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STATE TREASURER



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November 29, 2018

Her Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

### REQUESTED ACTION

The New Hampshire State Treasury requests to place this item on the Consent Calendar.

The New Hampshire State Treasury requests approval to pay annual membership and participation costs to the College Savings Foundation ("CSF"), 1100 N. Glebe Road, Suite 1010, Arlington, VA 22201, vendor code 246595 (B001), in the amount of \$2,500, for continued information, communication, and federal legislation updates to state sponsors from January 1, 2019 through December 31, 2019, 100% Other funds (Unique Plan management fees).

Funds are available in the following account, 01-38-38-381010-10470000, Treasury, Unique Program:

	<u>FY2019</u>
026-500251 Organizational Dues	\$2,500

### EXPLANATION

Statutory Background – The New Hampshire College Tuition Savings Plan was established in 1997 pursuant to RSA 195-H, which authorized the creation of a State-sponsored college tuition savings plan, to be qualified under Section 529 of the Internal Revenue Code (the "Program"). The Program currently consists of two savings plans: 1) the UNIQUE College Investing Plan ("UNIQUE") – a retail plan offered directly to investors by Fidelity representatives; and 2) the Fidelity Advisor 529 Plan ("FA 529") – offered only through third-party investment advisors not affiliated with Fidelity Investments.

RSA 195-H also created the 13-member New Hampshire College Tuition Savings Plan Advisory Commission (the "Advisory Commission") and authorized the creation of the New Hampshire Higher Education Savings Plan Trust (the "Trust"), originally established in 1998, as the legal entity to carry out and promote the State's purposes for the Program with the State Treasurer as Trustee. The Trust currently encompasses nearly 680,000 participant accounts with over \$17.6 billion in participant-invested assets under management, making the State's Program the fourth largest 529 plan in the nation.

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RSA 6:38 established the non-lapsing New Hampshire Excellence in Higher Education Endowment Trust Fund (the "Fund") to provide postsecondary education scholarships for financially-qualified New Hampshire residents attending New Hampshire colleges. The Fund has disbursed nearly \$130 million in scholarships and restricted endowment funding since inception. The Fund also provides reimbursement to the State for any administrative costs incurred on behalf of the Trust by the State Treasury, the Division of Higher Education, and the Advisory Commission.

Requested Expenditure – There are two leading associations in the college savings plan industry that provide essential information, communication, and legislative updates to state sponsors: the College Savings Plan Network ("CSPN") and the College Savings Foundation. Both organizations are also a valued source of best practices in the industry, and their membership consists of both state sponsors and plan administrators throughout the U.S. As noted above, the Fund will provide reimbursement to the State for this expenditure. A copy of the membership renewal invoice is attached for your review.

Listed below are the State Treasury's responses required for Governor and Council organizational dues and membership approval submissions.

1. How long has this organization been in existence and how long has this agency been a member of this organization.

The College Savings Foundation has been in existence since 2003. The New Hampshire College Tuition Savings Plan Advisory Commission has been a member since 2005.

2. Is there any other organization which provides the same or similar benefits which your agency belongs to?

Yes, the College Savings Plan Network, an affiliate of the National Association of State Treasurers (NAST), provides benefits similar to CSF. However, CSF offers proprietary industry outreach and promotion, summits and conferences, and surveys and analysis.

CSF is a not-for-profit organization based in Washington, DC whose mission is to help American families achieve their higher education savings goals. CSF accomplishes this by working with policy makers, media representatives, and financial services industry executives in support of education savings programs. CSF focuses on promoting, protecting, and enhancing 529 plans by providing a forum for discussion and action; supporting analysis and knowledge; conducting outreach to the public and financial media; and promoting sound public policies that not only promote college savings, but also ensure that financial aid policies and practices do not undermine the incentive to save for higher education. Following the December 2017 passage of the Tax Cut and Jobs Act, CSF continued to collaborate with congressional 529 advocates on strategies that would ensure that any legislation would not be detrimental to existing 529 plan tax rules and that would strengthen and enhance 529 plans, where possible.

CSF conducts surveys and provides in-depth college savings data to its members and the public and sponsors annual conference sessions to examine key issues facing the industry, challenges facing American families, and ways in which 529 plans can help address some of those

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challenges. These conferences are attended by industry professionals, representatives from federal agencies and Congress, think tank professionals, media, as well as CSF members.

CSF pursues a very active promotional effort that reaches out to national and local media to include publications, newspapers, radio, television, and social media. Among other initiatives, in 2018 CSF continued its partnership with Nick Jr. (Nickelodeon television network) and is evaluating ways to expand this effort to further raise awareness of the need to save for college in 529 plans.

3. How many other states belong to this organization and is your agency the sole New Hampshire state agency that is a member?

