

**Minutes of AZ529, Arizona’s Education Savings Plan
Advisory Committee Meeting
December 5, 2024**

The quarterly meeting of the AZ529, Arizona Education Savings Plan Advisory Committee (Committee) was held on December 5, 2024, in-person and via WebEx. Treasurer Yee called the meeting to order at 10:05 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 Bitter Smith, Maricopa Community Colleges (via WebEx)
Susan Ciardullo, Executive Director, Life Long Learning, Inc.
Karen Mensing, Technology Integration Facilitator, Paradise Valley Unified School District (via WebEx)
Dana Drew Shaw, representing President Brian Mueller, Grand Canyon University (via WebEx)
The Honorable Shaandiin Parrish, Council Delegate, Navajo Nation (via WebEx)
Dr. James Rund, Senior Vice President for Educational Outreach and Student Services,
Arizona State University (via WebEx)
Chris Schoenleb, North Valley Christian Academy (via WebEx)

Members Excused:

Christine Burton, Co-Founder, Burton Family Foundation
David Eaker, Campus President, The Refrigeration School
Gary Schleuger, Vice President of State Government Affairs and Relations, University of Phoenix
Charlie Shields, Shields Company Inc./480 Endowment Consultants

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 December 5, 2024, quarterly meeting to order at 10:05 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 September 10, 2024, Committee Meeting**
Ms. Ciardullo moved that the September 10, 2024, Committee meeting minutes be approved with technical corrections as noted. Seconded by Dr. Rund. The motion carried unanimously.

IV. AZ529 Plan Performance Update

Treasurer Yee shared that since the AZ529 Plan transitioned to the State Treasurer's Office, there were 47,588 new AZ529 accounts added since October 2020, in just 49 months. Total assets under management were up 47.8% to \$2.4 billion.

Additionally, Treasurer Yee was pleased to report that Morningstar released their 2024 annual 529 ratings in October, and the AZ529 Fidelity direct-sold plan maintained its Silver-Medalist Rating for the second straight year. Morningstar reviewed 59-- 529 plans across the country and rated them after the AZ529 Plan completed an interview, presentation and request for information.

The AZ529 Plan received positive ratings for process, people and parent, and a neutral rating for price. Specifically, Morningstar noted that Fidelity has ample resources supporting the AZ529 Plan with Fidelity's longest-tenured portfolio managers and a group of researchers that receives a high people rating. Also, Morningstar noted the thorough oversight from the Arizona State Treasurer's Office Investment Risk Management Committee. This merited an Above Average Parent Rating.

Treasurer Yee asked Mr. Ong to provide an AZ529 Plan Performance Update. Mr. Ong stated that as of October 31, 2024, total AZ529 Plan Assets Under Management were \$2.4 billion, up 26.8% Year Over Year. Total AZ529 Plan accounts were at 113,166 up 7.6% Year Over Year.

Additionally, he reported that Fidelity remains the largest AZ529 provider, with 70.2% of Assets and 72.5% of Accounts. Goldman Sachs remains the second largest provider, holding 29.7% of Assets and 27.1% of Accounts. College Savings Bank holds the remaining 0.1% of Assets and 0.4% of Accounts. Overall, Arizona residents held 53.7% of total Assets and 60.5% of total Accounts, with the rest held by Non-Residents.

Mr. Ong provided a marking update on the AZ529 Plan. During October, for AZ529 digital advertising, there were 430,618 total impressions, 1,600 total clicks and a .37% click through rate. The digital tactics overdelivered impression goals by 102% and social media was the most engaged medium for digital marketing.

Specifically for social media marketing in October, there were 254,705 total impressions, 1,362 total clicks and a click through rate of .53%. The social media marketing focused on "Preparing for the reality of their Dreams." The Spanish speaking audience remained the most engaged with social media with a .80% click through rate. The Female audience (35-44) was the most engaged demographic.

The average age of beneficiary ranges from 12.5 years of age for Fidelity accounts, and 15.52 years of age for Goldman Sachs. Fidelity account owners have an average account balance of \$18,452 among Arizona residents and \$27,982 among out of state residents. Goldman Sachs has an average account balance of \$22,744 among Arizona residents and \$23,259 among out-of-state residents.

Mr. Ong reported that College Savings Month was in September and Treasurer Yee was interviewed at the Arizona's Family studios to discuss the importance of savings for all types of education, not just college.

Also, during September, Treasurer Yee wrote an article for the National Association of State Treasurers about the changing landscape for 529 Plans and how it's important to reach non-traditional students who are returning to school and let them know about 529 plans. She also discussed outreach to parents, grandparents and relatives to let them know it's easy to save for their family member's education too.

Additionally, at Madison Meadows Elementary School in Phoenix, Treasurer Yee asked 6th grade students what they wanted to be when they grew up and encouraged them to write about it and enter the AZ529 Essay Writing Contest. She also led an interactive STEM activity with pool noodles where they tried to build structures to support a stuffed animal.

During an interview with Prensa Arizona, Treasurer Yee spoke to the Spanish-speaking community sharing about the importance of savings with an AZ529 Account. She also did a podcast interview with Smart Shopper Daphne Munroe where she discussed the importance of education savings, especially during College Savings Month.

Mr. Ong reported that financial literacy also remains a priority for the Treasurer. During meetings with Operation Hope Treasurer Yee learned about partnership opportunities with sports and national organizations to promote and distribute financial literacy resources. Also, with the Down Syndrome Network, she discussed ways to improve savings among those with disabilities in Arizona. In October, Treasurer Yee also met with AZ529 Plan providers and partners to thank them for their continued support and partnership to grow and promote the Plan on a national level.

