

Beacon Hill Byline - by Mary Rogeness

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Money for College

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." Today I am writing of good news from the state of Massachusetts. Starting in February, 1995, you can!

Last week I attended a presentation at Shawmut Bank that introduced the U.Plan—The Massachusetts College Saving Program. The 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 part of tuition costs. Here is a summary of the program. For additional information, call 1-800-449-MEFA or visit any Shawmut 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 \$3,000 this year, and if you pre-pay \$300, 10% of the tuition will be paid at the bond's maturity, regardless of the dollar cost at the school at that time. Paying 100% of today's fees and tuition would guarantee their entire cost, although room and board cannot be pre-paid.

All colleges and universities in Massachusetts have been invited to participate, and 70 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 pre-paid 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 admissions 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 participant school, you can redeem your investment with tax-free interest compounded annually at the rate of the Consumer Price Index.

The program is administered by MEFA, the Massachusetts Educational Financing Authority, and marketed through Shawmut. The first enrollment period begins February 1 and extends to March 31. 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 new to Massachusetts, but similar programs have a proven record 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 college