

**Maryland 529  
Board Meeting Minutes  
OPEN SESSION**

**December 17, 2020  
9:30 AM – 12:30 PM  
Held via GoToMeeting**

**Call-in #: 1-877-568-4106 Access Code: 992-574-557**

**Board Members/Designees Present via  
Conference Call**

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  
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  
Sam Gallo  
Jessica McClain  
Joanna Pratt  
Peter Tsirigotis  
Dr. Lisa Weah

**Staff, Representatives and Guests**

Erin Layton, Executive Director and  
Interim-Director of Investments & Cash  
Management  
Janaki Kannan, Director of Finance  
Bette Ann Mobley, Director of ABLE  
Meghan Marek, Assistant Attorney General  
Maria Dodge, Executive Assistant  
Glenn Ross, Marquette Associates  
Dave McAvoy, T. Rowe Price  
Sally Reinfenstahl, BNY Mellon  
James Balsan, BYN Mellon  
Michael Dunlop, Intuition  
Matthew Bossle, Public Attendee

**Maryland 529 Board Meeting**

Treasurer Kopp called the meeting to order at 9:33 AM.

The Board moved into closed session to receive updates on the confidential draft report of the forensic auditor and to seek advice of counsel. Upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the Board move into closed session in order to discuss topics not subject the Open Meetings Act and to seek advice of counsel.

The Board meeting returned to open session at 11:25 AM.

Ms. Marek reported that during the closed session, the Board:

- Discussed a confidential draft report with Grant Thornton.
- Received an update on the “200k Box Project” and voted not to pursue collection from account holders on potential overpayments as a significant amount of time had passed since

the distributions occurred, account holders would be unfairly burdened if asked to defend the appropriateness of the funds distributed, and agency records cannot confirm without a doubt that such distributions resulted in overpayments.

- Authorized staff to transfer funds, equal to the amount for which staff has confidence, but not certainty, was overpaid from the surplus operating account to the Trust account.
- Received legal advice from counsel on the matters above as well as on the matter of a requested reimbursement for funds fraudulently transferred to and from several Maryland ABLE accounts.

It was also reported that Secretary Beatty left the meeting before the Board returned to open session.

- **Approval of Minutes**

Treasurer Kopp asked for comments on the minutes from the November 19, 2020 Board meeting. There being no discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the minutes for the November 19, 2020 Board meeting are hereby approved.

- **2021 Meeting Dates**

Ms. Layton presented the proposed 2021 meeting dates to the Board for approval. There was discussion that two meetings could be scheduled on one day for efficiency. There being no additional discussion and upon motion made and duly seconded, it was unanimously

**RESOLVED**, that the Board approves the proposed 2021 meeting schedule, subject to any issues being sent to the Executive Director by the close of business on Friday, December 18, 2020.

- **Board/Committee Evaluation**

Ms. Layton noted that two of the three Committee evaluations have been completed and that the Investment Committee will complete their evaluation at the January 2021 meeting. After discussion, it was determined that the Board will defer their evaluation until the next meeting.

- **ABLE End of Year Report**

Mr. Balsan summarized the ABLE year-end after congratulating Maryland ABLE on its three year anniversary, noting that as of today, there were 2,779 accounts with \$23.4M assets under management (“AUM”). Mr. Balsan noted that 18 other states in the alliance launched at least a year before Maryland ABLE but that MD ABLE is 300% larger than any other program. Mr. Balsan walked the Board through the report and noted various trends that are beginning to emerge. The ABLE to Work program continues to see contributions with a COVID impact in the 1<sup>st</sup> and 2<sup>nd</sup> quarter of the calendar year and a small rebound in the fall.

Ms. Mobley noted that outreach has continued across the State with central and southern regions showing an uptick in participation. There was a discussion of how the regions are defined and a request for a map of the regions so the Board can understand how they are divided. Ms. Mobley

also reported that there are 13 ALR entities with 475 accounts and 12% of the assets of the plan. She reminded the Board that these are people that would not be eligible in other states as Maryland is leading the charge on outreach across the country.

