

General Discussion: April 26, 2016

11:00 a.m. – BCC Conference Room

Commissioners Cheryl Walker, Keith Heck, and Simon G. Hare; Terri Wharton, Recorder

Chair Cheryl Walker called the meeting to order at 9:00 a.m.

1. Be College Ready

John Valley, Oregon College Savings Plan Outreach Director, gave an overview of the 529 Program and distributed **Exhibit 1 – Oregon College Savings Plan**. He explained the Grants Pass School District was part of the pilot project and now it has expanded to the Three Rivers School District. He discussed an upcoming addition to the program that will include the Kindergarten Seed Program for all incoming children to include a \$25 deposit for a new or pre-existing account. Mr. Valley thanked the Board for their support.

2. Other (*ORS 192.640(1) “. . . notice shall include a list of the principal subjects anticipated to be considered at the meeting, but this requirement shall not limit the ability of a governing body to consider additional subjects.”*)

Commissioner Hare discussed what other counties are doing to impose certain land use regulations on marijuana productions and felt the County needs to investigate what the options are such as RR5 setbacks, etc. He said Deschutes County is doing it so the County would not have to reinvent the wheel. Commissioner Walker advised the new Community Development Director will begin work on June 1, 2016 and will direct her to work with Legal Counsel on this issue.

Commissioner Hare suggested sending the 3-cent tax for recreational marijuana to the November ballot and the Board agreed.

Commissioner Hare discussed the open position in the Board's office and suggested reevaluating the job description to make sure it accurately reflects the work being done and to include an element of public relations within the Board's staff. Commissioner Walker felt public relations should be done by a current employee, and suggested Wendy Watkins, Chief Administrative Supervisor. Commissioner Heck felt it would be a good opportunity to sit down with Wendy and talk about the job description. *Staff was directed to give each Commissioner a copy of the current Board Administrative Secretary job description.*

Commissioner Walker mentioned she was meeting with the Planning Department staff today and asked if either Commissioner had anything they wanted her to share with the staff. Commissioner Heck asked her to tell them how much he appreciates everything they have done. Commissioner Hare said he would like the Board to meet with the new Community Development Director to discuss the Board's expectations regarding the Planning Department and Economic Development.

The meeting adjourned at 11:55 a.m.

EXHIBITS

Exhibits 1 – Oregon College Savings Plan



EXHIBIT 1
General
4/26/16

CONTACT: Chris Crabb
503-314-7583 | chrisc@weinsteinpr.com

Oregon College Savings Plan expands its “Be College Ready” program
Campaign will seed college savings accounts for kindergartners in 17 school districts

SALEM, Ore. – The Oregon College Savings Plan has announced an expansion to its successful “**Be College Ready**” program, introduced in 2015, that includes seeding college savings accounts for kindergartners in up to 69 elementary schools in 17 school districts across the state.

The **Be College Ready** program is designed to help families better understand the long-term benefits of higher education and how to reach their college planning goals. It brings the Oregon College Savings Plan directly into elementary schools, with the purpose of educating parents about how to plan for future college expenses, motivating kids with fun classroom materials and partnering with local business and civic organizations to provide program resources that meet the needs of each local community.

This year’s **Be College Ready** program will take place during the 2016/2017 school year in the following districts: Astoria, Dallas, Echo, Gladstone, Grants Pass, Hermiston, Jewell, McMinnville, North Clackamas, Oregon City, Pendleton, Phoenix-Talent, Seaside, Stanfield, Three Rivers/Josephine County, Umatilla and Warrenton-Hammond. For a map of Oregon schools and communities participating in 529 plans, visit <http://navigator.state.or.us/apps/becollegeready/>.

New to the program this year, parents of kindergarten students in each participating district will be eligible to receive a \$25 contribution, dubbed “My First Account,” from the Oregon 529 Savings Network into a new or existing Oregon College Savings Plan.*

“We want to ensure that every child in Oregon begins the process of saving for college,” explained Michael Parker, executive director of the Oregon 529 Savings Network. “By either establishing or adding to a college savings account for these kids at an early age, we are giving their families a head start that can pay off in the future.”

Other features of the program include the presentation of a “College Funding 101” seminar, open to the entire community, in each participating district; and introducing families to Financial Beginnings, a nonprofit organization that provides full-service financial education programs that are fun, engaging, age-specific and free of charge. Participating **Be College Ready** schools will also receive complimentary homework folders, pencils and motivational bookmarks for all elementary school students.

Last year’s debut of the **Be College Ready** program took place in 38 elementary schools in five districts, impacting 19,000 students. Accounts and total assets in all five pilot communities increased, underscoring the positive impact of the program. From October 2014 to October 2015, the total college savings contributions in the five pilot school district areas increased by nearly \$2 million, and the opening of new Oregon College Savings Plan accounts increased by:

- 5.3 percent in Clackamas County
- 21.7 percent in the Grants Pass community
- 28.3 percent in the McMinnville community
- 64.7 percent in the city of Hermiston
- 88 percent in Clatsop County

For more information about the **Be College Ready** program, visit <http://becollegeready.net>. For more information about the Oregon College Savings Plan, its investment options and how to enroll, visit www.OregonCollegeSavings.com or call toll free 866-772-8464.

