



The New Mexico Education Trust Board



LEGISLATIVE FINANCE
COMMITTEE

NOVEMBER 16, 2022

Agenda



**The Education
Trust Board**

FY 24



**Appropriation
Request**



Year in Review

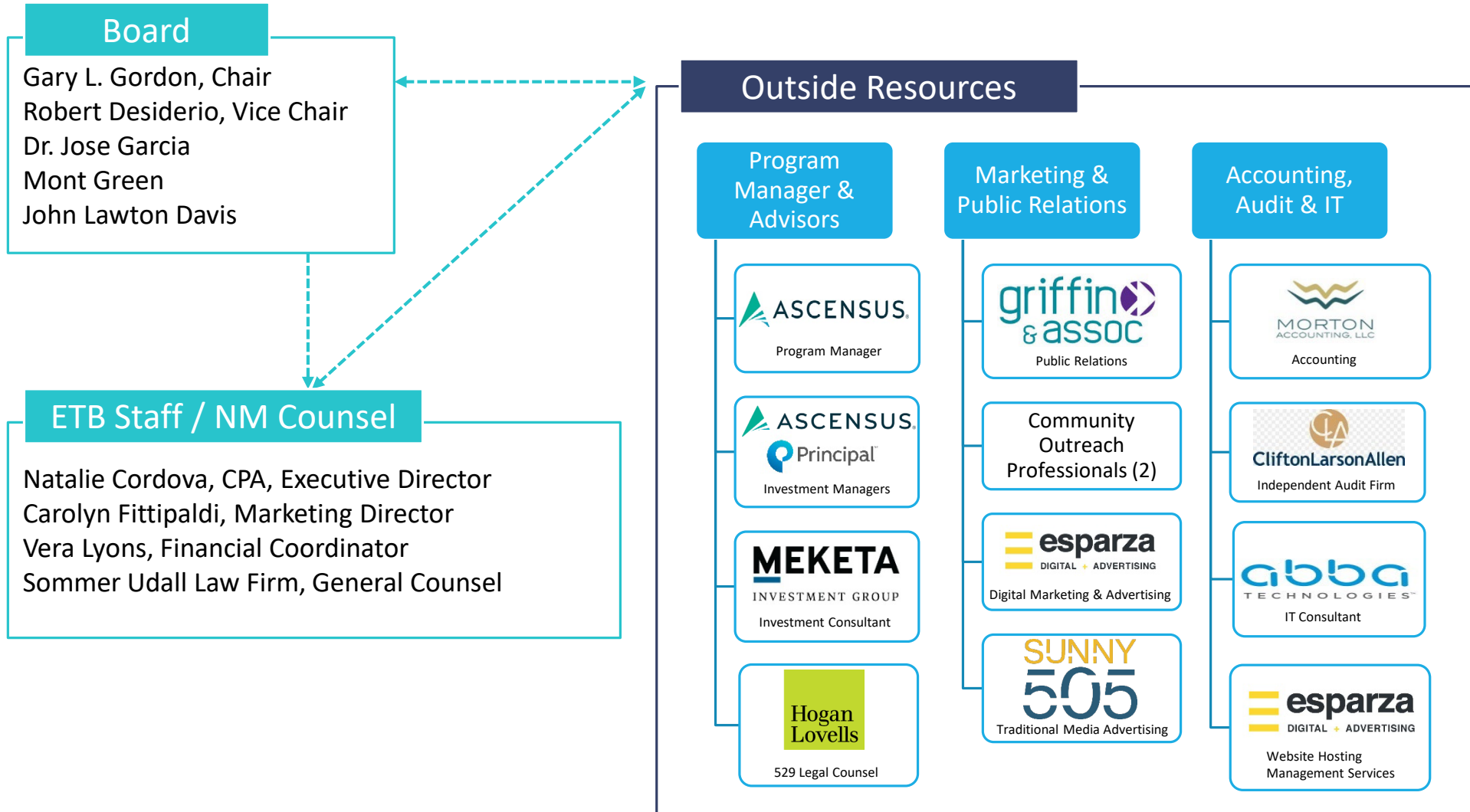
529 Plan Oversight

NM ETB administers New Mexico's 529 plans



- A 529 Plan is an education savings plan operated by a state or educational institution designed to help families set aside funds for future college costs.
- 529 assets can be used to pay for the expenses of post-secondary education – public or private.
- All earnings and withdrawals from a 529 plan are free from federal and state income taxes if used to pay for qualified educational expenses.
- Contributions by a New Mexico taxpayer may be deducted from income for New Mexico individual income tax purposes if used to pay for qualified higher education expenses.

NM ETB Organization Chart



About NM ETB



MISSION

To make post-secondary education more attainable by offering a flexible, low-cost, tax-efficient way to save for the costs of post-secondary education.



VISION

To enable as many New Mexican families as possible to open and fund accounts for beneficiaries of 529 College Savings Accounts, and to promote continued contributions to the Accounts.



GOALS

- To grow new accounts year-over-year in NM and nationally.
- To increase awareness and education of 529 plans and to foster positive working and community relationships to further promote 529 plans.
- To be a top-rated program for both in-state and out-of-state residents.
- To provide a range of investment options across the risk spectrum.