- **ABLE Disclosures**

Secretary Beatty joined the meeting.

Ms. Layton informed the Board the ABLE Disclosure Statement review would be moved to the February Board meeting as staff are continuing to review the recent ABLE regulations and the potential impact to the MD ABLE Disclosure Statement. Ms. Mobley noted that staff is consulting with the NAST ABLE sub-committee to understand what other plans will be incorporating.

Secretary Beatty thanked the staff for their work.

- **State Contribution Program (“SCP”) Update**

Mr. McAvoy reported to the Board that the SCP had a successful year with the number of qualified applicants being over 26K, which is a 25% increase over last year. The total amount to be requested from the State would be over \$12.4 million dollars, a 24% increase year over year with 45% of applications coming from the lowest of the three income tiers. The underserved communities are using the program with 45% of the applications having an annual income below \$55K for an individual or below \$75K for a joint couple.

While funding is expected to occur by 12/31, Ms. Layton noted that \$12.4 million is above the \$10 million currently appropriated and in the budget. She has been in communication with both MHEC and DBM regarding the increased request. T. Rowe Price (“TRP”) is ready to receive the funds and invest accordingly, whatever the amount that is ultimately provided. If full funding is not made available by the State, TRP has a notification ready to be delivered to account holders. TRP was asked to look at demographics to determine if the increase in applications can be linked to income issues due to COVID. Mr. McAvoy will report back on their research.

- **Executive Director Report**

Ms. Layton informed the Board that the contract with the Program Manager, Intuition, was signed and that a representative is available for any questions. Mr. Dunlop, from Intuition, thanked the Board for the business and their confidence in Intuition. Treasurer Kopp welcomed Mr. Dunlop and told him that the Board is looking forward to the partnership with Intuition. There was discussion that there will be regular updates provided to the Board as things progress.

Ms. Layton reported that she believes Maryland 529 has found a candidate for the Director of Investments and Cash Management. She is waiting background check results before making an offer. Ms. Pratt added that she has met with both candidates and although they are both technically qualified, she believes this candidate will be a better fit. Ms. Layton also reported that there are three strong candidates for the Procurement Officer II position and hoping to be able to make an offer by year-end. Finally, Ms. Layton noted that the Agency is re-posting the recruitment for the Assistant Director of Finance and that they have a strong pool of candidates for the two seasonal positions that had been posted.

There have been no major Banner issues at this time and the support contract is still in place. Ms. Layton has been working with the IT department at STO for computer updates.

The facilities upgrades are a slow progress with another call being scheduled for this afternoon to move that project along.

Investments continue to be strong and ABLE is over \$23M. Marketing and Outreach efforts have continued even with the remote situation.

The Project Tracker list continues to be updated and a Master Contract list is also being provided.

Treasurer Kopp noted that 2020 has been a mixed blessing with improvements occurring in 2019 and 2020 due to the cooperative effort of the Board and Ms. Layton's leadership and staff. She noted that this has been a good year for the plan and offered the Board's thanks to Ms. Layton. Ms. Layton thanked the Board and the Treasurer for their support, noting that things have come a long way since last year.

At 12:20 PM, and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the Maryland 529 Board meeting is adjourned.

Approved:  Date: 05/03/2021  
Justin Hayes, Board Secretary

Exhibit List

- |      |                                 |     |                             |
|------|---------------------------------|-----|-----------------------------|
| 01A- | Agenda                          |     |                             |
| 01B- | Draft Minutes 11/19/20          | 3A- | ABLE End of Year Update     |
| 2A-  | Board and Committee Evaluations | 3B- | ABLE Disclosure Statement   |
| 2B-  | 2021 Meeting Dates - Proposed   | 5-  | Executive Director's Report |