



The New Mexico Education Trust Board

**Executive Director
Natalie Cordova**

LEGISLATIVE FINANCE
COMMITTEE

NOVEMBER 16, 2023

Agenda



**The Education
Trust Board**

FY 25



**Appropriation
Request**



Year in Review

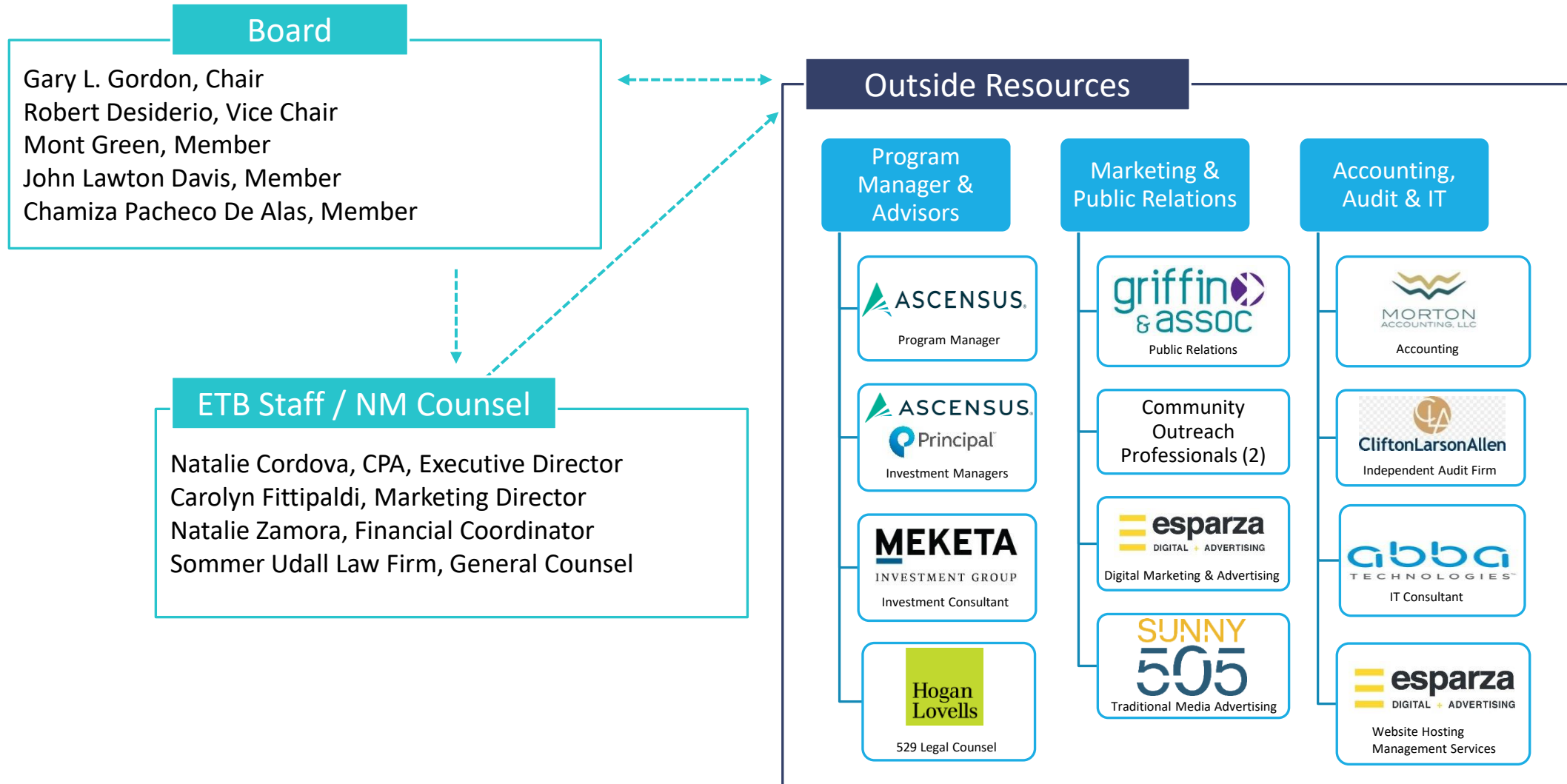
NM ETB 529 Plan Oversight

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 education costs.
- 529 assets can be used to pay for the expenses of post-secondary education – public or private, K-12 tuition, apprenticeship costs and more.
- 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 education expenses.

NM ETB Organization Chart



About NM ETB



MISSION

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



VISION

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



GOALS

- To grow new account and assets 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.



Plan Snapshot



- Direct-Sold Plan
- Assets – \$602 million
- Accounts – 28K
- Average account size – \$21K



SCHOLAR'S EDGE®

- Advisor-Sold Plan
- Assets – \$1.5 billion
- Accounts – 77K
- Average account size – \$19K





FY 25 Appropriation Request

NM ETB

Source/Revenue \$3,365,100

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

Use/Expense \$3,365,100

200's Personal Category

- \$496,000
- 3 FTE

300's Contractual Category

- \$2,591,700
- Marketing, legal, outreach, audit, IT

400's Other Category

- \$277,400
- Subscriptions, training, rent, marketing materials, travel

Year in Review

INVESTMENTS

- Named top 529 plan by Savingforcollege.com
 - TEP 5 caps (residents and non-residents)
 - SE 5 caps residents and 4.5 caps non-residents
- Top rated 3-year performance
- Medal rated MorningStar
- Annual Audit
 - Consecutive years with clean opinion
 - FY 2023 just released

LEGISLATIVE UPDATES

- Successfully aligned legislation with Federal qualified education expenses for 529 plans
 - House Bill 342 passed unanimously
 - Changes to Education Trust Act and Tax Code to align with federal definition of allowable expenses
 - Effective June 16, 2023

OPERATIONS/PLAN FEATURES

- Statewide privately-funded college awards program
 - 1st year of program complete
 - Administered through NM Community Trust (Albuquerque Community Foundation)
 - Focus low-income and underserved community
- Mobile app for TEP
 - Higher than average on platform
- Key communications to account holders
 - Bi-weekly and monthly emails with topical content
- Improved website platform
 - Includes fully integrated CRM system
 - Improved website and search engine optimization
 - Raise additional awareness and education of key audiences, creating interest, and prioritizing customer retention and Building customer advocacy

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
- Increased partnerships, presentations, outreach and education with NM nonprofits, municipal and governmental agencies and schools
- State-wide school and community events
- Technology advances
 - Continual evolution

APPLICATION OPENS
JAN 1, 2024



SAVE THE DATE

APPLICATION OPENS
JAN 1, 2024

Awarding K-8 students with
\$1,000 investments for
higher education expenses

Saving for Success Award Program

- ❖ Administered by New Mexico Community Trust
 - \$1,000 invested in The Education Plan® 529 college savings account for each awardee
 - NM Students
 - K-8
 - Application criteria
- ❖ Funding
 - Initial funding
 - Jack Beaty Educational Scholarship Foundation
- ❖ Timeline
 - Application opens January 1, 2024
 - Application deadline April 1, 2024
 - Review of applicants, awards made May 2024

Thank you

QUESTIONS? NATALIE.CORDOVA@ETB.NM.GOV

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