

Attachment 1, Marilyn Whitney,
iDeal Idaho College Savings Program,
02/05/2024



HELPING FAMILIES SAVE FOR EDUCATION

SENATE EDUCATION COMMITTEE

ANNUAL UPDATE ON CY2023

WWW.IDSAVES.ORG

Marilyn Whitney: Executive Director

February 5, 2024



MISSION

- To help Idaho families pursue education through tax-advantaged savings.

VISION

- To help ensure Idaho's citizens have the financial resources to attain their education and career goals.



Ideal savers -- Max, Anderson, Ben and Andrea



Program administration

- Self-sustaining, receives no general fund monies
- 2.5 local staff
- Independent entity governed by the State College Savings Program Board
 - Board comprised of six of Idaho's constitutional officers or their designees

Constitutional Officer	Designee	Title	Since
State Treasurer Julie Ellsworth	Board Chair	State Treasurer	2019
Governor Brad Little	Matt Reiber	Office of the Governor	2022
Secretary of State Phil McGrane	Cameron Arial	Office of the Secretary of State	2023
Superintendent of Public Instruction Debbie Critchfield	Greg Wilson	Office of the Superintendent of Public Instruction	2023
State Controller Brandon Woolf	Patrick Hodges	Office of the State Controller	2016
Attorney General Raul Labrador	Adam Warr	Office of the Attorney General	2024

Deal Leadership

Idaho's State College Savings Program Board administers the Program and oversees Program partner deliverables.



Board's Strategic Goals

1. **Grow Accounts**

Increase awareness of and participation in the program

2. **Grow Contributions**

Continue to enhance the account owners' experience and satisfaction

3. **Increase Employer Participation**

Educate employers and employees about IDeal as a potential benefit



Program highlights

Summary from Calendar Year 2023 (YOY increases):

- **4,723** new accounts opened **up 14%**
- **\$784 million** in total program assets **up 16%**
- **49,316** funded beneficiary accounts, **up over 4%**
- **Over \$15,900** average balance per account **up 11%**
- **\$5.4 million** in gifts from loved ones **up 4%**



Affordable Education for Idaho Students

Maximizing the Benefits:

- Advanced Opportunities
- Opportunity Scholarship (Idaho) and Other Scholarships
- Idaho Launch
- Idaho 529 Program

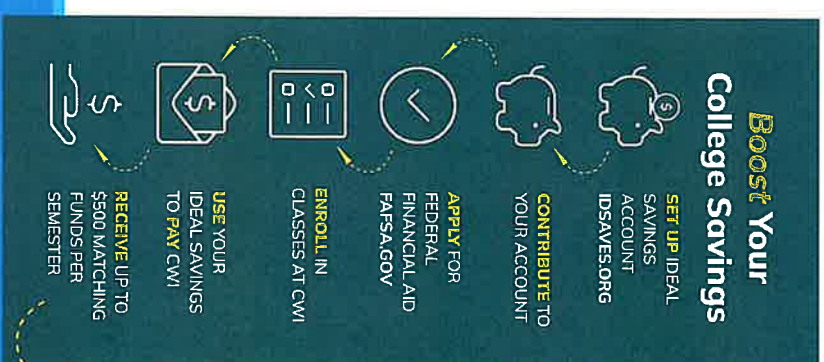
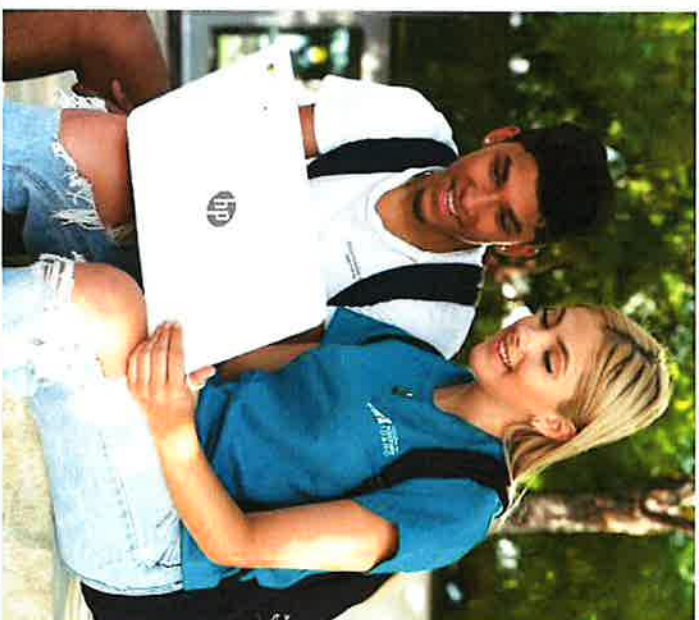


