

**Maryland 529
Meeting Minutes**

**December 5, 2019
9:30 AM – 1:00 PM**

**Maryland 529
217 E. Redwood Street, Suite 1350
Baltimore, MD 21202**

Board Members/Designees Present

Nancy K. Kopp, State Treasurer and Board
Chair
Geoffrey Newman, Secretary of Higher
Education's Designee, and Board Vice-
Chair
Justin Hayes, Maryland Comptroller's
Designee, and Board Secretary
Ellen Herbst, Chancellor of University
System of Maryland's oncoming Designee
Amalie Brandenburg, Superintendent of
School's Designee
Keith Persinger
Peter Tsirigotis

**Board Members Present via Conference
Call**

Joanna Pratt

Board Members/Designees Absent

Carol Beatty, Secretary of Maryland
Department of Disabilities
Carol Coughlin
Dr. Lisa Weah

Staff, Representatives and Guests

Erin Layton, Executive Director and
Director of Investments and Cash
Management
Janaki Kannan, Director of Finance
Bette Anne Mobley, ABLE Program
Director
Michelle Winner, Director of Marketing &
Public Relations
Meghan Marek, Assistant Attorney General
Maria Dodge, Executive Associate
Glenn Ross, Marquette Associates
Dave McAvoy, T. Rowe Price
Jim Balsan, BNY Mellon
Sally Reinfenstahl, BNY Mellon
Ian Klein, Maryland Department of
Legislative Services

Maryland 529 Board Meeting

- Approval of Minutes

Treasurer Kopp asked for comments on the minutes from the October 17, 2019 and November 21, 2019 Board meetings. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED, that the minutes for the October 17, 2019 and November 21, 2019 Board meetings are hereby approved, subject to confirmation as to whether or not they were "Special Board Meetings".

- Board Chairman Items

Treasurer Kopp noted that she had received a letter from Delegate Charkoudian regarding the use of ESG investments in our portfolios. Treasurer Kopp asked for the letter to be circulated to the Board and that the matter should be taken up by the Investment Committee. Ms. Layton noted that she had asked both T. Rowe Price (“TRP”) and Marquette Associates (“Marquette”) to put together thoughts on the topic and that they would present at the next Investment Committee meeting to be held in January.

- ABLE

Ms. Mobley summarized the year-end ABLE report. She reported that there were 1,713 accounts and \$10.82 million in assets under management. Ms. Mobley further explained that ABLE is beginning to look at the year over year results even now that they have 2 complete years available. There was a review and discussion of the data in the report.

Ms. Mobley also presented the ABLE Program Disclosure Booklet to the Board. She explained the elimination of duplicative provisions, rearrangement of sections to follow the life cycle of an account, and the incorporation of changes since last year’s booklet. The Board asked that a written summary of changes be provided in future years.

After discussion of the changes, and upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approves the ABLE Program Disclosure Booklet.

- Audit and Governance Committee Report

Mr. Tsirigotis discussed the Audit and Governance Committees recent meetings and noted for the Board that the Committee has spent a significant amount of time over the last few months reviewing the report and preparing responses for the Office of Legislative Audits (“OLA”). The Committee will meet again in January of 2020.

- Maryland College Investment Plan

Mr. McAvoy of T. Rowe Price (TRP) highlighted the October 2019 report for the Maryland College Investment Plan (“MCIP”), explaining that there is an expectation of a strong December numbers because historically we have seen about 30% of all contributions during that one month. He noted that new accounts are down slightly from 2018 and that the program is just shy of 220,000 unique beneficiaries. He further explained that the new account set up process has been improved, which will allow TRP to capture non-enrolled account inquiry data. As a result, the inquirer will be able to come back and pick up where they left off in the account process and TRP will be able to reach out to those who do not complete the application process.

Ms. Layton provided an update on the State Contribution Program. She had recently learned that five account holders, who were State Contribution Program applicants, had passed away after

fulfilling the requirements to receive a State Contribution. After discussion, it was determined that the accounts should still receive the State Contribution because all requirements had been met, but that staff should note the issue in the State Contribution report that will be sent to the legislators.

Mr. McAvoy presented the year over year summary for the MCIP and Ms. Layton reported that TRP is working on determining growth in the portfolio by market performance vs. account holder contributions for the February meeting. Mr. McAvoy also reported that the website hits are higher than ever and the calls regarding the State Contribution Program are lower than last year.

