

**Missouri Higher Education Savings Program  
Minutes of the MOST Board Meeting**

State Capitol, House Hearing Room 1  
Jefferson City, Missouri  
Wednesday, November 16, 2011

**Item I: Call to Order**

Treasurer Clint Zweifel called the meeting to order at 1:00 p.m.

**Item II: Roll Call**

MOST Board Members present were Treasurer Clint Zweifel, Deputy Commissioner Walter Pearson (for Commissioner Kelvin Simmons), Tom Baumgardner and Mike Downing (for Director David Kerr).

Treasurer Zweifel's office staff present was: Brandon Fuhr, Jon Galloway, Bruce Ring, Debbie Schertzer and Sarah Swoboda.

UPromise/Vanguard/DWS staff present was: Patricia Brady, Miriam Broaddus, Helen Delman, Stewart Duffield, Kim Gale, Kevin Green, Christina Johnson, and Janet Kottman.

DWS staff present by phone was: Bob Kendall

**Item III: Approval of Minutes**

Treasurer Zweifel moved to approve the August 24, 2011, Board meeting minutes. Deputy Commissioner Walter Pearson seconded the motion, and the motion passed unanimously.

**Item IV: Follow Up Items**

Stew Duffield followed up on a question from the previous board meeting when a board member inquired about the federal tax deductibility of tuition and the effect on 529 withdrawals.

Duffield said that According to IRS Publication 970 you can take a tax deduction for college tuition and other mandatory school fees. This is called the Tuition and Fees Deduction, and is reported directly on Form 1040 or Form 1040A. The tuition deduction is temporary – 2011 is scheduled to be the last year for the deduction. For 2011 you can deduct up to \$4,000 of college tuition and fees paid for you, your spouse or any other person claimed as a dependent on your return.

But no deduction can be claimed for expenses paid with earnings from a Section 529 plan or withdrawals from a Coverdell Education Savings Account.

Duffield said there were many other nuances to the deduction that should be considered by each individual and their tax advisor.

**Item V: Matching Grant Approval**

Treasurer Zweifel began the Matching Grant Program presentation, stating the initiative was negotiated in the new contract with a \$500,000 commitment from Upromise. Brandon Fuhr presented an overview of the Matching Grant Program. Discussion ensued. Tom Baumgardner moved to approve the Matching Grant Program. Treasurer Zweifel seconded the motion, and the motion passed unanimously.

**Item VI: Quarterly MOST Report**

Patricia Brady and Stew Duffield reported 3rd quarter results of the Direct and Advisor plans noting key growth areas and marketing results. Miriam Broaddus reported the upcoming marketing plan, noting that an updated website will be rolled out on November 30<sup>th</sup>. Janet Kottman reported recent event results. Bob Kendall from DWS Investments discussed the advisor plan.

**Item VII: Quarterly WATCH Report**

Bruce Ring reported no funds on the WATCH list. Two of the Advisor funds are being closely monitored and if they do not show signs of improvement in the coming quarter, they both will be placed on the WATCH list.

Treasurer Zweifel moved to adjourn. The motion was seconded by Deputy Commissioner Walter Pearson. The meeting was adjourned.