

Beacon Hill Byline

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Money for college-going students

College tuition costs are an unpredictable expense for families. The rate of inflation far outstrips the rise of all other household expenditures. Many people have said, "If only I could lock in today's tuition rates." Today I am writing of good news from the state of Massachusetts; until the end of April, you can.

Last year our state introduced the UPlan – The Massachusetts College Saving Program. Fleet Bank is the state's agent for implementing this new helping hand for families. The details are complex, but the bottom line is that money you invest this year for future college education will guarantee all or par to tuition costs. Here is a summary of the program. For additional information, call 1-800-449-MEFA or visit any Fleet Branch.

Using the UPlan you can invest \$300 or more in a special certificate for the college education of a child. When your child is ready for college your investment can be exchanged for a percentage of college tuition at a participating Massachusetts school. The percentage of tuition that is covered by a certificate is established according to an annual listing of current costs. That is, if tuition at your chosen school is \$3,000 this year, and you pre-pay \$300, 10 percent of the tuition will be paid at the bond's maturity, regardless of the dollar cost at the school at that time. Paying 100 percent of today's fees and tuition would guarantee their entire cost, although room and board cannot be pre-paid.

All colleges and universities in Mass have been invited to participate, and 75 schools have already signed up. All state schools participate, from community colleges to the University of Massachusetts. Such private schools as Clark University are members as well. Your prepaid tuition can be applied to any participating school, but buying a share for Mount Holyoke does not guarantee admission. All students must be accepted through regular admission procedures.

It is not necessary to select a particular school. If you designate a school, you may decide to change that selection later, so long as the school is a participating Massachusetts institution. If your child does not attend college at a participating school, you can redeem your investment with tax-free compounded annually at the rate of the Consumer Price Index.

More than 28,000 students enrolled last year, the first year of the UPlan. The program is administered by MEFA, the Massachusetts Educational financing Authority, and marketed through Fleet. This year's two-month enrollment period ends April 30. The \$300 minimum purchase can be met through a single lump sum or monthly payments of \$25. Purchasers need not be state residents, so grandparents or friends can contribute to the family's education plan.

The UPlan is an answer offered by Massachusetts to help families anticipate college expenses. We are building a track record, following the successes of similar programs in other parts of the country. You will hear more about it in the coming weeks of open enrollment. I encourage you to read about it, check it out, and discuss your investment goals for your children; it might be a helpful method of cushioning the shock of costs in the years to come when your two-year-old or 10-year-old is ready for college.