Ms. Layton updated the Board that staff is working with DBM on the funding for the State Contribution Program. In response to a question as to why the monies are in MHEC's budget, Ms. Marek explained that since MD 529 is independently funded, the agency could not use excess funds to cover State Contributions and then recoup the funds through a later appropriation. MHEC, however, does have the ability in their budget to provide the funds by the end of the calendar year and then seek reimbursement through a new line item in the budget.

- Executive Director's Report

Ms. Winner updated the Board on the website translation issue. She reported that there was a discussion with Department of Information Technology ("DoIT"), who indicated that they cannot support the current button translation. DoIT is requesting a compliance waiver for MD529. Ms. Winner summarized the financial, operational and personnel issues associated with this type of project.

Mr. Tsigotis noted that based on current legislation, the Agency doesn't need a waiver. Ms. Marek concurred.

After discussion regarding other agencies actions, expectations of additional guidance from the SEC, other websites' translations and disclaimers and what our target market demographics are, there was a suggestion that MD529 reach out to the superintendent of each district to get information on how we can reach our target audience.

Next, Ms. Layton requested approval of a new Certificate of Incumbency for both banks in order to update her title to Executive Director. There being no discussion and upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approve new Certificates of Incumbency updating Erin Layton's title to Executive Director.

Ms. Layton presented the proposed meeting schedule for 2020. After discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approve the Meeting Schedule for 2020, subject to any revisions that may be needed.

Ms. Layton summarized the follow up items from previous meetings, including:

Task Order Request for Proposals (“TORFP”) and Request for Proposal (“RFP”) - Ms. Layton has spoken to Danny Mays at Department of General Services (“DGS”) about having someone from DGS Office of State Procurement assist with the projects. Mr. Mays doesn’t believe that the procedures and workflow process should be included in the TORFP as he believes it is outside the scope of the current contracts, but the compliance work does fall under the TORFP. His recommendation is to wait until April to issue any TORFP due to the expiration of existing master contract. Mr. Mays has the scope of work for all the projects and we are waiting to hear back from him.

Ms. Layton noted that she was continuing to work with the State Treasury Office (“STO”) regarding the computer updates needed by mid-January 2020.

After discussion, there was a suggestion to check to see if MD529 can enter contracts under Maryland Education Enterprise Consortium (“MEEC”) agreements.

Ms. Layton then reviewed the projects that are currently pending on the Project Tracker to explain the status of each project.

- Legal Update

Ms. Marek reported to the Board that she is preparing draft legislation for the Board to use as a discussion tool for what policy it wants to pursue with respect to abandoned property. There was a general discussion regarding the issues around the abandon property and the type of updates that may be sought from the legislators. There was also discussion regarding whether or not a policy should be adopted. It was decided that Ms. Marek will circulate a draft to the Audit & Governance Committee by December 10, 2019 for a telephone discussion prior to their January, 2020 meeting.

- Closed Session

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the Maryland 529 Board moves into a closed session in accordance with Maryland Code, General Provisions §§ 3-305(b) to discuss materials not subject to the Open Meeting Act and to seek advice of counsel on same.

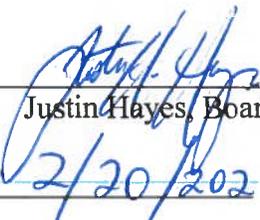
The closed session concluded and the regular session of the meeting resumed at 1:00pm.

It was reported out that during the closed session the Board approved closed session minutes, reviewed the final report from OLA. The Board also announced that it had discussed issues surrounding the calculation of the minimum benefit under the Prepaid Trust and approved a contract amendment allowing for GRS to provide the calculations to the agency.

With there being no further business, upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board meeting is adjourned at 1:00pm.

Approved: _____


Justin Hayes, Board Secretary

Date: _____



Exhibit List

- 1A – Agenda
- 1B – Minutes from the 10/17/19 Board Meeting
- 1C- Minutes from the 11/21/19 Board Meeting
- 3 – ABLE End of Year Report
- 3A- ABLE Disclosure Booklet
- 5– Maryland College Investment Program Report
- 6C- 2020 Proposed Meeting Dates
- 7 – Executive Director’s Report