

Beacon Hill Byline by Mary Rogeness

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State help for college savings

College tuition costs are an unpredictable expense for families. Their 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." Our state of Massachusetts heard that lament, studied the issue and two years ago, and offered a solution. It is called the UPlan.

Now in its third term, the program is in the midst of its annual open enrollment period. Here is some background about the program and the information you need to participate.

The official name is U Plan: The Massachusetts College Saving Program. Fleet Bank has the contract to implement 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 part of tuition costs. For additional information, call (800) 449-MEFA or visit any Fleet branch.

Using the U Plan, 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 53,000 this year, and if you prepay \$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 prepaid.

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

It is not necessary to select a particular school. If you designate a school, you may decide to change that selection later. If your child does not attend college at a participant school, you can redeem your investment with tax-free interest compounded annually at the rate of the consumer price index. More than 30,000 students have already enrolled in the U Plan. This year's 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 U Plan is 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. I encourage you to read about the U Plan, check it out and discuss your investment goals for your children. It might be a helpful method of cushioning the shock of college costs in the year 20?? when your two year old or ten year old is ready for college.