

**Minutes of AZ529, Arizona’s Education Savings Plan
Advisory Committee Meeting
May 30, 2023**

The quarterly meeting of the AZ529, Arizona Education Savings Plan Advisory Committee (Committee) was held on May 30, 2023, via Webex and in-person. Treasurer Yee called the meeting to order at 11:07 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
Maria Baier, Vice President of External Affairs, Great Hearts America
Christine Burton, Co-Founder, Burton Family Foundation
Jessica Vasquez for David Eaker, Campus President, The Refrigeration School
Karen Mensing, Technology Integration Facilitator, Paradise Valley Unified School District
The Honorable Shaandiin Parrish, Council Delegate, Navajo Nation
Gary Schleuger, Vice President of State Government Affairs and Relations, University of Phoenix

Members Absent:

Dr. David Doré, President of Campuses and Executive Vice Chancellor, Pima Community College
Len Munsil, President, Arizona Christian University
Dr. James Rund, Senior Vice President for Educational Outreach and Student Services,
Arizona State University
Chris Schoenleb, North Valley Christian Academy

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 May 30, 2023 quarterly meeting to order at 11:07 a.m. Treasurer Yee welcomed the Committee members and staff attending the meeting via Webex and in-person. She also welcomed new member the Hon. Shaandiin Parrish, Council Delegate for the Navajo Nation, to the Committee. Council Delegate Parrish thanked the Treasurer for the opportunity to serve the Advisory Committee and she looked forward to continue advancing the AZ529 Education Savings Plan.

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 March 7, 2023 Committee Meeting

Christine Burton moved that the March 7, 2023 Committee meeting minutes be approved as distributed. Seconded by Gary Schleuger. Motion carried unanimously.

IV. AZ529 Plan Performance Update

Treasurer Yee noted that in just over 31 months, since the AZ529 Plan transferred from the Postsecondary Education Commission to the ASTO, there were 28,396 new AZ529 accounts with total plan assets at \$1.92 billion, an increase of 18.3%. She also noted that the AZ529 Plan continues to outreach to new families at various events including baby shower and community events for new mothers.

Treasurer Yee asked Mr. Ong to provide an AZ529 Plan Performance Update. Mr. Ong stated that total AZ529 Plan Assets Under Management as of April 28, 2023, were \$1.92 billion, up 3.1% year over year.

Total AZ529 Accounts in April were also up 3.8% Year Over Year to 102,899. Mr. Ong noted that these numbers reflected the second quarterly transition of accounts from College Savings Bank to Fidelity Investments on February 28, 2023. As of this date, 139 total accounts (87 non-resident, 52 Arizona residents) were transferred to Fidelity, representing just over \$836.6 million in assets. Overall, Arizona residents held 51% of total Assets and 56.7% of total Accounts, with the rest held by Non-Residents.

Additionally, Fidelity remains the largest AZ529 provider, with 66.9% of Assets and 67.8% of Accounts. Goldman Sachs 529, is the second largest provider, holding 32.7% of Assets and 31.4% of Accounts. As it winds down its AZ529 operations, College Savings Bank holds the remaining 0.4% of Assets and 0.8% of Accounts after that 2nd quarterly transition.

Mr. Ong also updated Advisory Committee members about the annual review of the contracted AZ529 plan providers, Fidelity and Goldman Sachs, with assistance from Investment Consultant, Capital Cities. He explained the annual review is conducted by the Investment Risk Management Committee (IRMC) and informs IRMC's recommendations to the Board regarding provider contract renewal. The two providers are required to participate in the review in March of each year.

The review includes a comprehensive plan performance presentation to IRMC and a report that is submitted from each provider. Mr. Ong noted the reviews for Fidelity and Goldman Sachs/Ascensus were conducted in person at the State Treasurer's Offices. On a scale of 1 to 5, with 1 being "Poor," 3 being "Neutral" and 5 being "Excellent," IRMC assigned a 4.5 to Fidelity and a 4.3 to Ascensus/Goldman Sachs.

Mr. Ong noted that last year, IRMC assigned a 4.4 to Fidelity and a 3.3 to Ivy, which was the previous advisor-sold plan provider. The highest average score in any category was 4.8 and the lowest average score was 3.8.