About The Oregon College Savings Plan

The Oregon College Savings Plan, which is part of the Oregon 529 Savings Network, launched in January 2001 and has grown to more than \$1.2 billion in assets as of March 31, 2016. The plan is managed by TIAA-CREF Tuition Financing, Inc. Follow the Oregon College Savings Plan on [Facebook.com/oregoncollegesavings](https://www.facebook.com/oregoncollegesavings) and [Twitter.com/OregonCSP](https://twitter.com/OregonCSP); all social media platforms are managed by the state of Oregon.

*Void where prohibited. For funding details, official rules and to apply for funding, visit BeCollegeReady.net by February 28, 2017.

Consider the investment objectives, risks, charges and expenses before investing in the Oregon College Savings Plan. Please visit OregonCollegeSavings.com for a Plan Disclosure Booklet with this and more information. Read it carefully. Investments in the Plan are neither insured nor guaranteed and there is the risk of investment loss.

TIAA-CREF Tuition Financing, Inc., program manager. TIAA-CREF Individual & Institutional Services, LLC, member FINRA, distributor and underwriter for the Oregon College Savings Plan.

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With **Oregon's 40-40-20 education plan**, the state has the goal that by 2025, 40 percent of adult Oregonians will have bachelor's degrees or higher, another 40 percent will have associate's degrees or other certificates and the remaining 20 percent will have high school diplomas. With the state aspiring to have 80 percent of the adult population holding some type of post-secondary degree or designation, Oregon's federally authorized 529 program, the Oregon College Savings Plan, will play a vital role in helping Oregon families meet those goals.

To help parents and families better understand the long-term benefits of higher education and how to reach their college planning goals, the Oregon College Savings Plan has launched a program called **Be College Ready**. This program brings the Oregon College Savings Plan directly into elementary schools, with goals of educating parents about how to plan for future college expenses, motivating kids with fun classroom materials and partnering with local business and civic organizations to provide program resources that meet the needs of each local community.

Be College Ready is specifically designed so that school districts, individual elementary schools and parents can take full advantage of the program's resources with very little time and effort. **Be College Ready** will allow each participating school to become certified as an Oregon 529 College Savings School. This special designation will serve as a continuous reminder to the school population, the parents and the local community about the importance of college savings and what it means to be college ready.

During the 2015-2016 school year, the **Be College Ready** program has been piloted in five school districts: North Clackamas, Grants Pass, McMinnville, Seaside and Hermiston. By participating in the **Be College Ready** program and helping educate community members about the benefits of the Oregon College Savings Plan, these school districts saw some impressive results.

From October 2014 to October 2015, the opening of new Oregon College Savings Plan accounts increased by 5.3% in Clackamas County, 21.7% in the Grants Pass community, 28.3% in the McMinnville community, 88% in Clatsop County and 64.7% in the city of Hermiston. The total college savings contributions during the same time period increased by nearly \$2 million in the five pilot school district areas.

We have created a website where you can see each of the schools that have participated in the **Be College Ready** program and have become a certified 529 College Savings School. In addition, by visiting the website you can view demographic information from all 36 Oregon counties and their engagement with Oregon's 529 College Savings program. Please click here to learn more: <http://navigator.state.or.us/apps/becollegeready/>

Building on our success, we are looking to expand **Be College Ready** to neighboring school districts for the 2016-2017 school year. There are several things school districts will receive by participating in the program and in return the school district will help raise awareness about the benefits of the Oregon College Savings Plan.

In return for participating in the *Be College Ready* program each year, school districts will receive the following from the Oregon College Savings Plan:

- Homework folders, pencils, bookmarks and motivational posters for each elementary school
- Every kindergarten parent/guardian that enrolls a kindergarten student in the school will be offered \$25 from the Oregon College Savings Plan to open a new Oregon College Savings Plan account for that kindergartner or add to a pre-existing kindergartner account if one has already been opened by the parent/guardian
- All parents of elementary school students will be eligible to enter an online sweepstakes throughout the school year (September–May) with each elementary school having a winner announced in May with a \$529 award to open a new Oregon College Savings Plan account or contribute to an existing account

To become 529 certified, the elementary school agrees to:

- Post information about the Oregon College Savings Plan on its website, including a short video explaining how the Oregon College Savings Plan works and helps students ***Be College Ready***
- Share the Oregon College Savings Plan monthly updates with the school population and parents, including updated results of the kindergarten program and 529 sweepstakes entries
- The school district will be able to schedule one comprehensive **Be College Ready - College Funding 101** presentation during the school year for the entire community that will include Q & A sessions about the Oregon College Savings Plan as well as information about how the college financial aid system works
- Make Oregon College Savings Plan materials available in the main office, both in English and Spanish
- Presentations can be scheduled by individual schools if desired

Opportunities available to school districts participating in the *Be College Ready* program:

- Each school district, unless already offered, will have the opportunity to work with Oregon College Savings Plan staff to offer employees the ability to have an Oregon College Savings Plan payroll deduction option
- The Oregon College Savings Plan will introduce the school district to Financial Beginnings, a nonprofit organization providing financial education programs to youth that are fun, engaging and relevant. Financial Beginnings has programs that serve students in kindergarten through young adults. All programs are free and provide age-specific curriculum and activities that are designed to promote self-sufficiency, fiscal responsibility, and encourage active and educated personal financial management.

