

**Minutes of AZ529, Arizona’s Education Savings Plan
Advisory Committee Meeting
September 12, 2023**

The quarterly meeting of the AZ529, Arizona Education Savings Plan Advisory Committee (Committee) was held on September 12, 2023, via Webex and in-person. Treasurer Yee called the meeting to order at 11:03 a.m.

Members Present:

The Honorable Kimberly Yee, Chair, Arizona State Treasurer (via WebEx)
Keith Alexander, Special Assistant to the President for Community & Government Relations,
Eastern Arizona College (via WebEx)
Maria Baier, Vice President of External Affairs, Great Hearts America (via WebEx)
Christine Burton, Co-Founder, Burton Family Foundation (via WebEx)
David Eaker, Campus President, The Refrigeration School (via WebEx)
Karen Mensing, Technology Integration Facilitator, Paradise Valley Unified School District (via WebEx)
Dana Drew Shaw for President Brian Mueller, Grand Canyon University (via WebEx)
Gary Schleuger, Vice President of State Government Affairs and Relations, University of Phoenix (via WebEx)
Chris Schoenleb, North Valley Christian Academy (via WebEx)

Members Absent:

The Honorable Shaandiin Parrish, Council Delegate, Navajo Nation
Dr. James Rund, Senior Vice President for Educational Outreach and Student Services,
Arizona State University

Others Present:

Mark Swenson, Deputy Treasurer, ASTO
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 September 12, 2023 quarterly meeting to order at 11:03 a.m. and welcomed the Committee members and staff attending the meeting.

She also welcomed President Brian Mueller as a new member from Grand Canyon University representing a private institution offering advanced degrees. He was represented by Dana Drew Shaw who expressed the university’s excitement to be a part of the AZ529 Plan Advisory Committee and that the President sends his regards.

She also welcomed Chris Schoenleb, Head of School for North Valley Christian Academy representing K-12 private schools. Mr. Schoenleb expressed his appreciation for being on the Committee and he oversees a private school of over 700 students. Mr. Schoenleb shared

he is also a part of the Arizona Christian Education Coalition and looks forward to providing AZ529 information with that group.

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 May 30, 2023 Committee Meeting

Christine Burton moved that the May 30, 2023 Committee meeting minutes be approved as distributed. Seconded by Karen Mensing. Motion carried unanimously.

IV. AZ529 Plan Performance Update

Treasurer Yee noted that in just over 34 months, since the AZ529 Plan transferred from the Arizona Postsecondary Education Commission to the ASTO, there were 30,964 new AZ529 accounts with total plan assets at \$2.02 billion, an increase of 24.7%.

Treasurer Yee asked Mr. Ong to provide an AZ529 Plan Performance Update. Mr. Ong stated that total AZ529 Plan Assets Under Management as of July 31, 2023 were \$2.02 billion, up 8.8% year over year. Total AZ529 Accounts in July were also up 4.9% Year Over Year to 103,966. Overall, Arizona residents held 51.2% of total Assets and 57.3% of total Accounts, with the rest held by Non-Residents.

Additionally, Fidelity remains the largest AZ529 provider, with 67.1% of Assets and 68.5% of Accounts. Goldman Sachs 529, is the second largest provider, holding 32.5% of Assets and 30.7% of Accounts. As it winds down its AZ529 operations, College Savings Bank holds the remaining 0.4% of Assets and 0.7% of Accounts.

Mr. Ong also updated Advisory Committee members about the Board of Investment's (BOI) review and approval of an increased maximum contribution limit to \$575,000 for AZ529 accounts, effective October 1, 2023 through September 30, 2024. State law requires the establishment of a maximum total balance to prevent contributions to an AZ529 account, on behalf of a designated beneficiary, from exceeding those necessary to pay the beneficiary's qualified higher education expenses. The limit is subject to annual review and approval by the BOI.

Also, Mr. Ong shared that on August 31st, CSB successfully transitioned 162 accounts and \$1.78 million in assets to Fidelity Investments. This was the latest quarterly transition of accounts from CSB to Fidelity after CSB decided to exit the 529 market. He noted the next transition will occur on November 30th and CSB will continue servicing existing accounts until the last CD product matures in July 2037.

Finally, Mr. Ong provided a marketing update on the AZ529 Plan based upon an annual FY23 marketing report from Davidson/Belluso. There were 3.74 million total impressions including 19,880 total clicks on AZ529 advertisements, and an average of .53% clicks per month or click through rate.

Overall, advertising efforts in FY2023 overdelivered our impression goal by 6% or 204,011 total impressions. Social media remained the most engaged platform with a 0.54% CTR. The Spanish-speaking audience was the most engaged overall with a .60% click through rate. For social media, there were 226,580 total impressions and a .78% click through rate for social media advertisements. Overall, social media campaigns overdelivered the impression goal by 130,201 impressions. The English-speaking audience was the most engaged overall with a 0.57% CTR.

Mr. Ong noted that in June, Treasurer Yee spoke to attendees at the Arizona & Colorado Bankers Summit. She shared with them how ASTO is continuing to safely grow investments for local governments and beneficiaries. Treasurer Yee also provided information about the AZ529 Plan—including tax and savings benefits for families and students.

Also, Treasurer Yee welcomed junior high school students participating in the Sandra Day O'Connor Institute for American Democracy Camp O'Connor. She shared her journey to public office and her many roles as State Treasurer including providing information about the AZ529 Plan for students to take home to their parents.

In Flagstaff, Treasurer Yee met with Flagstaff Mayor Becky Daggett on how the Treasury is safely investing taxpayer dollars. She also stopped by the Boys State Convention in Flagstaff Treasurer Yee shared about her journey to public office and the benefits of the AZ529 Plan with families who there from across the state.

