

**Maryland 529  
MEETING MINUTES**

**December 7, 2017  
9:30 AM – 12:30 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  
Steven Serra, Superintendent of School's Designee  
Carol Beatty, Secretary of Maryland Department of Disabilities  
Carol Coughlin  
Justin Hayes, Maryland Comptroller's Designee  
Keith Persinger  
Pamela Purcell, Chancellor of University System of Maryland's Designee  
Charles Tharp  
Dr. Lisa Weah (by phone)

**Staff, Representatives and Guests**

Erin Layton, Interim-executive Director and Director of Investments and Cash Management  
Bernadette Benik, Deputy Treasurer  
Bette Ann Mobley, Director of Maryland ABLE  
Michelle Winner, Public Relations and Marketing Program Manager  
Meghan Marek, Assistant Attorney General  
Christine Ronk, Executive Assistant  
Glenn Ross, Marquette Associates  
Christine Akins, T. Rowe Price Investment Services, Inc.  
Amy Mathis, T. Rowe Price Investment Services, Inc.  
Kathleen McGrath, Rolka Loube  
Sean Bull, Rolka Loube

**Maryland 529**

• Approval of Minutes

Treasurer Kopp asked for comments on the minutes for the regular October 26, 2017 Board meeting and November 27, 2017 special Board meeting. There being no comments or questions, and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the minutes for the October 26, 2017 Board meeting and November 27, 2017 special Board meeting are hereby approved.

• ABLE Special Committee Report

Secretary Beatty reported that the ABLÉ Program launch party had been a success and congratulated the staff on their efforts. She further reported that the ABLÉ Committee would soon meet to discuss its role moving forward now that the ABLÉ Program had launched.

Ms. Mobley updated the Board on the operations during the first week of the ABLÉ Program. She reported that 67 accounts had already been opened with \$58,000 in assets under management. She also reported that the tax reform efforts at the federal level included provisions that would affect ABLÉ programs, including rollovers from 529 programs to ABLÉ programs and an increase in annual contributions for ABLÉ beneficiaries who are working.

Ms. Mobley left the meeting at this time.

- Maryland College Investment Plan

Ms. Akins announced that there would be a retirement from T. Rowe Price's asset allocation committee and that three new people would be added to that committee.

Ms. Akins next presented the monthly report for October, 2017 and discussed the final phase of the first year of the State Contribution Program. She reported that 1,795 applicants had been determined eligible to receive the State contribution, amounting to \$448,750 in funding. Eleven additional individuals who had not filed State income tax returns had been asked to complete an affidavit of eligibility and additional funding may be required for those accounts as well.

Ms. Coughlin and Mr. Persinger entered the meeting at this time.

Ms. Layton briefed the Board on the need for a paper application for the State Contribution at the beginning of January, 2018 to allow for T. Rowe Price to build out and manage the online application. Although an online application would not be available for the first month of the new application period, this initiative was still preferred to running the online application through the website manager, Towson University, as it would increase security and provide more control of the process.

The Board also received a handout of the personalized video presentations that would soon be available for MCIP account holders.

- Market Updates

Marquette presented the capital markets update. In particular, the Board discussed events happening in the federal government including the nomination of Jerome Powell to be head of the Federal Reserve and the remaining three vacancies there, along with federal tax reform.

Marquette reported that Congress was working to pass tax reform and have the President's signature by year end. It was expected that among other changes, the final bill would include a corporate tax rate of 20%, a 23% deduction of qualified business income from total income for pass-through entities, and a limit on state and local tax as well as mortgage interest deductions.

- Legal Update

Ms. Marek provided an overview of the 529 and ABE implications of tax reform including the proposed expansion of 529 plans to include K-12 tuition as qualified higher education expenses, rollovers from 529 to ABE plans and increased annual contributions to ABE programs through a measure known as "ABLE to Work."

- Closed Session

**RESOLVED**, that the Maryland 529 Board moves into a closed session in accordance with Maryland Code, General Provisions §§ 3-305(b)(1) and (13) to discuss personnel matters and receive legal advice.

Ms. Ronk, Mr. Ross, Ms. Akins, Ms. Mathis, and Ms. McGrath left the meeting at this time.

The Board returned from closed session.

Ms. Ronk, Mr. Ross, and Ms. McGrath reentered the meeting at this time.

The Board Chair reported that during the closed session the Board had received legal advice regarding certain contract issues but took no action during the closed session.

Ms. Layton presented her recommendation that Maryland 529's contract with Rolka Loube be terminated for convenience along with related IT contracts. She explained that review of the agency's information technology needs has led her to conclude that the agency should take a step back and examine all options related to the current and future recordkeeping systems. She recommended terminating the current contract and working with the State's Department of Information and Technology and contractors to review options and support the current recordkeeping system until further decisions were made.

Upon motion duly made and seconded it is hereby

**RESOLVED**, that the Maryland 529 Board approves terminating the contract with Rolka Loube, and related IT contracts, for convenience to allow the agency to fully reflect on its technological needs.

Ms. McGrath requested permission to speak to the Board and permission was granted by the Chair. Ms. McGrath expressed her regret that the agency had decided to

terminate the contract. She explained that she remained confident Rolka Loube could have provided a final product that Maryland 529 would have been satisfied by, but respected the Board's authority and decision.

Ms. McGrath left at this time.

- Board Chairman's Items

Treasurer Kopp announced that a new member had been named to the Board. Peter Tsirigotis, an attorney who works with financial institutions and asset managers had been appointed and she looked forward to working with him.

The Treasurer also presented the 2018 meeting calendar and called for officer nominations. She announced that the annual meeting where officer positions are voted on would be held in February.

- Executive Director's Report

Ms. Layton reported that the new enrollment period had begun and would run through April 17, 2018. She explained that the start of this enrollment period had been eventful including the discovery of an error in the printed enrollment kits and a technical problem with the recordkeeping system preventing new MPCT enrollees from making online payments. Weber Shandwick, the marketing firm, had committed to fixing the issue with the enrollment kits so that packets would be available for the next week's events. Ms. Layton reported that a solution to the issue with the recordkeeping system was being sought.

Ms. Layton explained that the term of the marketing contract would expire mid-2018 and the agency was seeking the Board's approval to draft and issue an RFP for these services.

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

**RESOLVED**, that Board approves the drafting and issuance of an RFP for marketing services.

Ms. Layton next updated the Board on banking and investments, reporting that the Trust's portfolio stood at over \$1 billion and was up 4% through October.

The Board was also updated on staffing, including Ms. Ronk coming on as the temporary executive assistant and the hiring of two new customer service representatives and one new accountant all who began at the end of October.

- New Business

There being no additional business, upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the meeting is hereby adjourned.

Approved:



Steve Serra  
Board Secretary

Date:

8/7/18

#### EXHIBIT LIST

1. Agenda for the December 7, 2017 Regular Board Meeting
2. Draft Minutes for the October 26, 2017 Board Meeting
3. Draft Minutes for the November 27, 2017 special Board Meeting
4. T. Rowe Price Monthly Report (October)
5. T. Rowe Price – Smart Video Overview
6. Marquette – October Market Review
7. Marquette – MPCT October Investment Review
8. Marquette – MCIP September Investment Review
9. Marquette – MCIP September Investment Review Appendix
10. New Board Member Resume
11. 2018 Board Meeting Schedule (Proposed)
12. Executive Director Report (December 2017)