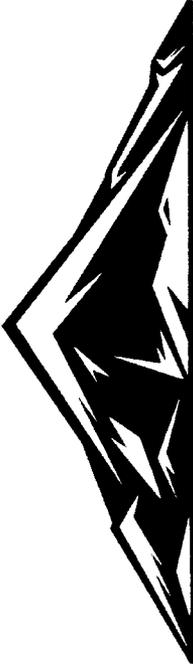
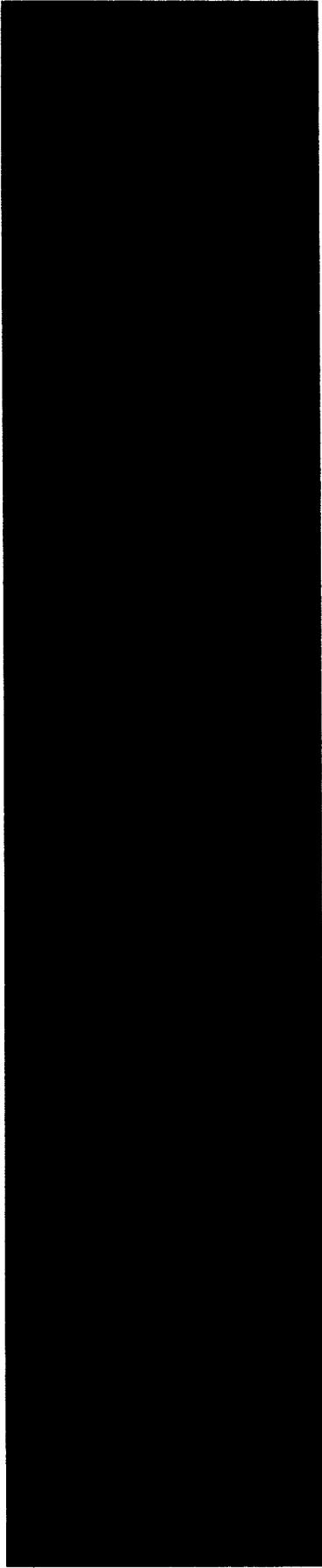
In order to be college ready today, schools and families not only need to help prepare students for the academic challenges of the 21st Century, but also be knowledgeable about and prepared for the financial realities of achieving a post-secondary education. The Oregon College Savings Plan is committed to helping families and the ***Be College Ready*** program offers a great opportunity for elementary schools to partner with the communities and families they serve.

For additional information, please contact:

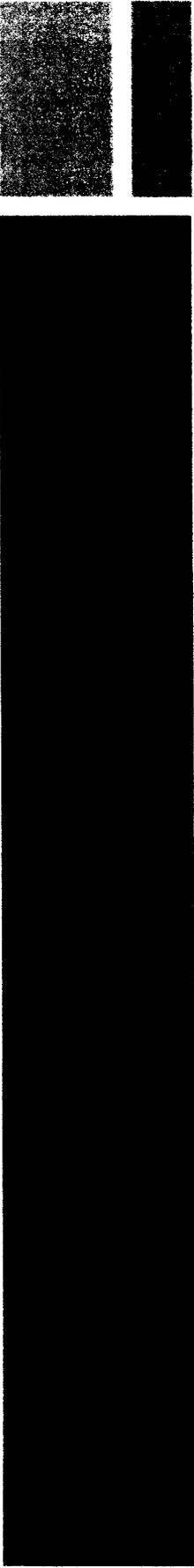
John Valley at 503-432-1618 or john.valley@ost.state.or.us

David Bell at 503-703-2854 or david.bell@ost.state.or.us.





OREGON
COLLEGE SAVINGS PLAN™



A young college graduate earns \$12,000 a year more than someone who did not attend college.

States Are Still Funding Higher Education Below Pre-Recession Levels May 1, 2014 <http://www.cbpp.org/research/states-are-still-funding-higher-education-below-pre-recession-levels>

By 2020, 65 percent of all jobs will require at least some college education. That is up from 59 percent in 2007, 56 percent in 1992, and 28 percent in 1973.*

The unemployment rate for young high school graduates was 16.5 percent in 2013, more than double the rate for young college graduates.