Finally, Mr. Ong provided a marketing update on the AZ529 Plan. For April's complete advertising efforts, there were 230,530 total impressions including 2,320 total clicks on AZ529 advertisements, and an average of 1% clicks per month or click through rate. April's advertising efforts overdelivered impression goals in every tactic, including pre-roll, social media, retargeting and display ads, and overall, by 7%. Mr. Ong noted the English-speaking audience remained the most engaged audience, delivering a 1.11% click through rate. For social media, Mr. Ong reported there were just over 18,000 total impressions, with 96% of users interested in learning more about the AZ529 Plan and 55% were unique users.

Mr. Ong also noted that there was a brand-new summer contest called the "My Picture-Perfect Career" Photo Contest going on until July 9th. The photo contest invited all Arizona K-12th grade students to submit a selfie or a creative photo that shows their future career interests. Ten winners will receive \$529 towards a new or existing AZ529 account. Together with the summer photo contest, there are now three contests each year, with an essay contest in the Fall and an art contest in the Spring.

In March, there was an AZ529 booth at the McCormick-Stillman Railroad Park for the Exclusively Little Expo. Dozens of families with young children stopped by to find out more about the AZ529 Plan and the many ways to start saving for education.

On March 28th, Treasurer Yee also welcomed 14-K-6th graders to the State Capitol for the AZ529 Future Career Art Contest Awards Ceremony. The 14 winners were selected from 343 total entries and received \$529 towards an AZ529 Plan. About 100 students, families and teachers were there to congratulate the winners who came from all schools across the state.

In April, at the Arizona County Treasurer Association Conference, Treasurer Yee shared about how our office is continuing to safely invest taxpayer dollars plus the savings advantages and tax benefits of the AZ529 Plan with county treasurers who were there from across the state.

Treasurer Yee also hosted a piggy bank painting party with 84- 3rd grade students at Marshall Ranch Elementary in Glendale. She told them about the importance of saving for future education as students painted their very own piggy banks. Parents also received information about the AZ529 Plan in the backpacks that were sent home with the students.

At the Association of Government Accountants, Treasurer Yee provided an update on the work of our office and the excellent growth of the AZ529 Plan with over 27 thousand new accounts opened since October 2020. She also encouraged the accountants to consider the savings benefits of the AZ529 plan for their own families and clients.

Mr. Ong also noted that the AZ529 Plan hosted a seminar at the AZ Association of Student Financial Aid Administrators Conference. Fidelity, an AZ529 provider, joined Treasurer

Yee to talk about how the AZ529 Plan works including the investment options and how the plan can be used in a tax-free manner on educational expenses. He noted, this was a great outreach to financial aid professionals to let them know of the AZ529 Plan as they work with students on saving for their education.

Finally, Treasurer Yee issued a proclamation declaring May 29th at National 529 College Savings Day in Arizona encouraging families, students and everyone to learn about and participate in the AZ529 Plan as a way to save for their family's future education and career advancement.

Treasurer Yee also noted a recent visit to the Kyrene Rotary Club and was thankful for their excitement and future partnership opportunities.

V. Committee Discussion and Next Steps

Treasurer Yee noted that the first-ever AZ529 "My Picture-Perfect Career" Photo Contest was underway. She asked members to share a flyer and spread the word about the contest that is open to all Arizona K-6th grade students until July 9th. She noted that there will be ten winners will be selected to win \$529 towards a new or existing AZ529 Plan account.

Treasurer Yee also noted future AZ529 contests that will be going throughout the year.

Council Delegate Shaandiin Parrish congratulated the Treasurer on the expansion of the outreach of the AZ529 Plan. She invited the Treasurer and committee members to plan for future events in Northern Arizona and opportunities to share information about the AZ529 Plan. Treasurer Yee expressed her gratitude for the continued partnership with the Navajo Nation and looked forward to future opportunities to reach underserved communities.

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 meetings for September 12th and December 5th.

VIII. Adjournment

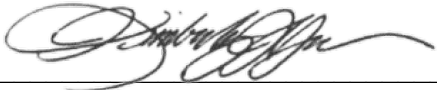
With no further business to discuss, Christine Burton made a motion to adjourn the meeting. Seconded by Karen Mensing. The meeting was adjourned at 11:29 a.m.

Respectfully Submitted by:



Jeffrey Ong
AZ529 Plan Administrator

Approved by:



Kimberly Yee
Chair

September 12, 2023

Date