Montana Family Education Savings Plan  
Oversight Committee  
March 4, 2008  
GSL Conference Room - Helena, MT  
12:00 pm – 4:00 pm

Committee members in Attendance: Todd Buchanan, Paul Christofferson, Ed Jasmin, Lynne Egan, Jon Satre, John Driscoll  
Absent: Kerra Melvin  
GSL Staff: Bruce Marks, Ron Muffick, Robin Graham, Sue Mohr, Sheila Newlun

Chairman Jasmin opened the meeting. Introductions of all attendees were done.

529 Overview: – Sue Mohr provided a presentation and handouts.  
Jon Satre asked about the relationship between CSB (College Savings Bank) and the State.  
Will the proposed sale to CSN (College Solutions Network) affect CSB’s Program Management?  
Bruce Marks confirmed that the State’s relationship with CSB is evolving.  
Todd Buchanan asked questions regarding the State income tax deduction and expressed appreciation for the informative presentation.

Reviewed the Montana Code which lists membership and responsibilities. Also referred to recent news articles detailing changes in 529’s under consideration in other states.  
Ed explained that the Committee’s role is to advise the BOR.  
Todd asked how the regent member of the oversight committee is selected. Statute requires the Chair of the Board of Regents, or the Chair’s designee, to serve on the Oversight Committee.  
Jon asked about the use of the MFESP logo. Discussion deferred until later in the agenda.

Performance of the Funds: – Sue Mohr.  
Provided a Performance handout of model portfolios comparing Pacific Funds to similar Funds.  
Ed asked to add 3 & 5 year history. Does this lead us to believe that Pacific Life Funds are doing well?  
Sue said that these Funds are performing well in a down stockmarket.  
Discussion ensued of who invests in 529 plans with respect to income levels and how to bring more people into the program who would be lower income investors.

InvestorSureCD: – Sue Mohr.  
Handout and website demonstration.  
John & Lynne Egan described the process of implementation. The Committee formally thanked them for their hard work.  
The Committee reviewed the website and provided comment and corrections to the site. Requested Sue review and approve any changes to the website before those changes go “live”.  
Todd & Lynne volunteered to review the entire site to quality check everything that is posted.

Marketing Discussion: – Sue Mohr  
Reviewed CSB’s Marketing Plan. Acknowledged that a budget needs to be provided. Committee asked for justification of the plan based on Marketing Research. Verified that Sue signs off on all Marketing in Montana before it is released.  
Bruce reviewed the Feb 29th letter from GSL to CSB regarding the use of the MFESP logo. The Committee provided suggestions about strengthening the Marketing Plan and making it a part of an overall vision regarding the 529 industry in 3-5 years and how marketing can support that vision. Committee would like to meet with CSB and Pacific Life in the next few months to discuss. Given
that Montana is completing the 2nd year of the 3 year contract, the Committee would like to see real progress by CSB in addressing Committee concerns (specifically adding low cost Mutual Funds) in 30-60 days, so as to accommodate RFP timeline (if necessary). State has the option to renew the existing contract for an additional two – 2 year time periods

**ELG report:** – Ron Muffick
During the last meeting, some of the Interim Committee members received questions regarding how the plan was administered. The next meeting on this topic is scheduled for June. Tax parity is becoming a big issue, and ultimately the State will have to decide.

**Bruce** reported that 3 or 4 states have tax parity already. Some states think it is great; others think it is not beneficial to the State or its investors.

**Lynne & Todd & Ed** stated their belief that it may be good if more options are available in Montana. **Discussion** concerned pros and cons regarding tax parity. For example, one observation was that once the funds leave Montana, Montana loses revenue, control over funding options, in-state advertising and potential scholarship funds. Another idea was to partner with another state, so Montana could still have some of the benefit, and then be able to negotiate for in-state advertising.

**Action item:** – GSL will set-up a Committee meeting in May and invite the bank to attend so that a discussion of these issues can take place.

**Todd** will share some of this discussion at the BOR meeting this week.

Adjourned 3:10