Student debt and the class of 2013 <http://ticas.org/sites/default/files/legacy/fckfiles/pub/classof2013.pdf>

* The Georgetown Center on Education and the Workforce



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Children with college savings accounts have greater college expectations

- Formulate ideas about college attendance as early as elementary school.
- Build positive expectations about college.
- Children with \$500 saved for college are 3 times more likely to enroll in college and 4 times more likely to graduate.

Children with college savings accounts do better academically

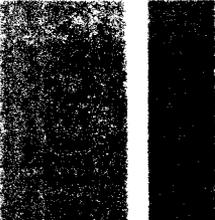
- Children aged 12-18 with a college savings account have higher math scores and are twice as likely to expect to go to college.
- Among high school students who expect to attend college, those with a college savings account are 4 times more likely to attend.

Source: Corporation for Enterprise Development



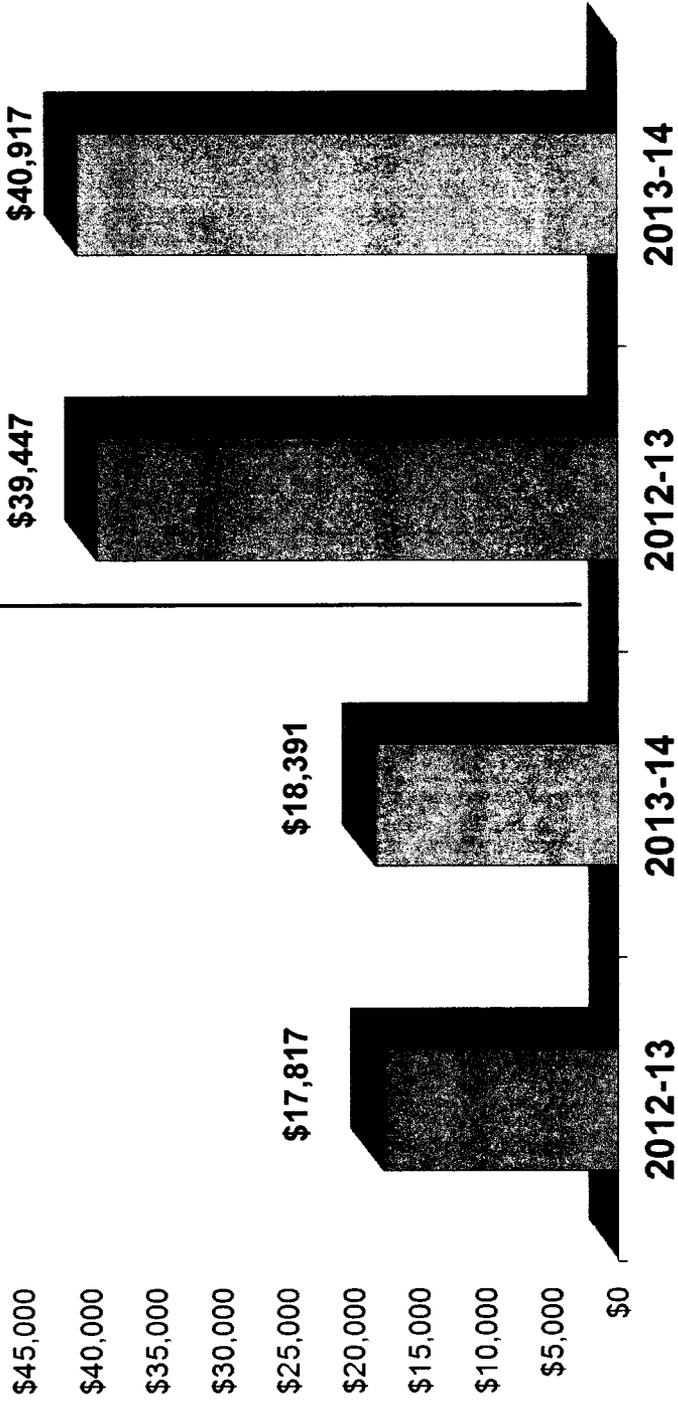
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4-Year Private College

4-Year Public College



This chart illustrates average 1-year college costs including tuition, fees, room and board.

Source: Trends in College Pricing Report 2013, The College Board.



[REDACTED]

Oregon is near the top of the decline in state funding:

- State funding per student is down 37.9% when adjusted for inflation between 2008 and 2014.
- The national average is 23 percent.

Nationally, public colleges and universities have increased tuition to compensate for the decline in state funding.

Nationally, tuition at four-year public colleges has risen by 28 percent since the 2007-08 school year.

Over the last 20 years, the price of attending a four-year public college or university has grown significantly faster than the median income.

- *States Are Still Funding Higher Education Below Pre-Recession Levels May 1, 2014 <http://www.cbpp.org/research/states-are-still-funding-higher-education-below-pre-recession-levels>*



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Total outstanding student loan debt has surpassed **\$1.2 trillion**, as of 2015.

The graduating class of 2015 has \$56 billion in student loan debt, the most in American history.