College of Western Idaho Match

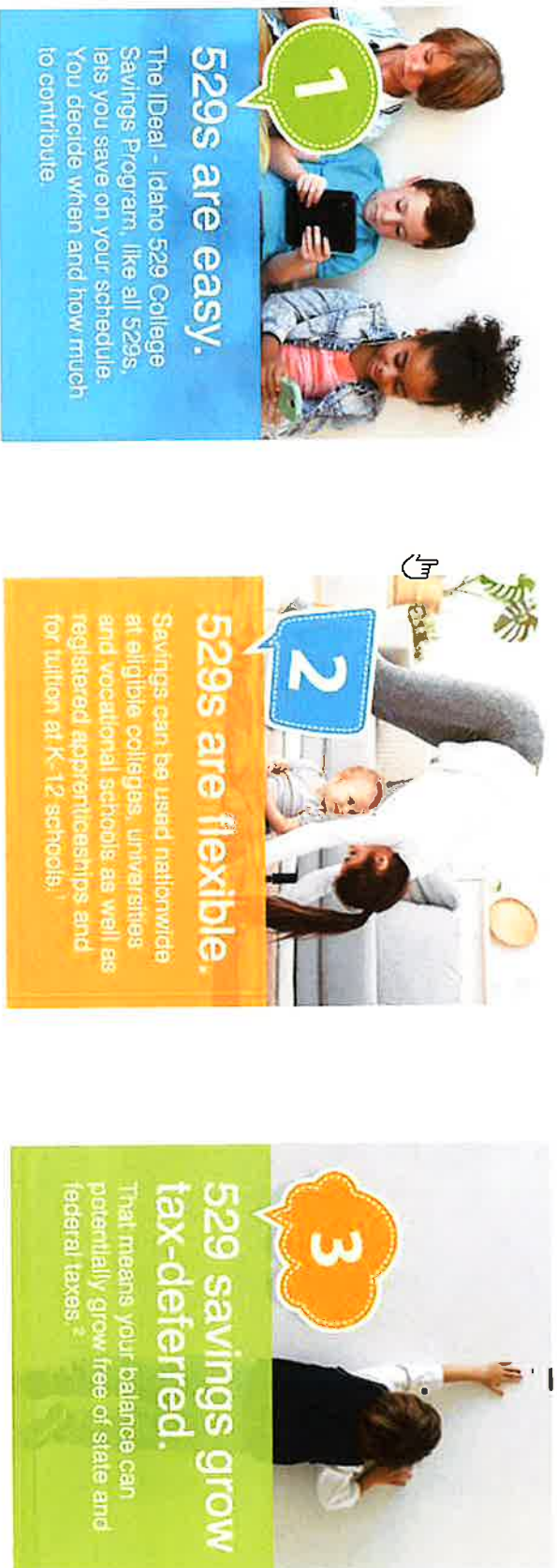


A matching scholarship program for your IDeal 529 college savings!

cwi.edu/ideal



Benefits of 529 Saving



1
529s are easy.
The Ideal - Idaho 529 College Savings Program, like all 529s, lets you save on your schedule. You decide when and how much to contribute.

2
529s are flexible.
Savings can be used nationwide at eligible colleges, universities and vocational schools, as well as registered apprenticeships and for tuition at K-12 schools.¹

3
529 savings grow tax-deferred.
That means your balance can potentially grow free of state and federal taxes.²

- ❑ Individual Idaho taxpayers qualify for a state tax deduction of up to \$6,000 (or \$12,000 if married, filing jointly) for contributions to an Ideal account.

Benefits of 529 Saving



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529s are good for more than tuition.

