

College Tuition Savings Plan Advisory Commission
Minutes of Meeting Held: March 27, 2000
State House, Room 103

The twenty ninth meeting of the College Tuition Savings Plan Advisory Commission (the Commission) was called to order at 10:00 a.m., with Chairman Senator Larsen presiding. The following Commission members were present representing a quorum:

<u>Member</u>	<u>Represents</u>
Michael A. Ablowich	Budget Director, Office of Governor, Representing the Governor
Mike Cryans	Public Member from Hanover Appointed by the Governor
Sylvia Larsen	Senator from Concord
Ingrid Lemaire	Director of Public Relations, NH Higher Education Assistance Foundation
Mary Milliken	Business Administrator, Representing Regional Community Technical College System
Andrew R. Peterson	Representative from Peterborough
O. Alan Thulander	Representative from Frankestown

The following members were absent:

Martha Gooze	Public Member from Durham Appointed by the Governor
Edward Gordon	Senator from Bristol
Richard A. Gustafson	President, New Hampshire College, Representing College and University Council
Hannah M. McCarthy	President, Daniel Webster College, Representing Postsecondary Education Commission
Edward MacKay	Vice Chancellor for Budget and Planning, University System of New Hampshire
Georgie A. Thomas	State Treasurer, Treasury Department

Katie Roberts of Fidelity discussed the idea of college planning promotional materials featuring the Unique Plan becoming a part of a package offering to customers through Fidelity's customer service representatives. Instead of sending a Unique kit they would send more generic information about college savings options in which the customer could then request additional information about the Unique Plan. It was determined that the marketing subcommittee would need to explore this idea further. Mike Cryans brought up the fact that during the news hour on channel 9 they did a segment on 529 plans, which did not support the plans. Mike Cryans wanted Fidelity to follow through with presenting some supportive information to channel 9.

Abram Claude of Fidelity stated that as of February 2000, the Unique Plan had 42,139 in total accounts of which 6,273 were new accounts in January and February. Market value of assets totaled \$282,763,640.

David Pearlman of Fidelity and William Ardinger of Rath, Young, and Pignatelli discussed the private letter ruling. The State of New Hampshire is the first to receive a ruling and the IRS had no major conflicts with the program. The only policy change required by the IRS was a change in the distribution reporting policy. A press release was discussed regarding the private letter ruling. Fidelity will present a draft to the State Treasurer's Office.

Fidelity is still advising against an over weighting in the small cap percentage against the benchmark. The investment subcommittee will get together and discuss that issue further before a recommendation is made to the full commission. Next Fidelity discussed the intermediary investment plan. In order to remain competitive with the other intermediary plans they are proposing to offer choices. The choices they are proposing would be one of four options: the age based pool, choose a portfolio, a 100% equity pool, and 70% equity to 30% fixed income pool. It was important to highlight that the choice of pool the customer made at the start would be their permanent choice. A second private letter ruling would be needed for this plan. Fidelity wants to pursue these options until a private letter ruling is issued on these types of investment choices. In November of 2000 this version of the plan would be launched. Mike Cryans made the motion to proceed with the choice options for the intermediary plan until a ruling is issued regarding choice. Mike Ablowich seconded the motion. The motion passed unanimously. A motion was made to approve the minutes of January 31, 2000 meeting. Andrew Peterson seconded the motion. The minutes passed unanimously.

Mike Norris of the Treasury Department went over the draft chapter 600 endowment rules. Judy Knapp of postsecondary reviewed the rules and changes were made to the redraft the commission currently has. Upon further review it was suggested that the commission delete section 601.07 on payment schedule. Alan Thulander made a motion to adopt the rules with the above stipulated change as interim rules. Ingrid Lemaire seconded the motion. The motion passed unanimously. The meeting adjourned at 12:25 a.m.