71% of this year's graduating class took out loans, and on average owe more than \$35,000.

Compared to 1996, when just 58% of students borrowed to attend college; owing less than \$20,000 at graduation.

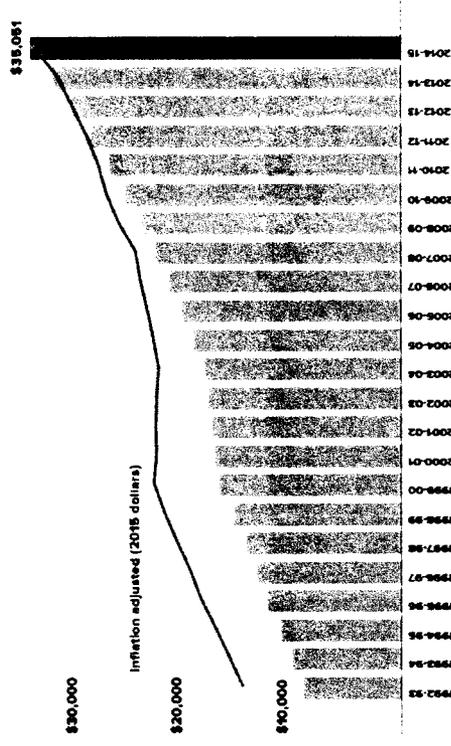
Analysis by Mark Kantrowitz, senior vice president and publisher of Edvisors
<http://mic.com/articles/117644/it-s-official-the-class-of-2015-has-the-most-student-loan-debt-in-history>



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The class of 2015 is the most indebted ever

Average debt per borrower by graduating class. Debt includes federal and private education loans.



Source: Mark Kantrowitz, Edvisors.com



In 1996 Congress created Section 529 of the Internal Revenue Code.

The policy allowed States to create 529 programs to help families save for college tax-free; no state or federal taxes on any earnings

Each state implements its own 529 program; The Oregon College Savings Plan was created in 2001.

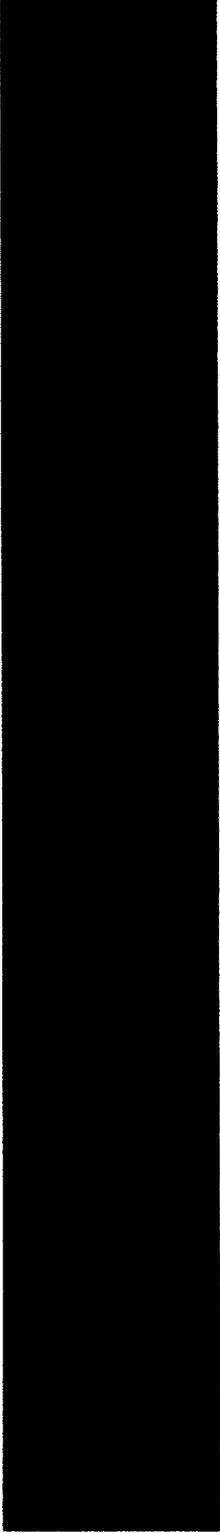
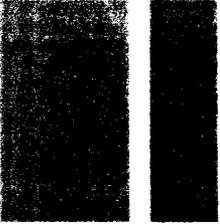
As of December 2015, the Oregon College Savings Plan had more than \$1.3 billion invested.

As of December 2015, over \$250 billion invested in 529 plans nationwide*

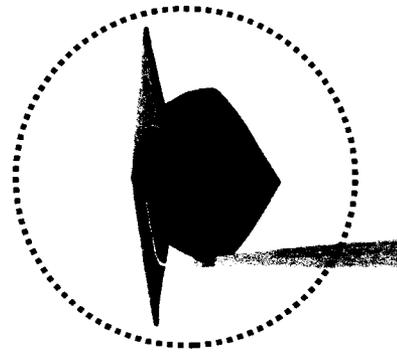
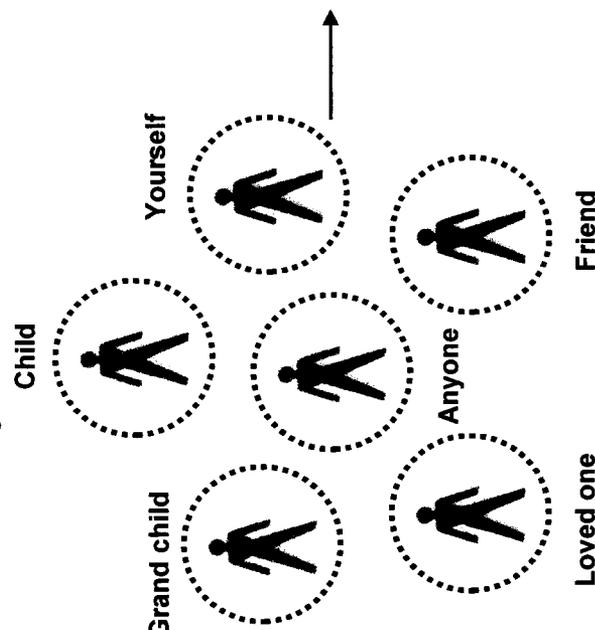
*Source: CSPN

