



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

May 29, 2014

Dear Ms. Adcox,

Please find attached the documents you requested that are in our files to date.

South Carolina's agreement with Columbia Management Investment Advisers is a public-private partnership that our associates at Columbia Management Investment Advisers tell me has been very successful. I would encourage you to contact them for specifics on the success of the program. Since 2011, this statewide program has participated in 25 events and issued 22 press releases, and many fine media outlets such as The Charleston Post and Courier and The Spartanburg Herald Journal have covered the successes of the program and the benefits to our people.

Before my time as Treasurer, this project was managed within the Treasurer's office, with funds provided by Columbia Management Investment Advisers and the Bank of America. The funds supplied by the private sector firms were then deposited into the state treasury. Consistent with my statements prior to my election, I insisted that Columbia Management Investment Advisers, as a private company, should manage the program, and that private money should not be comingled with public funds in the state treasury.

I agreed to support Future Scholar and assist when I could, and appear in ads when appropriate, which I have done 2 of the 3 years I have been in office. I insisted that the program should be created, developed and managed privately by the Columbia Management Investment Advisers. As a public-private partnership, the Treasurer's office retained high level approvals of the plan, but did not hire vendors, create budgets or execute marketing plans.

This program was not in any way influenced by or coordinated with any political campaign. Our sole mission is public service, and the record shows this program has been very, very successful.

We are pleased to report an increase of 46% for new accounts in 2013 over 2010, and that families have increased their investments in the plan by 44% during the same time.

We believe the enclosed information represents a full and complete response to your request and is reflective of the success and achievements fo the Future Scholar program during my tenure.

Best Regards, Curtis Loftis



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

May 29, 2014

Ms. Seanna Adcox
The Associated Press
1401 Shop Road
Columbia, SC

RE: Freedom of Information Act Request

Dear Ms. Adcox:

In 2012, the Office of State Treasurer entered contract re-negotiations with Columbia Management Investment Advisers in an effort to secure the best possible agreement for program management services and offer South Carolinians a new and improved Future Scholar 529 College Savings Plan. Since that time, the Future Scholar 529 College Savings Plan has seen record sales and enrollment figures showing an increase of 46% for new accounts in 2013 over 2010 enrollment figures. In addition, families increased their investments in the plan by 44% during the same time.

Over the last year and a half, the Future Scholar 529 College Savings Plan has received consistent praise in national publications and from industry rating agencies, which include:

- *The Wall Street Journal* recognizing South Carolina's Future Scholar plan as having the highest state tax deduction of any 529 Plan in the country.
- *Money Magazine* establishing Future Scholar as a leader in low fees and praising the contract re-negotiation, saying, "South Carolina eliminated program management fees and dropped investment expenses for in-state residents."
- Savingforcollege.com, an organization that evaluates 529 plans, giving South Carolina's Future Scholar plan its highest rating of five CAPS.

In response to your Freedom of Information Act request dated April 25, 2014, the Office of State Treasurer is providing you with the enclosed non-redacted copy of the Contract for Program Management services to the South Carolina College Investment Program between the Office of State Treasurer and Columbia Management Investment Advisers. Our contract with Columbia Management Investment Advisers is a public-private partnership, through which the Office of

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State Treasurer provides programmatic approval for marketing planning, but does not hire vendors, create budgets, or execute marketing plans.

The following chart reflects the amount spent on 529 College Savings Plan marketing initiatives by Columbia Management Investment Advisers since FY 2011, which encompassed print, radio, television, mail and outdoor ads, as well as timeframes when ads were aired by fiscal year. The ads were run statewide. The marketing ads are produced by Cold Harbor LLC, McMullen Public Affairs LLC, and National Media LLC, all of which are third party marketing firms and subcontractors of Columbia Management Investment Advisers. Please note that Columbia Management Investment Advisers pays for marketing initiatives. Direct funding for marketing initiatives by the management company was an integral part of the contract renegotiation as it does not allow the commingling of public and private funds, which gives rise to the risk of public funds being used improperly.

Future Scholar: In-State Annual Marketing Initiatives Summary 2011-2014*					
	Back to School Initiative		Gifting Initiative	Tax Time Initiative	Total Spend
FY11-12	8/8/11-9/2/11		12/12/11-12/23/11	2/23/12-3/23/12	\$ 890,990
FY12-13	8/13/12-9/7/12		11/26/12-12/23/12	3/4/13-3/31/13	\$ 980,128
FY13-14	8/19/13-9/15/13		11/20/13-1/8/14	-	\$ 847,927

*Marketing initiatives include print, radio, television, mail and outdoor ads.

The contract re-negotiation and launch of the newly improved program has allowed Columbia Management Investment Advisers to increase marketing efforts for the Future Scholar 529 College Savings Plan across the state in order to promote the plan's core mission of encouraging more South Carolina families to save for the rising costs of higher education. As a result, the asset value of the fund has increased by 56% from December 2010 to December 2013.

The Office of State Treasurer is very pleased with the increased participation and investment in Future Scholar 529. Changes such as dropping minimum requirements to open an account and providing a marketing initiative to spread the word about Future Scholar have led to an incredible 34,000 new families opening accounts and saving for a loved one's college education. The Office of State Treasurer believes the terms of the contract re-negotiation will lead to more South Carolinians achieving a college degree, with less debt, and those are accomplishments of which we should all be proud.

Sincerely,



Clarissa T. Adams
Chief of Staff