The Education Plan and Scholar's Edge



The Education Plan®

Save today for your child's tomorrow

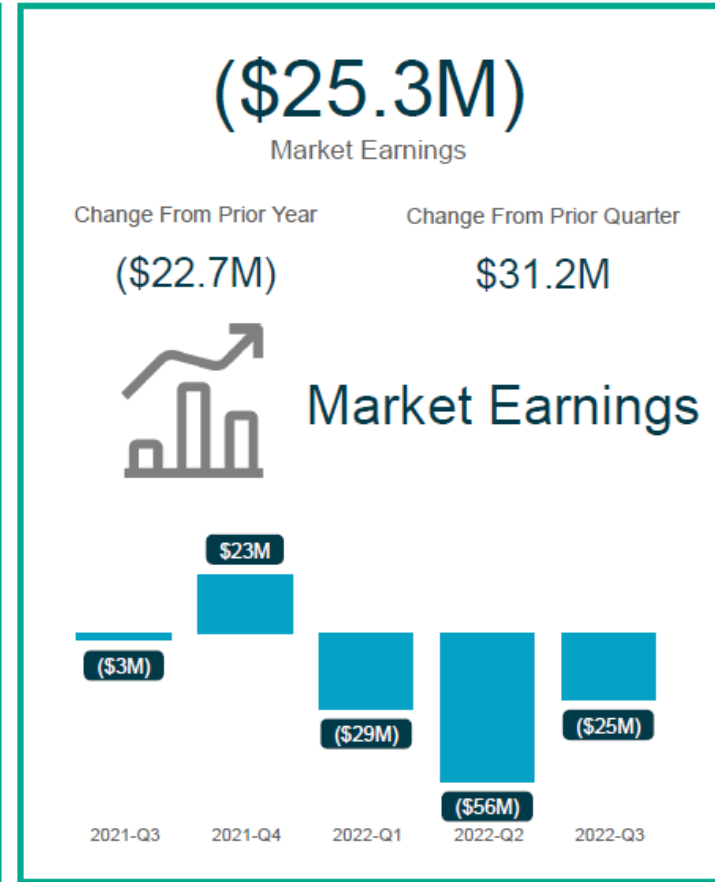
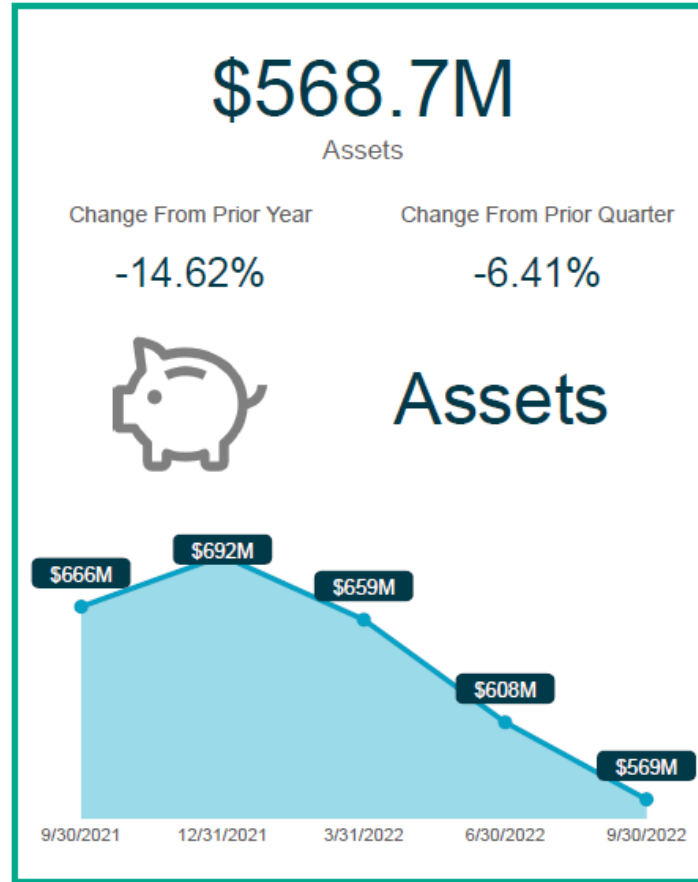
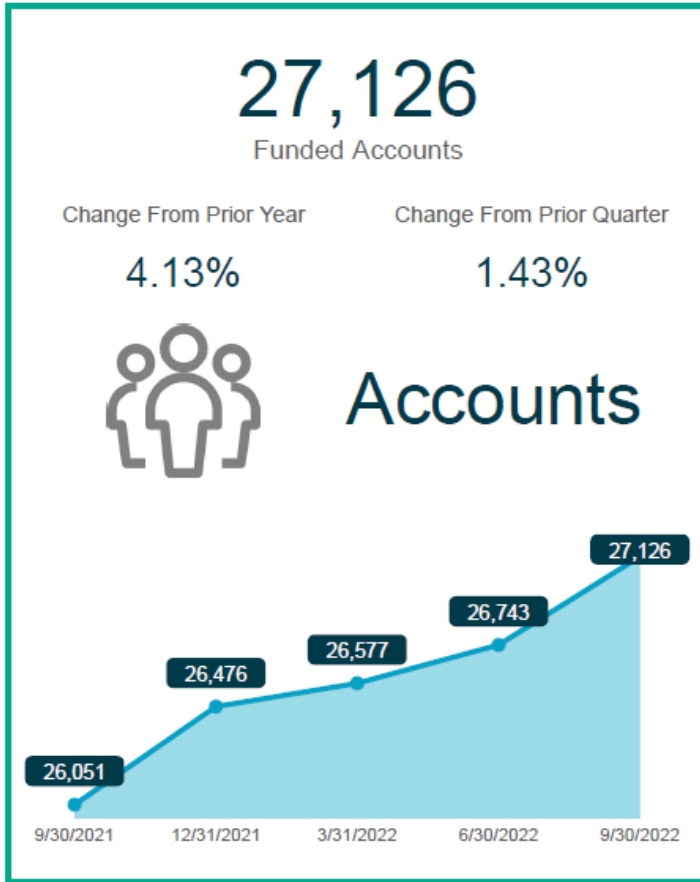
- Direct-Sold Plan
- Assets – \$569 million
- Accounts – 27,126
- Average account size - \$21,536