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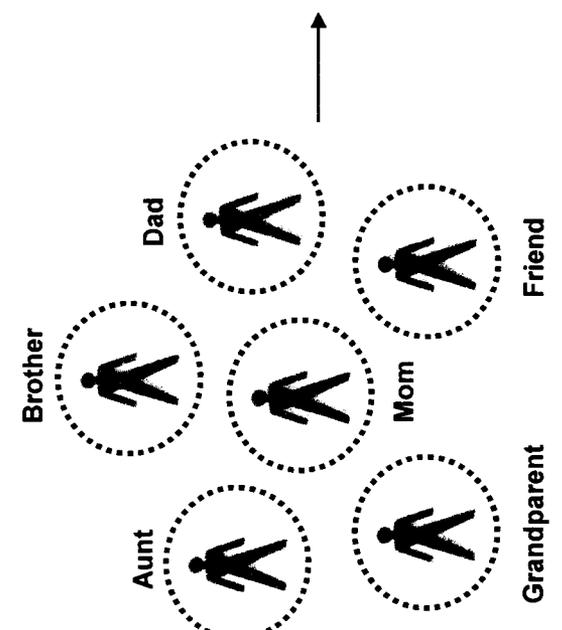




Beneficiary = Future Student A College Education



Account Owner



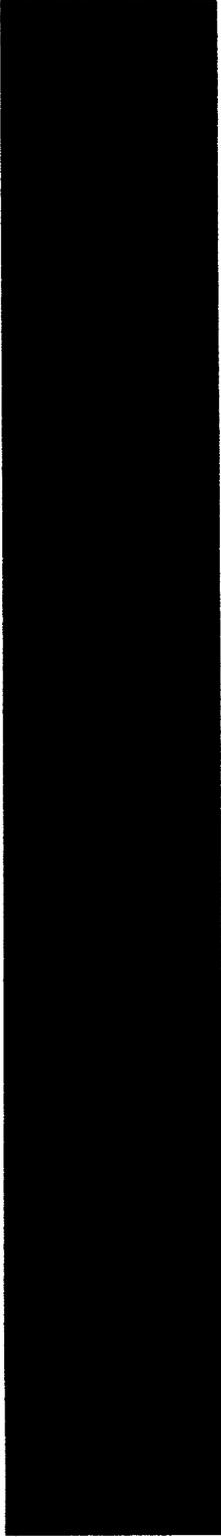
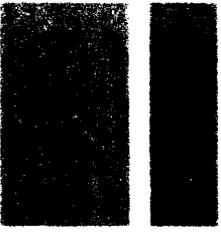
- No income limitations
- No residency required
- Full control

- No age restrictions
- No time restrictions
- Use for any degree



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Any US citizen or resident alien of legal age can open an account.

Open an account with as little as \$25 -- \$15 with payroll deduction.

Account owner may change beneficiary at any time to an eligible family member.

Contribute up to \$310,000 per child.

Friends and family can add to your account.



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State Tax Deduction

- Oregon offers a state income tax deduction of up to **\$4,620** for married taxpayers filing jointly and **\$2,310** for single filers, adjusted annually.

Recapture provisions apply. See the Disclosure Booklet for details and contact your tax advisor.

- Friends and family who open an account are also eligible for the state tax deduction.

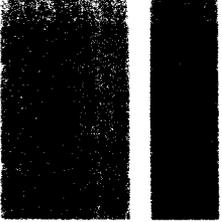
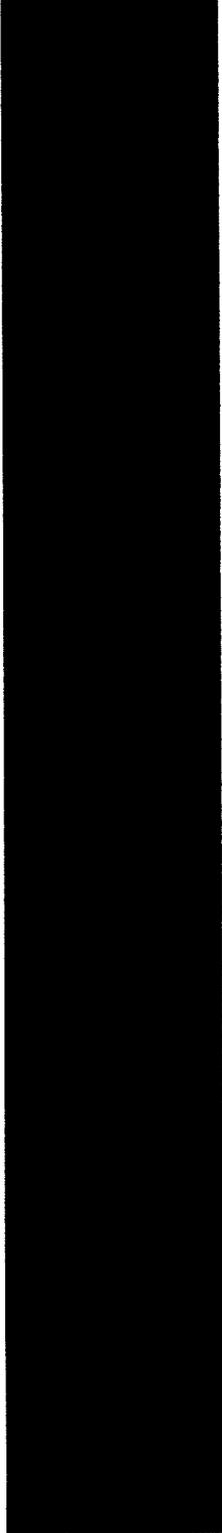
Tax-Free Growth Opportunity

- After-tax contributions to an Oregon College Savings Plan account will have the opportunity to grow free from federal and state income tax.