In addition to tuition, you can use a 529 to pay for qualified expenses like, room and board, books, computers and required supplies. K-12 schools can only receive tuition funds.

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IDEAL 529s can be used to repay student loans.

Up to \$10,000 lifetime student loan repayments can be made.³

- K-12 public, private and religious school **tuition only**
- Postsecondary programs, including tuition, fees, certain room and board, books, required supplies and computers, peripherals, software, internet access at:
 - Public & private colleges / universities
 - Trade schools and career and technical education programs
 - Federally registered apprenticeship programs
 - Foreign colleges and universities (eligible for Title IV federal student loans)
- Student loan repayment – limited withdrawals up to a lifetime total of \$10,000 per beneficiary
- Rollover to Roth IRA for account beneficiary (subject to conditions)



Investing Options for all Savers

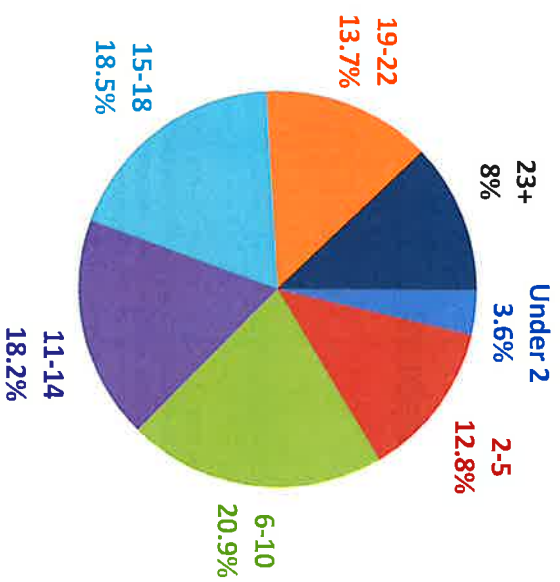
- **Target Enrollment Portfolios** – Set It and Forget It.
- **Fixed Asset Options** – You Do the Investing.
- **Savings Portfolio** – FDIC Insured High-Yield Savings Account



*The Savings Portfolio invests all of its assets in the Sallie Mae High-Yield Savings Account, ("HYSA"). The HYSA is held in an omnibus savings account insured by the Federal Deposit Insurance Corporation ("FDIC"), which is held in trust by the Idaho College Savings Program Board ("Board") at Sallie Mae Bank. **Contributions to and earnings on the investments in the Savings Portfolio are insured by the FDIC on a pass-through basis to each account owner up to \$250,000, the maximum amount set by federal law.** The amount of FDIC insurance provided to an account owner is based on the total of (a) the value of an account owner's investment in the Savings Portfolio; and (b) the value of all other accounts held by the account owner at Sallie Mae Bank, as determined by Sallie Mae Bank and FDIC regulations. Except for the Savings Portfolio, investments in Ideal - Idaho College Savings Program are not insured by the FDIC.

Who Are They Saving For?

