

**Minutes of AZ529, Arizona's Education Savings Plan  
Advisory Committee Meeting  
December 6, 2022**

The quarterly meeting of the AZ529, Arizona Education Savings Plan Advisory Committee (Committee) was held on December 6, 2022, via Webex and in-person. Treasurer Yee called the meeting to order at 10:07 a.m.

**Members Present:**

The Honorable Kimberly Yee, Chair, Arizona State Treasurer  
Dr. David Doré, President of Campuses and Executive Vice Chancellor, Pima Community College  
Dr. James Rund, Senior Vice President for Educational Outreach and Student Services,  
Arizona State University  
David Eaker, Campus President, The Refrigeration School  
Karen Mensing, Technology Integration Facilitator, Paradise Valley Unified School District  
Maria Baier, Vice President of External Affairs, Great Hearts America  
Christine Burton, Co-Founder, Burton Family Foundation

**Members Absent:**

Keith Alexander, Special Assistant to the President for Community & Government Relations,  
Eastern Arizona College  
Len Munsil, President, Arizona Christian University  
Gary Schleuger, Vice President of State Government Affairs and Relations, University of Phoenix  
The Honorable Myron Lizer, Vice President of the Navajo Nation

**Others Present:**

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

- I. Treasurer's Welcome and Opening Remarks**  
Treasurer Yee called the December 6, 2022, quarterly meeting to order at 10:07 a.m. Treasurer Yee welcomed the Committee members and staff attending the meeting via Webex and in-person.
- II. Roll Call of Committee Members**  
Treasurer Yee asked AZ529 Plan Administrator & Legislative Liaison, Mr. Jeffrey Ong, to do a formal roll call of the Committee members. Seven Committee members confirmed their presence for the meeting.
- III. Approval of Minutes of September 22 2022 Committee Meeting**  
Christine Burton moved that the September 22, 2022 Committee meeting minutes be approved as distributed. Seconded by Dr. David Doré. Motion carried unanimously.

#### **IV. AZ529 Plan Performance Update**

Treasurer Yee provided an update on plan performance since the AZ529, Arizona's Education Savings Plan (AZ529), transferred from the Postsecondary Education Commission to the Arizona State Treasurer's Office (ASTO) in October 2020. In just over 2 years, or 25 months, there were 22,931 new AZ529 accounts with total plan assets at \$1.73 billion, an increase of 6.8%. She also noted that the AZ529 Plan continues to outreach to new families.

Treasurer Yee also shared she attended a baby shower at the Creighton Family Resource Center to promote the AZ529 plan and the importance of savings to that community.

Treasurer Yee asked Mr. Ong to provide an AZ529 Plan Performance Update. Mr. Ong stated that total AZ529 Plan Assets Under Management in October 2022 were \$1.73 billion, reflecting the downturn in the financial markets this year. Total AZ529 Accounts in October were up 3.8% Year Over Year to 99,675. He also mentioned these numbers reflect the transition of the AZ529 advisor-sold plan to Goldman Sachs 529, after they transitioned accounts from Ivy Investments on June 13, 2022.

Mr. Ong further reported that in October 2022, Fidelity remains the largest AZ529 provider, with 63.7% of Assets and 64.9% of Accounts. Goldman Sachs 529, is the second largest provider, holding 34.3% of Assets and 33.1% of Accounts. College Savings Bank holds the remaining 2% of Assets and 2% of Accounts. He also outlined that Arizona residents held 49.4% of total Assets and 55.4% of total Accounts, with the rest held by non-residents.

Mr. Ong also updated the Committee on recent developments. On November 30, 2022, all CollegeSure Honors Savings Accounts from College Savings Bank were successfully transitioned to the approved AZ529 Arizona's Education Savings Plan managed by Fidelity Investments. He reminded members that CSB notified the Board of Investment of their intention to exit the 529 market. The Board approved a transition services agreement in 2021 and approved the Fidelity Bank Deposit Portfolio as the default replacement for CSB accounts. CSB will continue to service all existing CSB CD accounts through their maturity dates, regardless of this change. Upon maturity, the CD will be automatically converted to an Honors Savings Account until the next quarterly transfer date. Mr. Ong stated that the AZ529 Plan now has two program providers: Fidelity Investments for the direct-sold plan and Goldman Sachs 529 which offers the advisor-sold plan.

Additionally, Mr. Ong reported to the Advisory Committee that the Morningstar 2022 Analyst Ratings were released on November 2, 2022, which annually reviews and rates 529 plans across the country. The most recent Morningstar interview for the Fidelity Arizona College Savings Plan took place on September 21st.

Prior to this interview, Mr. Ong reported that the Treasurer's Office completed a response to Morningstar's Request for Information document, including a Data Request sheet, and provided an interview presentation.