At the Boys & Girls Club Louis and Elizabeth Sands Branch in Glendale, Treasurer Yee told them about the importance of saving for future education and encouraged students to enter the first-annual AZ529 Summer Photo Contest. Students also did a STEM activity of building a structure out of pool noodles to see which one could be most stable to support a stuffed animal. Parents also received information about the AZ529 Plan in the backpacks that were sent home with the students.

At the 2023 Taiwan Tech Day, Treasurer Yee spoke about the long-standing partnership between Arizona and Taiwan. She also talked about her support of an educated and qualified workforce for the growing technology industry in Arizona.

In July, Treasurer Yee spoke at the Arizona Food Marketing Alliance Education Foundation. This luncheon honored scholarship recipients and Treasurer Yee spoke about her long-standing support for education and savings with the AZ529 Plan.

At the end of July, Treasurer Yee announced the winners of the first-ever “My Picture-Perfect Career Summer Photo Contest.” There were 10 total winners from K-12th grade who represented 6 Arizona counties. Seven of the winners were able to make it to the State Capitol to be congratulated and receive a \$529 check towards a new or existing AZ529 Plan account.

At the Kiwanis Club of Glendale, the Treasurer stopped by to share about the \$3 billion in record earnings distributed under her leadership since January 2019. She also provided

more information about the AZ529 Plan and answered questions from the audience about how the plan works and the different investment options available.

During her visit to Meals of Joy, Treasurer Yee saw how this organization is helping deliver nutritious meals to seniors in the community who can't cook for themselves. She also brought fliers to distribute to these seniors to provide information about the AZ529 Plan and how grandparents can contribute to savings for their families.

Treasurer Yee traveled to Tucson and Douglas Elementary to officially launch the AZ529 Essay Writing Contest. She spoke with 6th grade students about saving for the future and their dream careers—and encouraged them to enter this year's essay contest for a chance to win \$529.

Also in Tucson, Treasurer Yee met with many Arizona mayors during the 2023 League of Arizona Cities and Towns Annual Conference. It was a good opportunity to review their city's participation in the Local Government Investment Pool in ASTO and talk to them about the great opportunities for families in their communities to save with the AZ529 Plan.

On the first day of September, Treasurer Yee declared it to be 529 College Savings Month in Arizona, to encourage more families to learn about and participate in the AZ529 Plan as part of planning for their own, their children's and grandchildren's future.

As part of that, Channel 3 highlighted the Treasurer's efforts to promote saving for not only college, but apprenticeship and vocational training through an AZ529 Plan. She talked about the importance of saving for education as early as possible, especially with interest resuming on student loan repayments on September 1st.

Univision, the Spanish language news station, also invited Treasurer Yee to share about her journey to public office, the investment services offered by the Treasurer's Office and the great ways to save with the AZ529 Education Savings Plan. Treasurer Yee shared that the Spanish-speaking audience is the most engaged audience with our advertisements and how we're continuing to translate materials into the Spanish language.

At the Queen Creek Chamber of Commerce, Treasurer Yee spoke with business and community leaders and shared about the 30,964 new accounts we've seen added with the AZ529 Plan just over the last 34 months.

Finally, Mr. Ong shared that Treasurer Yee stopped by San Marcos Elementary in Chandler. She met with 5th graders and asked about their dream careers. She also encouraged them to plan to save for their education with an AZ529 Plan and enter the AZ529 Essay Contest which is going on through October 1st.

V. Committee Discussion and Next Steps

Treasurer Yee shared with Committee Members that she recently traveled to Pima County and launched the AZ529 Essay Writing Contest at Douglas Elementary School in Tucson.

She spoke with 6th grade students about their dream careers—which included being a veterinarian, basketball player and someone who wanted to continue his yard service business and be an entrepreneur.

She encouraged members to share about the essay contest which is open through October 1st to all Arizona 5th and 6th grade students to write an essay, no longer than 350 words, telling about their dream jobs and submit it to our website az529.gov/essaycontest. Twenty winners from 5th and 6th grade will be selected to win \$529 towards a new or existing AZ529 Plan account.

Also, Treasurer Yee shared about the Arizona Award for Excellence in Teaching Financial Literacy. This is a new partnership between ASTO and the University of Arizona Center for the Philosophy of Freedom to recognize outstanding teachers who are teaching financial literacy in grades K-12 in Arizona schools.

Treasurer Yee noted that 21 nominations were received for outstanding Arizona teachers who are advancing financial literacy in their classrooms. These nominees are teachers from district, charter and private schools across Arizona. Three winners will be selected to receive a full scholarship to complete the University of Arizona’s Master of Legal Students in Law & Economics Concentration. The goal is to recognize their excellence in teaching and provide new skills and concepts to enhance their teaching effectiveness. The 3 outstanding teachers will be invited to an awards ceremony at the State Capitol later this month and Treasurer Yee invited all Committee Members to attend.

Treasurer Yee also expressed her enthusiasm for greater outreach to the Spanish-speaking audience with her recent interview with Univision.

VI. Call to the Public

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

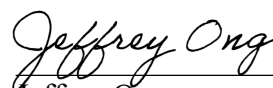
VII. Treasurer’s Closing Remarks and Notice of Next Meeting

Treasurer Yee announced the future quarterly meeting for Tuesday, December 5, 2023.

VIII. Adjournment

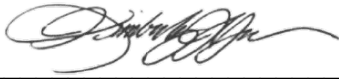
With no further business to discuss, Christine Burton made a motion to adjourn the meeting. Seconded by Maria Baier. The meeting was adjourned at 11:33 a.m.

Respectfully Submitted by:



Jeffrey Ong
AZ529 Plan Administrator

Approved by:



Kimberly Yee
Chair

December 7, 2023

Date