Accounts by Beneficiary Age



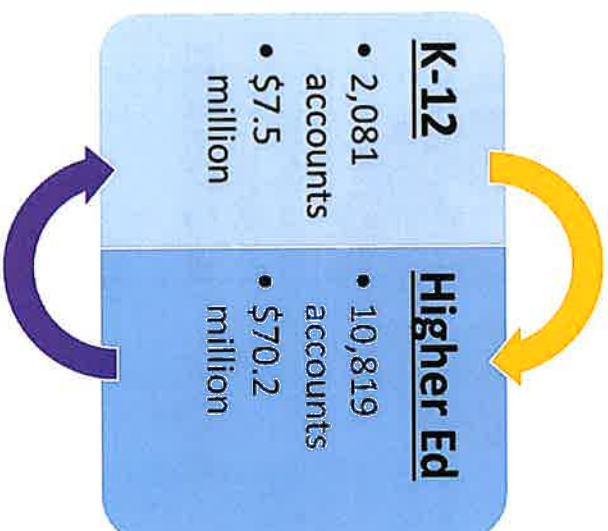
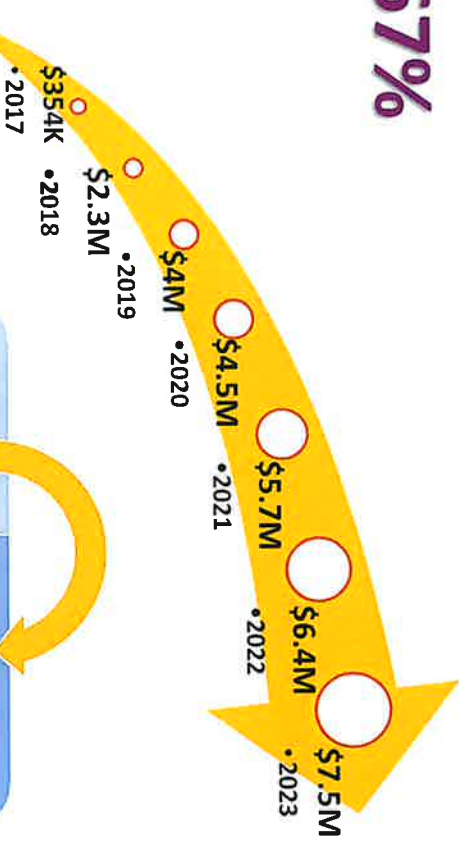
Age	Beneficiaries
Under 2	1,717
2-5	6,078
6-10	9,942
11-14	8,618
15-18	8,774
19-22	6,521
23+	5,809
TOTAL	47,459

What are they saving for?

2/5/2024

Withdrawals for K-12 2020-23

+67%



Having a college savings account makes students

up to
7X

more likely to go on
and complete

higher education



2/5/2024

IDEAL – IDAHO COLLEGE SAVINGS PROGRAM

Why 529 participation matters

The IDEal - Idaho 529 College Savings Program is a proactive savings alternative to student loans that can be used when scholarships and grants don't cover all the costs of post-secondary education.

It can potentially help close the gap between Idahoans' dreams and their financial reality.

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IDEAL's Employer Program

IDEAL's Employer Program is simple to set up and provides a range of incentives to employers and their workers.

Payroll Direct Deposit is a no-cost feature that enables employees to save automatically after taxes – with a \$15 per paycheck minimum. Studies show employees save 75 percent more if they have a direct deposit option.



Employees with a 529 payroll direct deposit save 75% more.

ISS MARKET INTELLIGENCE 529 INDUSTRY ANALYSIS, MAY 2019

Employer Tax Credit

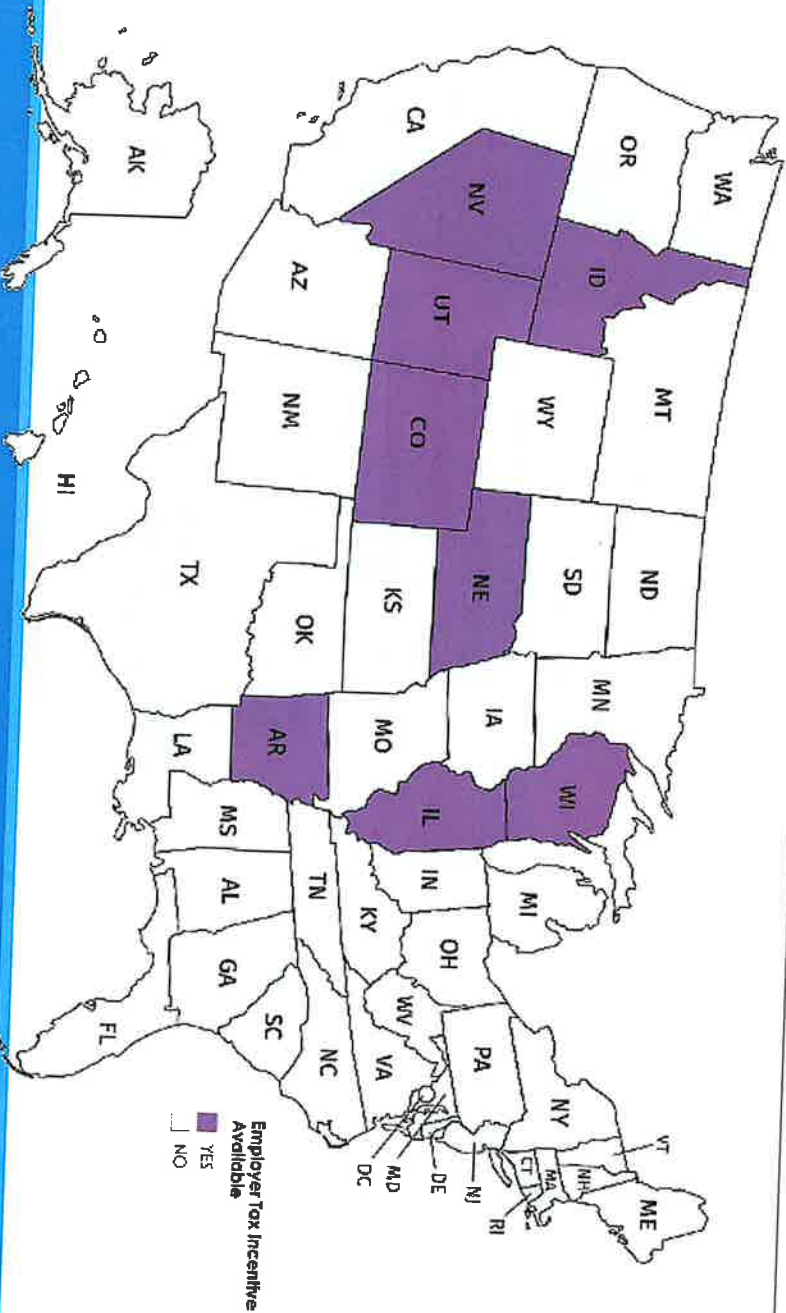
Idaho employers receive a tax credit for contributing to an employee's individual IDEal – Idaho 529 College Savings Program account.

