

**Minutes of AZ529, Arizona's Education Savings Plan
Advisory Committee Meeting
September 22, 2022**

The quarterly meeting of the AZ529, Arizona Education Savings Plan Advisory Committee (Committee) was held on September 22, 2022, 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
Dr. David Doré, President of Campuses and Executive Vice Chancellor, Pima Community College
Keith Alexander, Special Assistant to the President for Community & Government Relations, Eastern Arizona 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:

Len Munsil, President, Arizona Christian University
Gary Schleuger, Vice President of State Government Affairs and Relations, University of Phoenix
Maria Baier, Vice President of External Affairs, Great Hearts America
The Honorable Myron Lizer, Vice President of the Navajo Nation

Others Present:

Mark Swenson, Deputy Treasurer, Arizona State Treasurer's Office, ASTO
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 September 22, 2022, quarterly meeting to order at 11:03 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. Eight Committee members confirmed their presence for the meeting.

III. Approval of Minutes of July 15, 2022, Committee Meeting

Dr. David Doré moved that the July 15, 2022, Committee meeting minutes be approved as distributed. Seconded by Dr. James Rund. 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 23 months, there were 21,737 new AZ529 accounts with total plan assets at \$1.79 billion, an increase of 10.3%.

Treasurer Yee shared it's her intent to go into every zip code and prioritize those areas where families haven't had the opportunity to go to college or save for trade school. She mentioned that marketing materials and information have been translated into the Spanish and Navajo languages and also through radio advertisements. The Spanish-speaking audience has been the most engaged and marketing efforts are being targeted to those communities.

Treasurer Yee asked Mr. Ong to provide an AZ529 Plan Performance Update. Mr. Ong stated that total AZ529 Plan Assets Under Management in August 2022 were down Year Over Year to \$1.8 billion. However, total AZ529 Accounts in August were up 4% Year Over Year to 99,190. He also mentioned these numbers reflect the second full month after Goldman Sachs 529 assumed control of the advisor sold plan on June 13, 2022.

Mr. Ong further reported that in August 2022, the Goldman Sachs Plan added 89 total accounts and \$1.1 million in assets to the program. Fidelity remains the largest AZ529 provider, with 63.3% of Assets and 64.4% of Accounts. Goldman Sachs 529, was the second largest provider, holding 34.8% of Assets and 33.5% of Accounts. College Savings Bank holds the remaining 2% of Assets and 2.1% of Accounts. He also outlined that Arizona residents held 49% of total Assets and 55.1% of total Accounts, with the rest held by Non-Residents.

Mr. Ong also updated the Committee on recent developments. On August 30, 2022, the Arizona State Board of Investment (BOI) approved the AZ529 one-year review report for AZ529 Rules (2-13-201 through 2-13-208). He reported that this is a required report for rules adopted under a one-time rulemaking exemption that was outlined in the state law that transferred the AZ529 Plan from the Commission on Postsecondary Education to ASTO. The report was submitted and received by the Governor's Regulatory Review Council.

Additionally at that same meeting, the BOI approved a new Account Maximum Contribution Limit for the 2022-2023 academic year. Each year, the BOI is required to review the maximum contribution limit. The methodology for calculating the limit is outlined in Rule 2-13-204 of the Arizona Administrative Code.

The BOI approved \$531,000 (rounded to the nearest thousand) as the new maximum account contribution limit effective October 1, 2022 to September 30, 2023. The current limit is \$519,000.

Finally, Mr. Ong provided a marketing update on the AZ529 Plan. For August, for the complete advertising efforts, there were a total of 423,000 total impressions, 1,134 total clicks on advertisements, and an average of 27% clicks per month. The Spanish speaking audience had the highest engagement during the past quarter.

Regarding social media marketing, Mr. Ong reported there were 212,000 total impressions, 555 total clicks and a 26% click through rate. August over delivered the impression goal by 1,503 and Facebook was a bigger medium than Instagram. The AZ529 Essay Writing Contest delivered the highest engagement at a 78% click through rate, which began on August 22.

