



The Office Of State Treasurer
Denise L. Nappier

News

PRESS RELEASE

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TREASURER NAPIER LAUNCHES CHET ADVANCE SCHOLARSHIP \$500,000 To Be Distributed In Program's First Round For High School Seniors

HARTFORD, CT – Citing the pressing need to assist Connecticut students in their efforts to move on to college, State Treasurer Denise L. Nappier today announced the launch of CHET *Advance* Scholarship, an annual program designed to help cover the mounting costs of higher education.

In the fall, CHET *Advance* Scholarship will hold random drawings totaling \$500,000 to provide up to 200 Connecticut high school seniors with a \$2,500 scholarship for college expenses. Applications to participate in the drawings will be accepted online at www.chetadvance.com beginning at 8 a.m. on September 16 and ending at 5 p.m. on October 4, 2013.

“The challenges of financing a college education are daunting enough. Add to that our economy’s slow recovery, and we know that many Connecticut families are struggling to provide a solid future for their children,” said Nappier. “For students with the drive to attend college, CHET *Advance* offers them an opportunity to realize their dream. It will assist students to go as far as their talents will take them.”

A recent 2013 study by Sallie Mae, *How America Pays for College*, found that more families are eliminating colleges their kids were considering as too expensive. Nearly 70 percent of families dropped schools from consideration because of costs at some point during the application process, according to the report, as compared with 58 percent who did so in 2008, when the study was first issued. “My goal in promoting CHET *Advance* is to bring college within reach and reduce the financial burden on graduates and their families,” said Nappier.

Plans are underway to roll out the second phase of CHET *Advance* during the next calendar year for younger students as well, with a portion of the scholarship winners chosen based on need and scholastic achievement. Altogether, CHET *Advance* has funding commitments to distribute a total of more than \$2 million during the next four years.

CHET *Advance* is administered under the banner of the Connecticut Higher Education Trust, Connecticut’s 529 college savings plan. As Trustee of CHET, Nappier negotiated for the establishment of the scholarship program. TIAA-CREF Tuition Financing, Inc. (TFI) and The Hartford, plan managers for CHET Direct-Sold and CHET Advisor-Sold, respectively,

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contribute annually into a Scholarship account to finance the Scholarship program, under their contracts with the Treasurer's Office to manage CHET 529. No CHET account participant fees or state funds will be used for awards issued under CHET *Advance* Scholarship.

CHET 529 COLLEGE SAVINGS PLAN HAS PAID OUT MORE THAN \$700 MILLION FOR COLLEGE EXPENSES

Since CHET was established in 1997, as authorized by the Connecticut General Assembly, nearly \$717 million in qualified withdrawals have been taken to cover college costs for 24,100 students. Today the number of CHET 529 accounts stands at 99,000 and total assets are more than \$ 2.1 billion. That compares with 4,000 accounts and \$18 million in assets in 1999 when Nappier began to supervise CHET. She attributes the growth of CHET in part to the reforms instituted by her Administration, resulting in a college savings plan that is more affordable, accessible and flexible.

CHET offers tax advantages and some of the lowest fees in the country for a state-sponsored college savings account. Early in her Administration, Nappier reduced the minimum amount to open a CHET account per beneficiary from \$500 to \$25. She also negotiated four substantial reductions in Plan Management fees for the CHET Direct-Sold accounts of as much as 75 percent for participants in the most common investment option. At the start of her administration, fees were 1.55 percent of assets for all participants; today fees are a maximum of .39 percent of assets for the most common investment option, now that the program has reached \$2 billion in assets. Earnings withdrawn from CHET accounts for qualified higher education expenses continue to be free from federal and state income taxes. And in 2006, Nappier spearheaded a state income tax deduction proposal for contributions made to CHET accounts, which was approved by the Connecticut legislature and remains in effect today.

“Now, the CHET *Advance* Scholarship adds another dimension, just as Connecticut families and their children are looking ahead and comparing what they can afford with how much college will cost,” said Nappier.

ABOUT CHET ADVANCE SCHOLARSHIP - PHASE 1: WHO CAN PARTICIPATE AND WIN!

The Scholarship will provide up to 100 awards in each of two categories of high school seniors for a total of up to 200 winners. Winning recipients in each category will be selected by a random drawing. Also, to ensure there are winners from across the state, no more than 40 winners from each of Connecticut's five Congressional Districts will be selected (20 from each category).

- Category 1: All seniors who attend a public, private, or parochial Connecticut high school other than a high school identified by the Connecticut Department of Education as a Review or Turnaround school as of August 2013; or attend a public, private or parochial school outside of Connecticut and either the student or one of the student's parents resides in Connecticut; or are home-schooled seniors in Connecticut;

- Category 2: All seniors who attend a Review or Turnaround high school. By state law, Review and Turnaround schools are low achieving schools subject to intensified supervision and direction by the state Department of Education. These schools receive focused resources to improve the performance of students. A full list of the 36 Review and Turnaround schools is included on the program website.

“We strived to make sure that this program was available to those who can least afford to go to college. Students who need an extra financial boost will have the chance to get it, and next calendar year we will continue to focus on need as an eligibility requirement for a significant number of scholarships to be granted,” Treasurer Nappier said.

Additionally, highlights of the Official Rules include, but are not limited to, the following:

- Students must begin college no later than September 2015, and use the full \$2,500 scholarship by June 30, 2016. Status as a senior at a Connecticut high school must be verified with an official school transcript. Scholarship awards will be paid directly to students’ colleges starting in the fall of 2014.
- To participate in the CHET *Advance* drawing, all eligible students must complete an entry form on the CHET *Advance* Scholarship website, www.chetadvance.com, during the three-week entry period of September 16 through October 4 by 5 p.m.
- To avoid any conflict of interest, any high school senior whose parent is, or who resides in the household of, an employee of the Office of the Connecticut Treasurer, TIAA-CREF Tuition Financing Inc., The Hartford or International Scholarship and Tuition Services, Inc., is ineligible to participate in the CHET *Advance* Scholarship, if such employee provides direct support to the CHET *Advance* Scholarship or, in the case of employees of The Hartford, its 529 plans.
- To ensure the impartiality of the random drawings, International Scholarship and Tuition Services, which has more than 25 years of scholarship administration experience, will set up and run the selection process, with oversight from TIAA-CREF.

More information is available in the Official Rules on the CHET *Advance* Scholarship website.

“The future of Connecticut depends on a highly educated workforce,” said Nappier. “An investment with Connecticut’s only 529 college savings plan will yield positive dividends for families and for the economic health of our state. As State Treasurer, that is what I care about, and I am so pleased to highlight another meaningful reason why Connecticut families should begin saving today for tomorrow’s college expenses. And with CHET *Advance* Scholarship, students across the State will get some help when the college bill comes due.”

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