The tax credit is 20% of the total employer's contribution with a maximum of \$500 tax credit per employee, per taxable year.

The employee can take a state tax deduction for the employer contribution.



States With Employer Tax Incentives



529 direct employer contributions

Calendar year 2023

- \$169,979 received
- 11 employers
- 74 employees (112 accounts)

Calendar year 2022

- \$190,006 received
- 13 employers,
- 85 employees

Calendar Year 2021

- \$138,979 received
- 11 employers
- 51 employees



As we try to find ways to make our employees' lives better, certainly one of those is helping each generation move a little further in regard to education.

The benefit of the 529 program is keeping overall education moving forward. The more companies in Idaho that embrace this, the better our communities will be served by having a more educated populace.



-DODDS HAYDEN
CEO, Hayden Beverage

Investing in Employees



"We've been using the Ideal employer benefit for two years and there's no question about the value it brings to our overall benefits package and the competitive advantage it brings to our recruitment efforts. As a firm, the tax benefit that comes with contributing is a great incentive. But employees also appreciate the flexibility of uses – from employees who have 529s for their kids to new hires seeking to pay off student loans."



Whitney Fouser Karpavich,
Strategy Manager for Gjording Fouser PLLC

Federal Legislative Updates

Secure 2.0 – Permits rollovers from a 529 plan to a Roth IRA without incurring federal or state income tax or penalties, subject to several conditions including:¹

- The 529 plan account must be open for 15 or more years.
- Contributions and associated earnings transferred must be in the 529 plan account for more than 5 years.
- The 529 assets can only be rolled over into a Roth IRA for the designated beneficiary of the 529 account.

Proposed federal legislation pending in Congress

- Freedom to Invest in Tomorrow's Workforce Act – expands eligible uses of 529 savings plans to include fees and expenses required to obtain or maintain recognized postsecondary credentials, including professional credentials and certifications
- Student Empowerment Act – expands the use of 529 accounts to allow tax-exempt distributions for additional education expenses including homeschool expenses.

¹ See the most recent disclosure supplement regarding the 529 to Roth IRA rollover at idsaves.org

What you can do to help?

Partner

- Include IDEal in state education discussions
- Invite IDEal to your business or community event.

Educate business and families

- Share IDEal information with your community constituents/stakeholders.

Lead by Example

- Open an account for or contribute to a loved one's account.

Follow

- Opt-in for more information.
- Connect with IDEal on social media.



IDEal Savers – Fiona, Laural and Benn



Creating a bright future, one saver at a time!

Marilyn Whitney:

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Wild