For 2022, the AZ529 Fidelity Plan maintains its Bronze rating. The Plan has maintained Above Average Process and People ratings and Average Parent and Price ratings.

Finally, Mr. Ong provided a marketing update on the AZ529 Plan. For October, regarding complete advertising efforts, there were just over 355,000 total impressions, 1,040 total clicks on AZ529 advertisements, and an average of 29% clicks per month or click through rate. The Spanish speaking audience had the highest engagement during this month and pre-roll advertising delivered the most engagement with a 74% click through rate.

Regarding social media marketing, Mr. Ong reported there were just over 186,000 total impressions, 456 total clicks and a 25% click through rate. October overdelivered our impression goal by 17,597. Facebook (34% CTR) delivered a more engaged audience than Instagram (12% CTR).

In September, the Treasurer and AZ529 Plan were invited to the SciTech Institute's STEM and Innovation Summit. It was a great chance for Treasurer Yee to teach a financial literacy lesson on how to be a smart saver and spender. The AZ529 Plan also had a booth at the summit to answer questions and promote the AZ529 Plan to hundreds of students, parents and educators from across the state.

At the Community Baby Shower, hosted by the Creighton Family Resource Center, new and expectant moms were there to learn that it's never too early to start saving for their child's future educational needs. Treasurer Yee met with about 20 mothers and mothers-to-be to share with them about the AZ529 Plan and encourage them, in the midst of all the exciting things happening with their newborns, to start their savings plan now for their child's future education.

In October, Treasurer Yee met with college students during GCU's Personal Financial Success Week. She shared money saving and spending tips for the holidays and the importance of personal money management. Many students were interested in learning more about the future job market, and many asked about inflation and how that would impact their spending and saving future.

Also in October, the Treasurer announced the winners of the 3<sup>rd</sup> Annual AZ529 Essay Writing Contest. Twenty winners and their families were invited to a ceremony at the State Capitol to receive their certificates from Treasurer Yee and their \$529 award towards a new or existing AZ529 savings account. These winners represented each Arizona county including students from district, charter, private, homeschool and tribal schools in Arizona. Mr. Ong thanked members for all their help promoting the essay contest which led to a tremendous response of 631 total entries from across the state.

Finally, there was additional outreach to families at the Fall Resource Fair. This was especially important to Spanish-speaking families who were provided the AZ529 Spanish brochures and the important information about savings for their children's future education.

Treasurer Yee also highlighted her op-ed for holiday savings was published in newspapers across rural Arizona. Additionally, she shared that the AZ529 radio spot is scheduled to start airing on KEZ99.9 FM during their holiday music format.

#### **V. Committee Discussion and Next Steps**

Treasurer Yee shared with the Committee that staff looked into marketing opportunities for the Superbowl Experience as a follow-up to an item from the previous meeting. She invited Mr. Ong to brief the committee on what he found.

Mr. Ong shared that staff met with the Superbowl Host Committee which outlined costs for the festival at Hance Park in Phoenix. Rough estimates include a 10x10 activation space for \$100,000, a 20x20 space is \$200,000 and a 30x30 activation space is \$300,000.

Treasurer Yee reminded the Committee that there is currently no budget for this type of event. Member Burton suggested that the Committee pass on this opportunity. There was agreement from the rest of the members. Treasurer Yee said that other opportunities can be examined including state and county fairs and working with Davidson/Belluso to look at other opportunities.

Additionally, Treasurer Yee reminded members that legislation was passed during the recent session that added two new members to the advisory committee. These two new members include: 1) a member representing a 501c3 and; 2) a member representing a private school sector of the education community. She encouraged members to provide recommendations for new committee members.

Dr. Rund asked who to submit recommendations to. Treasurer Yee answered and invited Dr. Rund and any member to provide any recommendations to Jeffrey Ong. Treasurer Yee also asked members for their help identifying college events that would be good for additional outreach opportunities.

#### **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**

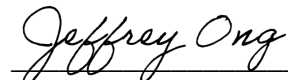
Treasurer Yee announced that this is the last meeting of the quarter and thanked all members for their continued service and help during the previous year.

She outlined the future quarterly meetings for March 7<sup>th</sup>, June 6<sup>th</sup>, September 12<sup>th</sup> and December 5<sup>th</sup>.

#### **VIII. Adjournment**

With no further business to discuss, Dr. Jim Rund made a motion to adjourn the meeting. Seconded by Maria Bauer. The meeting was adjourned at 10:32 a.m.

Respectfully Submitted by:



\_\_\_\_\_  
Jeffrey Ong  
AZ529 Plan Administrator

Approved by:



\_\_\_\_\_  
Kimberly Yee  
Chair

3/7/23

\_\_\_\_\_  
Date