Non-qualified withdrawals may be subject to federal and state taxes and additional 10% federal tax.

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If the institution accepts federal financial aid it is eligible for 529 funds. You can check by going to www.fafsa.ed.gov and look under school code search.

Eligible expenses include:

- Tuition
- Fees
- Certain room and board
- Books
- Computers
- Supplies and any equipment required for enrollment or attendance to that institution.



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What's Your Strategy?

SAVE
\$35,000

OR

BORROW
\$35,000

Save \$200 every month for 10 years at a 7% rate of return!

Earnings \$11,000
Contributions \$24,000

Interest \$13,000
Principal \$35,000

Borrow \$35,000 at 6.5% interest rate paid only 10 years

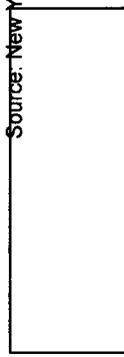
Total cost \$200/month

\$400/month

- 1 Saving compounded monthly at 7%. Computations rounded to the nearest \$1,000.
- 2 Hypothetical interest rates based on current available rates.
- 3 Interest compounded annually

Examples are for illustrative purposes only and do not reflect the performance of any specific investment. There are no guarantees that you will be able to achieve a consistent rate of return

Source: New York Times

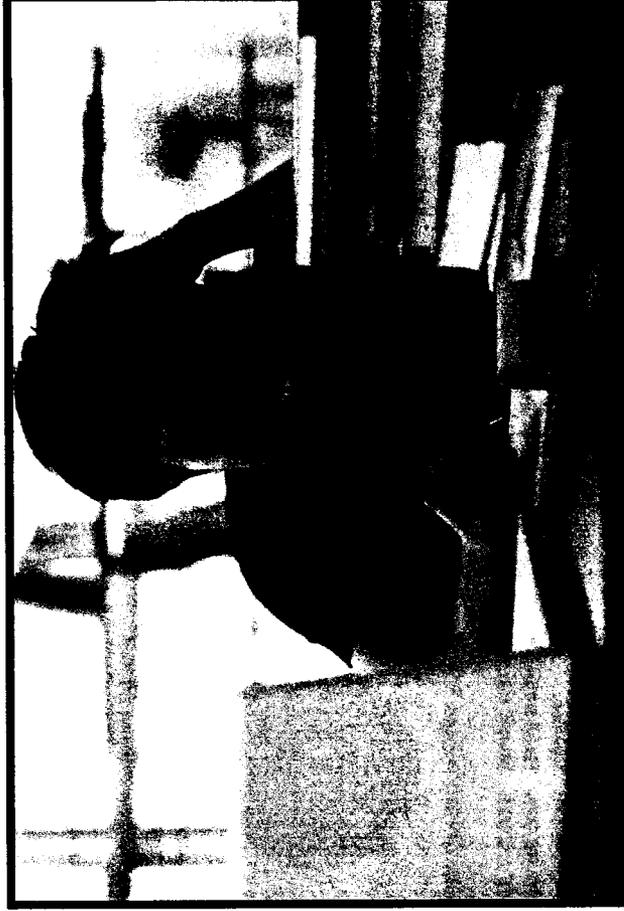


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Fifteen Investment Options

- Age-Based Portfolio
- Seven Multi-Fund Portfolios
- Six Single-Fund Portfolios
- Principal Plus Interest Portfolio
- Socially Responsible Portfolio

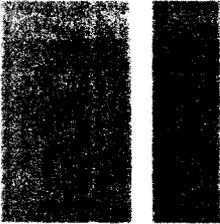


If you are unsure how the investment objectives of the portfolios might meet your needs, take advantage of our two minute [risk tolerance quiz](#) to help guide your decision at: OregonCollegeSavings.com/planning/risk.shtm



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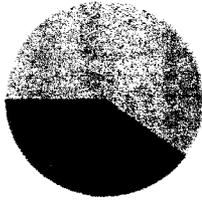




Asset allocation grows more conservative as the beneficiary gets closer to college.

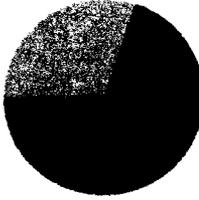
Nine age bands help smooth the transition from one band to the next.

Beneficiary's Age 9-10



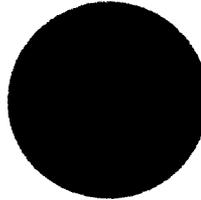
- 60.00% Equities
- 40.00% Fixed Income
- 0.00% Money Market

Beneficiary's Age 15



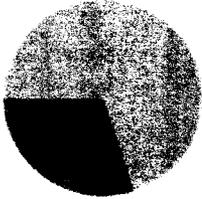
- 30.00% Equities
- 70.00% Fixed Income
- 0.00% Money Market

Beneficiary's Age 18+



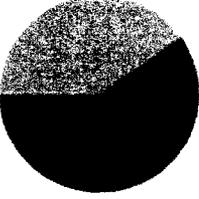
- 0.00% Equities
- 80.00% Fixed Income
- 20.00% Money Market