During the Greater Phoenix of Chamber presentation, the Treasurer shared her personal journey into public service and the investment performance of the Treasurer's Office. She also let the business leaders know about the importance of saving for education with an AZ529 Plan and her efforts to promote financial literacy across the state. At the Arizona Agricultural Executive Forum, Treasurer Yee emphasized the importance of teaching children to save at an early age and her efforts at expanding financial literacy in the state. She also discussed the outreach of the AZ529 Plan to diverse communities with materials translated into Spanish and Navajo to reach all Arizona families.

In October, Treasurer Yee helped celebrate the grand re-opening of the Copper State Credit Union in Goodyear. She shared about the important role of credit unions in our communities and how they help promote financial wellness for Arizona families. At the Creighton Family Resource Center in East Phoenix, there was an AZ529 table to outreach to young families and children during their community celebration. Many families stopped by the AZ529 table to learn more about the AZ529 Plan.

Treasurer Yee had an interview with Univision Despierta Arizona to further expand awareness about the AZ529 Plan among the Spanish-speaking community. She shared about how AZ529

information and website are translated into the Spanish-language and that community remains one of the most engaged with AZ529 advertisements.

Treasurer Yee also stopped by Channel 3 and did an interview with Your Life A to Z to share how easy it is to give a holiday gift with an AZ529 Plan and contribute to loved one's future education. At the Leadership West Flagship Program in the West Valley, the Treasurer shared with community leaders about her personal journey into public service and the performance of the State Treasurer's Office. She discussed the importance of the AZ529 Plan and financial literacy to engage communities to save for future education.

During the Association for Financial Professionals of Arizona, Treasurer Yee highlighted the record-high distributions from the Treasurer's Office for state investments that go directly to Arizona communities. She also discussed her efforts to promote financial literacy and the AZ529 Plan to help more families save for education. Finally, Mr. Ong reported that at the Moon Valley Women's Club, the Treasurer highlighted how families are saving for education with the over 47,000 new accounts added to the AZ529 Plan since October 2020 with \$2.4 billion in assets.

Committee Discussion and Next Steps

Treasurer Yee then shared that she welcomed winners of the AZ529 Essay Writing Contest to the State Capitol in October. The 5th and 6th grade winners were selected from 627 total entries from across the state and Treasurer Yee presented them with a certificate and a giant check for \$529 towards an AZ529 Plan. She was proud to welcome parents, families, teachers and administrators who were also there to support the students from each Arizona county and district, charter, private schools, homeschools and tribal schools.

Additionally, Treasurer Yee was a panelist during the National 529 Conference in Orlando. She joined Treasurer Steven Johnson from Kansas and Richard Ellis the Executive Director of the Utah 529 Plan on the panel. The conversation focused on how to support older students returning to school by expanding the use of 529s for childcare, so their families are supported as they return to school. During the conference, Treasurer Yee shared how the AZ529 Plan reaches out to the diverse communities in Arizona through Spanish, English and Navajo marketing materials and social media, radio and television to get the word out about the Plan.

Treasurer Yee thanked Advisory Committee Member, Susan Ciardullo, for inviting her to speak at the Arizona Private School Association Statewide Conference. She shared the work to help families save for education with an AZ529 Plan, including those students wanting to go to private post-secondary institutions and also promoted financial literacy for students across the state. One point that was discussed is the fact that the federal government passed legislation to require financial education within post-secondary institutions.

Treasurer Yee asked Ms. Ciardullo to share more about that requirement and discuss how the Committee can support that effort in Arizona. Ms. Ciardullo outlined that any higher education institution receiving federal funds must establish best practices to teach financial literacy skills among their students.

Dr. Rund shared that at Arizona State University, there is a long-standing effort to promote and support financial literacy among students and offered to provide more information to Committee members. Dr. Rund asked about possible matching funds from the state for households with less resources for education savings.

Treasurer Yee stated there is currently no statewide program for matching funds. However, she mentioned the Earn to Learn Program that created a similar program in Arizona which has now expanded to multiple states. The match comes from private dollars raised by Earn to Learn. Another idea that Treasurer Yee mentioned is the Gila River Indian Community which uses federal dollars to provide additional education funds for students. Treasurer Yee stated she is not opposed to the idea if funds can be found at the state level or combined with support from the private sector. Ms. Bitter Smith also was interested in learning more about Earn to Learn and shared that a community college district foundation could help raise additional funding from the private sector.

Mr. Schoenleb asked if there's any high school standards in place to educate students about college loan debt. Treasurer Yee shared about her efforts in 2011 as a Senator to include financial literacy into K-12 state standards. Additionally, as Treasurer, she further advanced financial literacy standards into economic courses in high school. The next step is to incorporate a separate financial literacy course with ongoing discussions from the State Board of Education.

V. Call to the Public

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

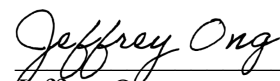
VI. Treasurer's Closing Remarks and Notice of Next Meeting

Treasurer Yee announced the next quarterly meeting is tentatively scheduled for Wednesday, March 19th at 10 A.M.

VII. Adjournment

With no further business to discuss, Mr. Schoenleb made a motion to adjourn the meeting. Seconded by Ms. Susan Ciardullo. The meeting was adjourned at 10:41 AM.

Respectfully Submitted by:



Jeffrey Ong
AZ529 Plan Administrator

Approved by:



Kimberly Yee
Chair

March 19, 2025

Date