There are nine other states with membership in the organization. The Advisory Commission is not an agency, but a statutory commission created in order to provide executive and administrative oversight of New Hampshire's college tuition savings plan. The only State agency member of the Advisory Commission is the State Treasurer.

4. How is the dues structure established? (Standard fee for all states, based on state population, based on other criteria, etc.)

There is a standard fee for states, non-profit organizations, sole proprietors, and small businesses.

5. What benefit does the state receive from participating in this membership?

In addition to being part of an organization that promotes education savings policies that help families finance higher education, CSF provides its members with information on issues affecting college and other education savings plans. CSF promotes college savings legislation at the federal level and is very active with these efforts. CSF conducts quarterly research on participation in 529 plans as well as conducts surveys on saving for college each year. CSF is very active in promoting college savings through a variety of media, including national newspapers and trade publications, as well as national and local radio and television spots. Membership in CSF also provides the opportunity to network with other industry professionals.

6. Are training or educational/research materials included in the membership? If so, is the cost included? Explain in detail.

CSF members receive detailed statistical reporting for the 529 industry on a quarterly basis. The information is compiled by the Financial Research Corporation.

Additionally, CSF conducts a number of surveys each year on saving and attitudes about saving for college from the perspective of 16 and 17-year olds, as well as parents. This data is shared with CSF members.

7. Is the membership required to receive any federal grants or required in order to receive or participate in licensing or certification exams? Explain

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No.

- 8. Is there any travel included with this membership fee? Explain in detail any travel to include the number of employees involved, the number of trips, destination if known, and purposes of membership supported trips.

CSF holds quarterly Board meetings that all members are invited to attend either in person or by conference call. Additionally, CSF has an annual conference that members are invited to attend as well as a summit, every 2 years, that provides an in-depth look at issues facing families when evaluating financing higher education and issues surrounding higher education that are of interest to CSF's members' customers.

The cost of travel and any registration fees are not included in membership dues. No representatives of Treasury or the Advisory Commission participate in these offsite events.

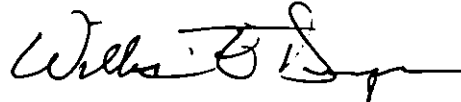
- 9. Which state agency employees are directly involved with this organization? (Indicate if they are members, voting members, committee members, and/or officers of the organization.)

The State Treasurer is a non-voting member. All CSF members are encouraged to participate on the 6 standing committees, 2 task forces, and any ad hoc committees that are formed to address specific issues facing the 529 industry.

- 10. Explain in detail any negative impact to the State if the Agency did not belong to this organization.

CSF provides a great deal of information to its members as well as promotes college savings via a variety of methods and media. CSF is very active on the federal legislative front and provides its members with information not only regarding 529 college savings legislation, but other efforts affecting the pursuit of higher education. CSF conducts research through data collection, analysis, and surveys and shares all of this with its members. The inability of the Advisory Commission to continue as a member would result in a lack of access to critical information, emerging developments and trends in the college savings industry, and a failure to participate in lending crucial support to CSF's efforts to promote 529 college savings at a national level.

Respectfully requested,



William F. Dwyer  
State Treasurer

The College Savings Foundation  
 1100 N Glebe Road  
 Suite 1010  
 Arlington, VA 22201  
 Phone # 703-224-8082

# Membership Dues Invoice

Date	Invoice #
11/1/2018	2019Dues-29

Federal Tax ID# 82-0586030

Bill To
New Hampshire College Tuition Savings Plan Advisory Commission 25 Capitol Street State House Annex, Room 121 Concord, NH 03301

Due Date
12/1/2018

Description	Amount
College Savings Foundation Membership Dues for January 2019 - December 2019	2,500.00
CSF Bylaws: Article II Section 4 involves Suspension and Reinstatement and states Any Member who is in default in the payment of dues for a period of ninety (90) days after such dues become payable, may, in the absence of good cause found to exist by the Board of Directors, be suspended from membership. Any Member so suspended shall, until reinstated, forfeit all rights and privileges of membership in the Foundation; provided, however, that suspension shall not relieve a Members from the requirement of fulfilling all obligations to the Foundation theretofore incurred. A suspended Member shall be reinstated to good standing upon payment in full of all dues and other amounts owing and payable at the time of suspension.	
<b>Total</b>	<b>\$2,500.00</b>

Visa, Mastercard, Discover & American Express accepted. **There is a 4% fee per credit card transaction.**

Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Name on Card: \_\_\_\_\_

Signature: \_\_\_\_\_

I acknowledge my credit card will be charged the invoice amount plus a 4% fee per credit card transaction.

Address if different then above: \_\_\_\_\_

PLEASE NOTE: Contributions or gifts to College Savings Foundation are not deductible as charitable contributions for federal income tax purposes. Under provisions of the 1993 Deficit Reduction Act, we are obligated to inform you that 50% of these dues are allocated to our legislative liaison and lobbying costs are not deductible.