

March 1-3, 2006

ITEM 130-106-R0306

**Recommendation of a College Savings Plan (\$529)  
Manager, including investment options.**

**THAT:**

The Board of Regents of Higher Education, as trustee of the Montana Family Education Savings Program (MFESP), selects the College Savings Bank and its mutual fund partner, Pacific Funds, as program manager to implement, administer, and market the MFESP for the State of Montana.

**EXPLANATION:**

The contract for a MFESP account manager and investment provider expires April 30, 2006. In accordance with State of Montana procurement requirements, the MFESP Oversight Committee has completed a Request For Proposal process for a new program manager. The Oversight Committee unanimously recommends College Savings Bank and its mutual fund partner, Pacific Funds, as the successful respondent to that Request For Proposal. CSB/Pacific Funds scored 856 points out of a possible 1,000 total points. CSB offers CollegeSure certificates of deposits, which are indexed to the inflation rate of public, 4-year postsecondary institutions. These investments are protected by the Federal Deposit Insurance Corporation to the extent allowed by federal law. Pacific Funds offers 14 different actively managed mutual fund investments and 5 Portfolio Optimization Funds. CSB/Pacific Funds will also launch a complex marketing campaign (budgeted amount \$600,000) that includes, but is not limited to, television, newspaper, radio, website, and direct mail.

A contract between the Board of Regents and College Savings Bank/Pacific Funds, will be presented for Board approval at the May 2006 Board of Regents' meeting. The contract will be effective May 1, 2006 and end April 30, 2009. At the mutual agreement of all parties, the contract may be renewed for two additional two-year extensions.