In August, at the Boys & Girls Club Bob Bove Branch in Avondale, the Treasurer visited with 80 students from ages 5 to 17 to talk about the importance of being wise with saving, spending and sharing their money. She also distributed the AZ529 Back to School Backpacks filled with school supplies and more information about the AZ529 Plan.

At the Tumbleweed Elementary in Phoenix, it was a homecoming for Treasurer Yee as she visited the same elementary school she attended as a student. Mr. Ong reported that the Treasurer launched the 3rd Annual AZ529 Essay Writing Contest. She met with 5th graders to find out what they wanted to be when they grow up and encourage them to write about it for the essay contest.

Mr. Ong reported that through October 2nd, all Arizona 5th grade students are encouraged to write about their dream job is and how they plan on achieving it in the future as part of the 3rd Annual AZ529 Essay Writing Contest. Twenty students will be selected to win \$529 towards a new or existing AZ529 Plan account—with one winner from each of Arizona's counties and those from district, charter, homeschool, private and tribal schools.

Additionally, Mr. Ong shared that in Bullhead City, the Treasurer visited Mohave Accelerated Elementary School, a charter school, to promote the AZ529 Essay Writing Contest.

September was also College Savings Month and Treasurer Yee issued a proclamation highlighting the importance for more families to explore and participate in the AZ529 Plan as part of planning for their own, their children's and grandchildren's educational futures. Treasurer Yee thanked staff for presenting and asked the Committee for any questions or ideas on promoting and raising awareness of the AZ529 Plan including the AZ529 Backpack Drive.

Dr. Rund expressed his thanks for the creative work and great outreach to families across the state for the AZ529 Plan.

Treasurer Yee noted there is great interest in AZ529 contests and a future contest is being planned in the summer for K-12th grade and winners will be selected from each county across Arizona. Treasurer Yee mentioned that students, schools and families in rural

Arizona are very thankful for the outreach efforts across the state and asked members to continue to promote partnerships and participation in rural communities.

Additionally, Treasurer Yee also asked for members to volunteer their time to be judges for the upcoming AZ529 Essay Contest.

Treasurer Yee also thanked members for donating to the AZ529 Backpacks that were distributed to over 100 students at various schools. She thanked Gary Schleuger of the University of Phoenix and Dr. James Rund from ASU for their donations to the backpack drive. Financial Literacy Task Force Members including Daniel Salter of Dignity Memorial and Pamela Morrison of the Phoenix Rescue mission who also contributed items to the backpack drive.

Additionally, Treasurer Yee mentioned that on December 9th at 10am, the State Board of Education invited the Treasurer and members to present to the Board the next steps to advance financial literacy in Arizona. There was discussion about getting more financial literacy in the earlier grades to help provide benchmarks to help teach concepts. The discussion may focus on requirements for financial education in earlier grades from K-8.

Finally, Treasurer Yee updated the members on the search for two additional members of the AZ529 Advisory Committee that were added by Senate Bill 1160 that was supported by the Treasurer's Office. The two new members include: 1) one member representing an accredited private school or organization offering instruction to pupils in any combination of grades K-12 in Arizona; and 2) an additional member representing an Arizona based non-profit organization. Treasurer Yee invited members to recommend new members and stated it was her desire to add them by the end of the year.

V. Committee Discussion and Next Steps

There was no additional Committee member discussion.

Maria Baier suggested that Elena Zee with the Arizona Council for Economic Education could be a great resource for K-12 financial literacy education.

Treasurer Yee also mentioned there could be a booth at the upcoming Superbowl events to further promote financial literacy.

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 the next Advisory Committee meeting is tentatively scheduled for December 6th.

VIII. Adjournment

With no further business to discuss, Ms. Christy Burton made a motion to adjourn the meeting. Seconded by Maria Bauer. The meeting was adjourned at 11:31 a.m.

Respectfully Submitted by:



Jeffrey Ong
AZ529 Plan Administrator
& Legislative Liaison

Approved by:



Kimberly Yee
Chair

12/6/22

Date