigeration School (via WebEx)
Karen Mensing, Technology Integration Facilitator, Paradise Valley Unified School District (via WebEx)
The Honorable Shaandiin Parrish, Council Delegate, Navajo Nation (via WebEx)
Gary Schleuger, Vice President of State Government Affairs and Relations, University of Phoenix (via WebEx)
Charlie Shields, Shields Company Inc./480 Endowment Consultants (via WebEx)

Members Absent:

Susan Bitter Smith, Maricopa Community Colleges
Christine Burton, Co-Founder, Burton Family Foundation
President Brian Mueller, Grand Canyon University
Dr. James Rund, Senior Vice President for Educational Outreach and Student Services,
Arizona State University
Chris Schoenleb, North Valley Christian Academy

Others Present:

Jeffrey Ong, AZ529 Plan Administrator, ASTO
Alyssa Koury, Public Information Officer, ASTO
Nick Barnhiser, Financial Systems Administrator, ASTO

- I. Treasurer’s Welcome and Opening Remarks**
Treasurer Yee called the June 25, 2024, quarterly meeting to order at 10:07 a.m. and welcomed the Committee members and staff attending the meeting.
- II. Roll Call of Committee Members**
Treasurer Yee asked AZ529 Plan Administrator, Mr. Jeffrey Ong, to do a formal roll call of the Committee members.
- III. Approval of Minutes of March 25, 2024, Committee Meeting**
Ms. Ciardullo moved that the March 25, 2024, Committee meeting minutes be approved as distributed. Seconded by Mr. Shields. Motion carried unanimously.

IV. AZ529 Plan Performance Update

Treasurer Yee asked Mr. Ong to provide an AZ529 Plan Performance Update. Mr. Ong shared that in just over 44 months, since ASTO first started administering the AZ529 Plan, there were 42,451 new AZ529 accounts with total plan assets at \$2.28 billion, an increase of 40.4% since 2020, which is a new record high.

Mr. Ong stated that the assets under management were also up 18.8% Year Over Year, and total AZ529 Plan accounts were at 110,499, up 7% Year Over Year.

Additionally, he reported that Fidelity remains the largest AZ529 provider, with 69.3% of Assets and 71.3% of Accounts. Goldman Sachs remains the second largest provider, holding 30.5% of Assets and 28.2% of Accounts. College Savings Bank holds the remaining 0.2% of Assets and 0.5% of Accounts. Overall, Arizona residents held 53% of total Assets and 59.6% of total Accounts, with the rest held by Non-Residents.

College Savings Bank continues to wind down its operations as an AZ529 Provider after they decided to exit the market. Starting in 2022, all accounts were transitioned to Fidelity investments as CDs began to mature. Mr. Ong reported that during the latest quarterly transition on May 31st, 30 additional accounts were transferred to Fidelity which represented \$50,555.20 in assets. CSB will continue servicing existing accounts until the last CD product matures in 2037.

Additionally, Mr. Ong provided a marketing update on the AZ529 Plan. For May, the AZ529 Plan monthly marketing efforts delivered 583,470 total impressions, 2,030 total clicks and a click through rate of .35%. All the tactics—including pre-roll, display, retargeting and social media overdelivered impression goals by 4%. In May, the Spanish-speaking audience was the most engaged overall with AZ529 advertisements at a .37% click through rate.

Specifically for social media, Mr. Ong reported 316,560 total impressions and a .45% click through rate. AZ529 social media marketing promoted the “Dream Big Save Bigger” message and reached 7,136 total people. From May 6th through the end of the month, the message changed to promote the Photo Contest reaching 80,468 total people.

Mr. Ong reported that in April, Treasurer Yee hosted an awards ceremony recognizing 15 winners of the AZ529 Art Contest. These winners were selected from a record 618 entries, up from 343 the year before, and represented each Arizona county and each type of school. Each of the winners received \$529 towards a new or existing AZ529 Plan.

Additionally, during the Southern Arizona Leadership Council in Tucson, Treasurer Yee highlighted the AZ529 Plan and her commitment to outreaching to communities across the state. She spoke with these Southern Arizona business leaders about the importance of helping all families save for education.

Mr. Ong reported that at the Arizona Builders Alliance in Tucson, Treasurer Yee discussed the importance of saving for education—which is a driver for economic development and the skillsets that can help the construction industry.

At the Greater Phoenix Chamber Board of Directors Meeting, the Treasurer shared more about the AZ529 Plan and the outreach to businesses and communities across the state to promote the program.

During the Biltmore Area Partnership meeting, Treasurer Yee shared about her journey into public service, the various duties of the State Treasurer’s Office and her work outreaching to communities about the AZ529 Plan.

In May, Mr Ong reported that Treasurer Yee was pleased to join for the ribbon-cutting and grand opening ceremony of the Charles Schwab Financial Access and Research Lab at Arizona State University. This space will provide students with technology and resources in the areas of financial education. This provided the perfect opportunity for the Treasurer to discuss her efforts along with the Financial Literacy Task Force and their work to promote financial education across the state.

In Phoenix, at the Dignity Health Public Policy Citizen Academy, Treasurer Yee talked about her journey into public service and the role of the Treasurer’s Office. This included sharing about the AZ529 Education Savings Plan to those learning more about public policies.

At the Association of Government Accountants Conference in Tempe, Treasurer Yee shared about the investment performance of the Office and how taxpayer dollars are safely managed and invested. She also shared about the AZ529 Savings Plan to help more families stay out of debt and save for education.

At Echo Mountain Intermediate School in Phoenix, Treasurer Yee shared about the AZ529 My Picture-Perfect Career Photo Contest, which started earlier that week. She led students in a STEM rocket building activity and then watched students launch their rockets to see which one flew the furthest.