SCHOLAR'S EDGE™

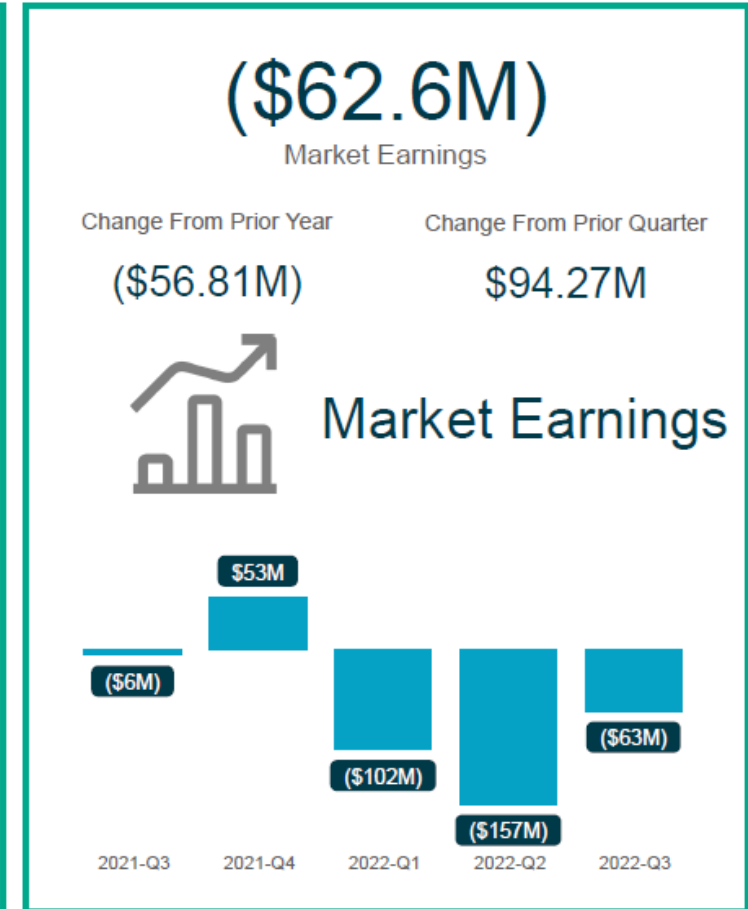
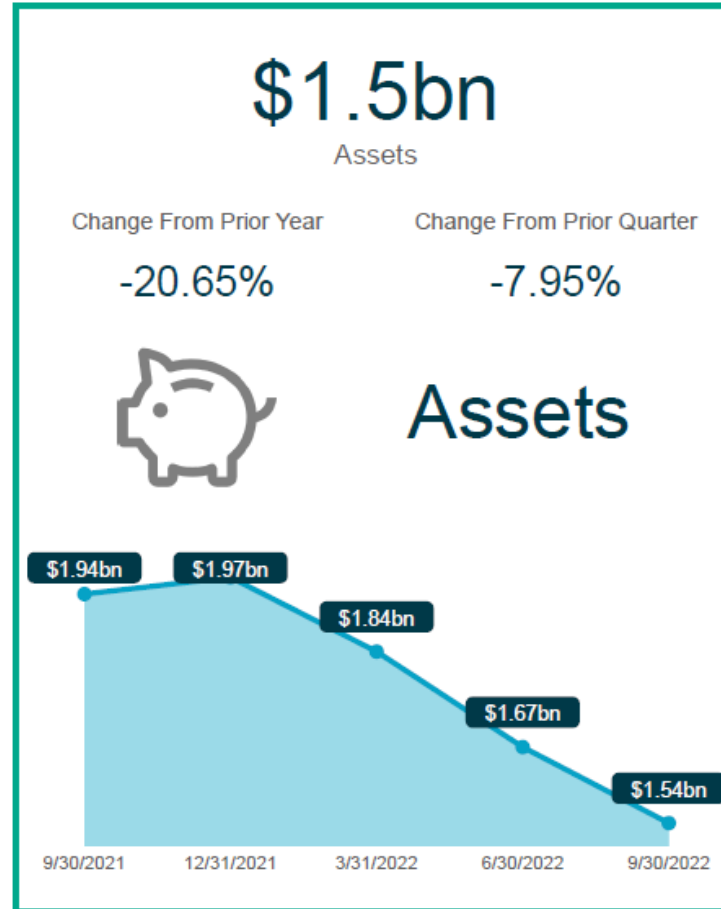
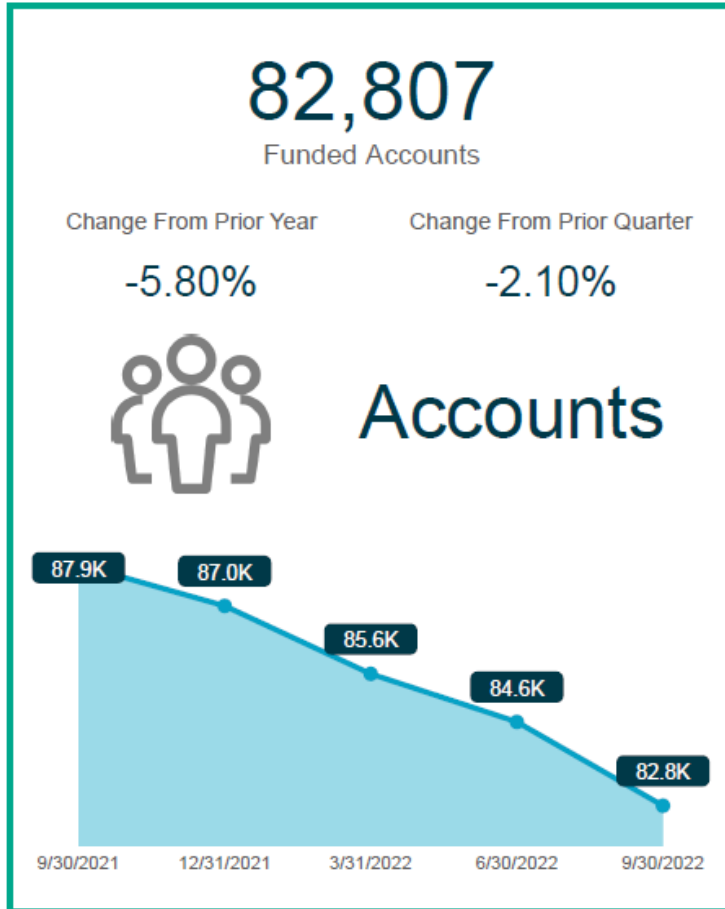
- Advisor-Sold Plan
- Assets – \$1.5 billion
- Accounts – 82,807
- Average account size - \$19,077



