

**Maryland 529
Board Meeting Minutes
OPEN SESSION**

**November 18, 2021
9:30 AM – 11:30 AM**

Held via: Zoom Video Conference

**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

Ellen Herbst, Chancellor of University
System of Maryland's Designee

Jessica McClain

Joanna Pratt

Peter Tsirigotis

Mohammed Choudhury, Superintendent of
Maryland State Department of Education

Sam Gallo

Dr. Lisa Weah

Staff, Representatives and Guests

Erin Layton, Executive Director

Janaki Kannan, Director of Finance

Michelle Winner, Director of Marketing

Bette Ann Mobley, Director of ABLE

Dan Rambert, Director of Investments &
Cash Management

Meghan Marek, Assistant Attorney General

Maria Dodge, Executive Assistant

Dave McAvoy, T. Rowe Price

Alexandra Cataldo, BNY Mellon

Board Members/Designees Absent

Carol Beatty, Secretary of Maryland
Department of Disabilities

Maryland 529 Board Meeting

Treasurer Kopp called the meeting to order at 9:35 AM.

- **Approval of Minutes**

Treasurer Kopp asked for comments on the edited minutes from the October 29, 2021 Board meeting's open session. There being no discussion and upon motion duly made and seconded, it was unanimously

RESOLVED, that the minutes from the October 29, 2021 Board meeting's open session are hereby approved, as presented.

- **Board Chair Items**

Treasurer Kopp informed the Board that Ms. Herbst will fill the vacancy on the Administration Personnel & Finance Committee. She noted she has spoken with the State Superintendent but that he has not yet chosen a designee to the Board.

Treasurer Kopp also informed the Board that her last day in office, as the Treasurer, will be December 16, 2021 and that Mr. Newman, Vice Chair, will serve as the acting Chair until Board elects new officers in February 2022.

Treasurer Kopp noted that from her review of the Executive Director's update there is positive progress being made with the transition.

- **ABLE Disclosure Statement**

Ms. Marek reported that many of the ABLÉ Disclosure changes have already been approved by the Board, including the added fixed income portfolio, the removal of Vanguard Total International Bond Index Fund, and the contribution/distribution control being improved for the account holders. Annual updates include a link to the current ABLÉ to Work numbers and an annual contribution limit increase to \$16K. There was a discussion that the Disclosure Booklet looks more professional now that it is being completed by Hatcher. There being no further questions, and upon motion duly made and seconded, it was unanimously

RESOLVED, that the ABLÉ Disclosure Booklet for 2021-2022 is hereby approved.

- **Executive Director Updates**

Ms. Layton provided an update on the Maryland Prepaid College Trust transition, reporting that so far everything was progressing well and no major issues had occurred. Ms. Kannan added that there have only been a small number of calls and questions with the most common issue being account holders needing assistance in setting up their profiles. There have also been a few rollovers that were submitted, but not processed prior to the transition, that now have different calculations. The plan is to work with those account holders until they are comfortable with the new process. There was discussion that a project timeline will be available for sharing with the Board early next year that will include projects that still need to be completed as part of the transition.

Ms. Layton presented a recommendation that the Actuary contract with GRS be extended for one additional year with the current contract being set to expire June 30, 2022. Ms. Layton noted that while Maryland 529 is prepared to send out a new request for proposal for actuarial services, but the timing of trying to complete a rebate analysis would likely overlap with the timing for an actuary to start the normal annual services of valuation and it makes sense for one firm to be completing both projects. There was a discussion that this was an extension beyond the contract's original final term, which is scheduled to end June 30, 2022. The estimated costs for a subsequent year are approximately \$77K (before the rebate fees), which is about 1/5 of the original contract. The work to be completed would be in line with the original contract scope. There was additional discussion that this should not present procurement problems, but will need to go before the Board of Public Works. There being no discussion and upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approve the extension of the GRS actuary contract for an additional year so that GRS may assist on the 2022 rebate analysis project, subject to approval by the Board of Public Works.

Ms. Layton explained to the Board that an issue regarding applications and tax filing status within the State Contribution Program (“SCP”) has come to her attention. Under current regulations the tax filing deadline for applicants was July 15th, which has created an issue for pass-thru businesses. The forms required to complete their taxes were updated by the Comptroller’s Office but not available for filers until after July 15th due to a change to the Maryland Code during the last legislative session. There was a discussion regarding whether or not an exception should be granted to this pool of applicants. Mr. Hayes reported that the Comptroller’s Office only anticipates a small subset of filers being affected this year and none in the future. He noted that if the Department of Budget and Management is not opposed, he supports the exception, as does Mr. Newman. Mr. McAvoy is working with the Comptroller’s Office to ascertain the number of affected accounts, which will then be vetted for qualification.

Ms. Marek noted that the statutory changes governing this went into effect on July 1 and the budget amendment next year should clarify that the change of the July 15th codification is applicable for State Contribution applications filed after December 30, 2020. The State Contribution application procedures already provided for the July 15 filing deadline, so the budget amendment would only clarify that the Board is approving the waiver of the program’s procedures and not a statutory requirement. The Agency should reach out to the appropriate people to make sure that note is included. There being no further discussion and upon motion duly made and seconded, it was unanimously

RESOLVED, that pertaining to the State Contribution Program, the Board approves extending the filing deadline for individual tax filers affected by the late-issued tax forms for pass-thru businesses, from July 15 to September 15.

- **Closed Session**

There was a request that the Board move into closed session to discuss matters not subject to the Open Meetings Act, including the receipt of advice of counsel and discussion employment matters for particular employees. Upon motion duly made and seconded, it was unanimously

RESOLVED, Board moves into closed session to discuss matters not subject to the Open Meetings Act.

The Board returned to open session at 10:15am. It was noted during the closed session that the Board received an update on a contract claim and approved employee recommendations related to performance awards for certain employees.

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

RESOLVED, that the Maryland 529 Board meeting is adjourned at 10:17 AM.

Approved:  Date: 12/20/2021
Justin Hayes, Board Secretary

Exhibit List

- 1A- Agenda
- 1B- Minutes Board Meeting 10/29/21
(Open & Closed Sessions)
- 3- ABLE Disclosure Statement Update
- 4- MCIP Annual Report
- 5- Executive Director's Report