Students at Challenge Charter School in Glendale also received a visit from the Treasurer who shared more about the AZ529 Plan and led a lesson about financial literacy. They also did a STEM activity building structures out of pool noodles to see which one was the tallest and strongest to hold a stuffed animal.

At the County Supervisors Association in Phoenix, Treasurer Yee spoke to County Supervisors about the investment work of our Office and efforts to promote financial literacy. She also shared about the work to promote education savings through the AZ529 Plan across the state.

In Mesa, Treasurer Yee spoke with the Arizona Accounting and Financial Women’s Alliance to share about her journey into public office and her work as Treasurer. She spoke with these financial professionals about the importance of saving for education and how an AZ529 Plan can help more families save for their future.

Also in May, Treasurer Yee visited with seniors at the Beatitudes Senior Community to talk about the work of the Financial Literacy Task Force and provided tips to seniors to avoid financial fraud. She encouraged grandparents in the group to consider contributing to their grandchildren's 529 account as a way to gift and support their futures.

For National "529 Day" on May 29th, Treasurer Yee issued a proclamation for National 529 College Savings Plan Day in Arizona and recognized the accomplishments of the Advisory Committee in promoting awareness of the AZ529 Plan by translating materials into Spanish and Navajo and upgrading the plan to a national Silver Rating. We also posted this compilation on our social media of the Treasurer leading 529 Day cheers from the various groups she visited over the last year

Also, for 529 Day, Treasurer Yee surprised new parents Sarah and Cameron with \$529 towards their newborn baby's—Brady's-- AZ529 Account. Brady was born after his mom went into labor on 5/29 and went home with a gift basket of diapers and a 529 onesie including \$529 towards an education savings plan.

Additionally, Mr. Ong reported that in Tucson, Treasurer Yee who is a Girls State alumna, shared about her personal journey into public office and how the leadership she learned at Girls State has shaped her path. She also encouraged the girls to think about their future and the saving they'll need to get there with an AZ529 Education Savings Plan.

In Flagstaff, Treasurer Yee also visited with the delegates of Boys State where she discussed the importance of leadership and public service and was named an honorary Boys State Board Member. She shared about the AZ529 Plan and how easy it is for families to save today.

Finally, at the ribbon cutting for the HOPE Inside Center at a Wells Fargo Bank in South Phoenix, Treasurer Yee recognized the importance of the center to provide financial education and banking services to the underbanked community to help them save for the future. She shared about the work of the Financial Literacy Task Force and how the AZ529 Plan is also helping families save for their future education.

Treasurer Yee shared about her wonderful visit to surprise new parents during "529 Day" and present them with \$529 towards their newborn baby Brady's AZ529 Education Savings account. She thanked all the members for their support and expanding awareness to their communities.

Mr. Shields asked how engagement is tracked among the Spanish-speaking audience. Mr. Ong responded that Davidson Belluso, the AZ529 marketing partners, track how many times Spanish speaking ads are clicked on when compared to the overall total number of impressions to determine the click through rate. Treasurer Yee mentioned a visit to Capitol Elementary School and a student asked about how to enter the art contest when his family only spoke Spanish. She was happy to provide him with an art contest flier that was translated into Spanish.

Ms. Ciardullo asked about the age ranges of the AZ529 account beneficiaries and how many

are in the 0 to 18 age range. Treasurer Yee mentioned that about 40% of account holders are out of state. Mr. Ong responded that the average age of the beneficiary for Fidelity accounts is 12.4 as of May 2024. Treasurer Yee also mentioned that more grandparents are also opening accounts and marketing efforts have been reaching out to these groups.

V. Committee Discussion and Next Steps

Treasurer Yee thanked members for sharing about the AZ529 Photo Contest. There were 101 entries-- up from less than 100 entries last year—that were received from 11 Arizona counties. She thanked AZ529 Committee Members including Susan Bitter Smith and Susan Ciardullo for their time in evaluating these entries. Ten winners will receive \$529 towards a new or existing AZ529 Plan and recognize them at an awards ceremony at the State Capitol in July. Additionally, Treasurer Yee shared her ongoing discussions with State Board Members about adding a separate, 1-semester personal finance course, that all Arizona high school students must take prior to graduation.

Additionally, the State Board of Education just provided an update that they are now in the process of gathering additional information to consider adding that requirement for Personal Finance. The K-12 working group, led by Financial Literacy Task Force Member, Sharon Lechter, is responding back to the additional questions from the Board to help inform future decisions regarding this requirement.

Council Delegate Shaandiin Parrish congratulated Treasurer Yee for all the outreach with the AZ529 Plan. She invited Treasurer Yee and staff to come to the Navajo nation to discuss further partnership efforts. Since 2018, the AZ529 pamphlets translated into the Navajo language have helped share more information and additional visits from the Treasurer have advanced financial education across the Navajo nation.

VI. Call to the Public

Treasurer Yee opened the floor for public comment via the Webex chat feature. There was no public comment.

VII. Treasurer's Closing Remarks and Notice of Next Meeting

Treasurer Yee announced the next quarterly meeting is tentatively scheduled for Tuesday, September 10, 2024, at 10AM.

VIII. Adjournment

With no further business to discuss, Ms. Susan Ciardullo made a motion to adjourn the meeting. Seconded by Mr. Charlie Shields. The meeting was adjourned at 10:37AM.

Respectfully Submitted by:

Jeffrey Ong

Jeffrey Ong
AZ529 Plan Administrator

Approved by:

Kimberly Yee

Kimberly Yee
Chair

9/10/24
Date