

Ben Westlund  
State Treasurer  
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Contact: James Sinks  
503-508-0737 (cell)  
James.Sinks@state.or.us

## Treasurer Westlund announces new analysis, choices in Oregon 529 College Savings Network

*Actions are part of new Treasurer's pledge to review and strengthen popular program*

SALEM – Saying Oregon families need greater financial security and more choices as they prepare for college, Oregon State Treasurer Ben Westlund announced on Wednesday additional analysis of the Oregon 529 College Savings Network.

He also announced recommendations he will make Thursday to the Oregon 529 College Savings Board in his first meeting as chairman. The State Treasurer sits as chairman of the board.

“As a parent and an Oregonian, I want to ensure that Oregon families have the best options possible when it comes to saving and investing for college,” said State Treasurer Westlund. “That means giving them more choices, examining costs, and taking swift action.”

Westlund is committed to reviewing the state’s college savings network from top to bottom. He will lead efforts to strengthen the program, while also seeking to cut costs for investors, he said.

The five-member Oregon 529 College Savings Board will meet at 1 p.m. on Thursday at the PERS headquarters, 11410 SW 68<sup>th</sup> Parkway in Tigard.

Immediately, he will direct the Investment Division in the Office of the State Treasurer to provide additional analysis and expertise as requested, directly to the Oregon 529 College Savings Board.

In addition to the Plan's investment managers, the board has relied on outside financial consultants to assist in analyzing specific issues, when necessary. Using the Investment

Division to assist in such analyses will provide a cost-efficient and timely alternative to hiring outside financial consultants.

The Investment Division has background and expertise from its management of \$60 billion in aggregate Oregon investments, including the Oregon Public Employee Retirement Fund and other funds.

He also will make the following recommendations Thursday to the Board:

- Enhance the existing investment options in the Oregon College Savings Plan, by adding an age-based portfolio that includes index funds. The addition of that new option will give investors the ability to put their funds into lower-cost index funds that closely track certain stock and bond markets.
- Propose that the Board meet monthly for a period of time to make timely decisions to help Oregon families access the best-available college savings options. The Board now meets quarterly.
- Seek a Board resolution supporting the creation of a prepaid tuition option in the Oregon 529 College Savings Network.

State Treasurer Westlund and Senate President Peter Courtney, D-Salem, will introduce legislation that will allow families to pay for tuition at Oregon public and potentially private universities, based on today's rates – and also avoid the uncertainties of the volatile stock market. The prepaid tuition plan would be eligible for the same tax advantages as the existing 529 plan.

- Based on the result of a consultant's evaluation, determine a course of action when it comes to the Oppenheimer Core Bond Fund, which is an underlying fund in several portfolios in the Oregon College Savings Plan. Among the options: Halt any new investments from going into that fund.

The Oregon Attorney General is investigating that underlying fund, which dropped in value by 38 percent in the first 11 months of 2008.

The Oregon 529 College Savings Network allows families to invest for college and receive an Oregon tax deduction of as much as \$4,000 a year. The dollars and any investment gains can then be used tax-free for higher education expenses. Since first accepting investments in 2001, the 529 plan has grown to roughly 100,000 accounts, which today represent about \$750 million in combined assets.

State Treasurer Westlund notes that investments can lose money, and that families should weigh all options and risks before investing.

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