Beneficiary's Age 5-8



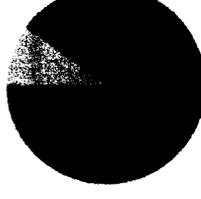
- 70.00% Equities
- 30.00% Fixed Income
- 0.00% Money Market

Beneficiary's Age 13-14



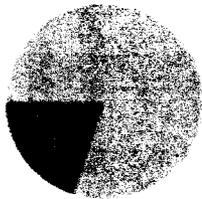
- 40.00% Equities
- 60.00% Fixed Income
- 0.00% Money Market

Beneficiary's Age 17



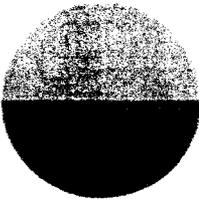
- 10.00% Equities
- 90.00% Fixed Income
- 0.00% Money Market

Beneficiary's Age 0-4



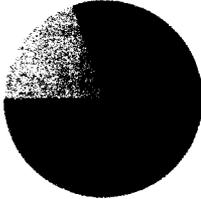
- 80.00% Equities
- 20.00% Fixed Income
- 0.00% Money Market

Beneficiary's Age 11-12



- 50.00% Equities
- 50.00% Fixed Income
- 0.00% Money Market

Beneficiary's Age 16



- 20.00% Equities
- 80.00% Fixed Income
- 0.00% Money Market



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Direct Sold by the State of Oregon

- No Application fee
- No Transfer fee
- No commissions paid on accounts

Low Annual Asset Based Fees

- State Administrative Fee: 0.05%
- Plan Manager Fee: 0.17%
- Underlying Fund Fees: 0.05% - 0.48%
- Total Fees: 0.27% - 0.70%



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- TIAA
 - 90-Year History Serving the Higher Education Arena

- TIAA Tuition Financing Inc. (TFI):
 - Plan Manager for the Oregon College Savings Plan since March 2010.
 - Affiliate of the TIAA-CREF Group of Companies.
 - An Experienced 529 Industry Leader Managing Plans for more than 14 Years.
 - Managing 10 State 529 College Savings Programs.

Mission: Help families make college a reality for their children.



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- *Consider the investment objectives, risks, charges and expenses before investing in the Oregon College Savings Plan. Please visit OregonCollegeSavings.com for a Disclosure Booklet with this and more information. Read it carefully. Investments in the plan are neither insured or guaranteed and there is the risk of investment loss.*

- *The tax information contained herein was neither written nor intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding federal or state taxes or penalties. Taxpayers should seek advice from an independent tax advisor based on their own particular circumstances.*

- *The State of Oregon, its agencies, the Board of Trustees of the Oregon College Savings Plan, TIAA-CREF Tuition Financing, Inc., Teachers Insurance and Annuity Association of America and its affiliates, and any affiliate investment companies managing Plan investment options do not insure any account or guarantee its principal or investment return except for TIAA-CREF Life Insurance Company's guarantee to the Oregon College Savings Plan under the Funding Agreement for the Principal Plus Interest Option.*

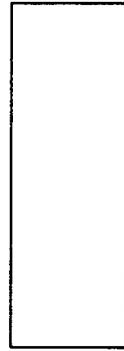
The Plan is administered by the State of Oregon. TIAA-CREF Tuition Financing, Inc. (TFI) is the Plan Manager.



Persons with a Bachelor's Degree or higher can earn 79% more on average than persons with a high school diploma.

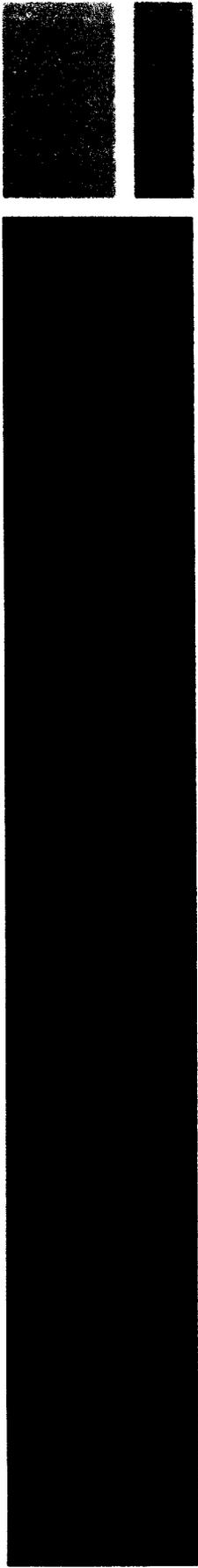
Over a lifetime, the difference in earning potential can be more than \$1,000,000.

Source: U.S. Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement



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John Valley
Outreach Director
John.Valley@ost.state.or.us

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Salem, Oregon 97301

www.OregonCollegeSavings.com
866-772-8464

