

**Maryland 529
Board Meeting Minutes
Conference Call**

**August 3, 2020
8:00 AM – 9:00 AM**

Board Members/Designees Present

Nancy K. Kopp, State Treasurer and Board
Chair
Carol Beatty, Secretary of Maryland
Department of Disabilities
Amalie Brandenburg, Superintendent of
School's Designee
Ellen Herbst, Chancellor of University
System of Maryland's Designee
Joanna Pratt
Peter Tsirigotis

Staff, Representatives and Guests

Erin Layton, Executive Director and
Interim-Director of Investments & Cash
Management
Bernadette Benik, Chief Deputy Treasurer
Janaki Kannan, Director of Finance
Meghan Marek, Assistant Attorney General
Christine Akins, T. Rowe Price
David McAvoy, T. Rowe Price
Kim DiDominicis, T. Rowe Price
Dan Rauenzahn, T. Rowe Price
Glen Ross, Marquette Associates

Board Members Absent

Geoffrey Newman, Secretary of Higher
Education's Designee and Board Vice-
Chair
Justin Hayes, Maryland Comptroller's
Designee and Board Secretary
Sam Gallo
Dr. Lisa Weah

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Treasurer Kopp called the meeting to order at 8:25 am.

- Audit & Governance Update

Ms. Layton presented the proposed workplan, scope and prices for the forensic audit to be completed. Ms. Layton reminded the Board of previous actions taken including: an TORFP earlier in the year proposing a complete account review that was unsuccessful, clarifying with OLA on the recommended review to take place, communicating with GAD regarding the need for a different annual auditor and the work in process to procure a forensic audit in 2020, subsequent conversations with the new State auditor, Clifton Larson, and the ultimate requirement given from GAD two weeks earlier that the forensic audit needed to be completed in order for the current year's financial audit to also be completed.

Ms. Layton reached out to Grant Thornton ("GT") as directed by the Board to inquire on the ability to complete a forensic audit. As background, she reminded the Board that GT had completed a forensic audit for the agency in 2014 and that we'd tie back this audit to the previous audit to ensure there was no additional review of the former CFO necessary based on

the previous audit. The work plan from GT details the phased approach, the scope of the review as taken from the OLA report, and the potential expenses for each of the phases.

The Board discussed the requirement to have the forensic audit completed and the need for flexibility within the contract to allow GT to explore whatever areas arise as they go through the process.

After discussion additional discussion and upon motion duly made and seconded, it was unanimously

RESOLVED, that the scope and work plan of the Forensic audit to be completed by Grant Thornton, with a not to exceed amount of \$475,000, is hereby approved.

- Investment Committee Update

Ms. Pratt introduced a recommendation from the Investment Committee regarding a pricing change for the College Investment Plan. Ms. Pratt noted that Ms. Layton and Marquette Associates were also in support of the recommendation. Ms. Pratt explained that while it was a recommendation from the Committee, there was significant discussion and agreement that additional work needed to take place with regard to the fees. She also believes that the net-of-fee performance is still a challenge and a topic for additional review and discussion. Mr. Tsigotis commented that he would like T. Rowe Price to provide additional information and transparency with regard to the changing of share classes and the operational expenses that justify the fees. The overall consensus was that this was a step in the right direction but that more work and conversation needed to occur.

After discussion and upon motion duly made and seconded, it was

RESOLVED, that Pricing Proposal for the Maryland College Investment Plan is hereby approved.

Mr. Tsigotis voted against adoption of the Pricing Proposal because he did not feel there had been sufficient transparency of the program management expenses.

There being no other topics to discuss and upon motion duly made and seconded, it was unanimously approved to close the meeting.

Approved: Justin H. Hayes Date: 11/18/2020
Justin Hayes, Board Secretary

Exhibit List

- 0A. Agenda
- 1A. GT Audit Workplan
- 2A. T. Rowe Price- Pricing Proposal