The Education Plan - Snapshot



Scholar's Edge - Snapshot





FY 24 Appropriation Request

NM ETB

Source/Revenue \$3,250,200

- Contractual marketing Revenue
- Program Fees
 - Will vary monthly with market experience
- Investment earnings on admin balance
- Fund balance

Use/Expense \$3,250,200

200's Personal Category

- \$483,700
- 3 FTE

300's Contractual Category

- \$2,512,700
- Marketing, legal, outreach, audit, IT

400's Other Category

- \$253,800
- Subscriptions, training, rent, marketing materials, travel

Year in Review

OUTREACH

- State and national outreach and marketing
 - Local and national traditional and digital media
 - Account holders in every state and territory
 - State-wide account coverage
 - Variety of benefit presentations
 - Any size employer, public and private local businesses
 - Continued flow of information and education on 529 plans
 - Current and future account holders
- Technology advances
 - Continual evolution
- Increased partnerships, presentations, outreach and education with NM nonprofits, municipal and governmental agencies and schools
- State-wide school and community events
- Saving for Success Award Program launch



Announcing The Saving for Success Award Program!

This new college savings award program, administered by New Mexico Community Trust, will award up to fifty eligible New Mexico students with up to \$1,000 invested in a 529 college savings account with The Education Plan®.



Saving for Success Award Program

- Administered by New Mexico Community Trust
 - Up to \$1,000 invested in TEP 529 college savings account
 - NM Students
 - K-8
 - Application criteria
- Funding
 - Initial/First Year funding
 - Jack Beaty Foundation
- Timeline
 - Launch September 2022
 - Application deadline December 21, 2022
 - Review of applicants, awards made Feb-March 2023

Thank you

QUESTIONS?