

**Maryland 529  
Board Meeting Minutes  
Conference Call**

**November 19, 2020  
9:30 AM – 10:30 AM  
Held by Conference Call**

**Call-in #: 1-646-749-3129 Access Code: 870-803-205**

**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  
Sam Gallo  
Jessica McClain  
Joanna Pratt  
Peter Tsirigotis

**Board Members Absent**

Ellen Herbst, Chancellor of University  
System of Maryland's Designee  
Dr. Lisa Weah

**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  
Bette Ann Mobley, Director of ABLE  
Michelle Winner, Director of Marketing  
Meghan Marek, Assistant Attorney General  
Maria Dodge, Executive Assistant  
Glenn Ross, Marquette Associates  
Dave McAvoy, T. Rowe Price  
Christine Akins, T. Rowe Price

**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 minutes from the October 29, 2020 Board meeting. After discussion of revisions to be made and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the minutes for the October 29, 2020 Board meeting are hereby approved, subject to revisions discussed.

- Board and Committee Self-Evaluations

Ms. Layton introduced the revised self-evaluation forms. The Board determined that the process for completing the self-evaluations would be to distribute the forms for Board members to read through and discuss them at Committee meetings to be scheduled in December with a summary of

Committee discussion and the Board discussion to take place at the next Board Meeting.

- Administration Personnel and Finance Committee Report

Ms. Brandenburg reported that the website translation project would proceed under a memorandum of understanding with Towson University. The ABLE translation project is budgeted for FY22 with a more narrowed scope that is more in line with the college savings plan.

Ms. Brandenburg informed the Board that the Box Project, which included a review of approximately 192 boxes looking for approximately 750 documents, found that six accounts made up a majority of the overpayments. Ms. Layton noted that Grant Thornton is also reviewing the accounts and documents and should be able to comment on the work staff has completed for this project.

Ms. Kannan presented the FY21 Maryland Prepaid College Trust (“MPCT”) Budget Amendment. She highlighted costs including a \$550K onetime forensic audit, \$1.35 million for the program manager transition and \$100K for current Banner support that also included a special patch for Banner for a total amendment of \$2 million in expenses. She then noted previous expenses that had been budgeted but will not be needed and therefore would be reallocated towards the one-time contractual expense for the MPCT transition costs. This will leave a deficit of \$850K, which is being requested from the reserve account. Ms. Brandenburg reported that the Committee approved the amendment that is being presented to the Board. There being no discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the Board approves the transfer of \$850,000 from the operating reserve as set out in the Administration Personnel Finance Committee report and Ms. Kannan’s FY21 Maryland Prepaid College Trust Budget Amendment presentation.

Ms. Kannan presented the MPCT FY 2022 Budget Request reporting the reduction in personnel, communication and software licensing costs. She noted the increases in marketing expenses for campaign ads and website translation, the program manager contract and rent. Ms. Brandenburg reported that the Committee approved the budget being presented to the Board. There was discussion that this budget was conditional on a smooth transition to the program manager and that the Agency should support employees during the transition to help them find jobs with the program manager and/or elsewhere in the state government. With the Chair moving and the Committee seconding, it was unanimously

**RESOLVED**, that the Board approves the Maryland Prepaid College Trust’s FY22 Budget, as presented.

Ms. Kannan summarized the FY22 ABLE Budget Request highlighting personnel, marketing, communication, rent and contractual service increases, specifically noting the Spanish translation contractual costs, which has the support of the Administration Personnel and Finance Committee. There being no discussion and with the Chair moving and the Committee seconding, it was unanimously

**RESOLVED**, that the Board approves the FY22 Budget for Maryland ABLE, as recommended by the Administration Personnel and Finance Committee.

Ms. Layton explained that the Operating Budget Management Report exhibit is being presented for informational purposes to provide potential budget impacts over the next several years, as the Agency transitions to the Program Manager. It is presented as talking point for the Agency and Committees going forward. There was a discussion that this would be part of the future focus of the Committees regarding changes in management, fees and rebates.

- Annual Report Summary

Ms. Winner reviewed the Annual Report Summary, which is a condensed version of the Annual Report, noting that due to the number of copies returned in the past, the Agency started posting the Summary on the website and mails out copies when requested by an account holder. There being no more discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the Board approves the Annual Report Summary for the Maryland Prepaid College Trust and Maryland College Investment Plan for the FY2020.

- T. Rowe Price Disclosure Update

Before Mr. McAvoy, T. Rowe Price (“TRP”), presented the Disclosure update, Ms. Akins, TRP, addressed the Board to announce that TRP will be rolling out a new SEC registered company for select equity management investments with a 2022 target date. The new company will have its own platform and some management from TRP will be moving over. The change will not affect Maryland 529 and there will be not portfolio management changes. The MCIP group will continue to bring thoughts from all TRP management into the portfolio decisions. As this is ongoing over the next 18 months they will keep the Board apprised of developments. There was a discussion that TRP has been planning this for a number of years and has been hiring additional professionals in preparation and that it is TRP’s intention to keep the current culture intact.

Mr. McAvoy reviewed an addition to the MCIP Disclosure Statement that will be sent out to account holders with their 4<sup>th</sup> quarter statements. TRP will be adding a transition fund as they move the account holders into the previously approved I share class. This move is temporary and will not mean there is any money out of the market during move to the new share class. The benefit will be a utilization of a temporary account with reduced costs and tax efficiencies. TRP has an obligation to disclose the change even through it is a temporary situation. This has been part of the required operational process for the changeover, but the independent fund was recently registered and can now be made public. There being no discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the Board approves the Maryland College Investment Plan’s Disclosure update

- Executive Director’s Report

Ms. Layton updated the Board on staffing indicating that the Assistant Director of Finance position has been posted and will close next week. This position will act as a back-up for Ms. Kannan as she works on the Program Manager transition project.

Ms. Layton reported that Maryland 529 is waiting on final comments from Intuition on the contract. She noted there was a kickoff meeting on Monday and it was a different experience from the transition team in 2017 when the Agency previously tried to move to a new platform. There were about 25 people on the call and it was run with precision.

Ms. Layton reported to the Board that the recommendations from the ABLE Special Committee and the Forensic Audit update will be presented and discussed in closed session.

Upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the Maryland 529 Board move into a closed session to discuss to the Forensic Audit update that is not subject to disclosure and to see legal advice on the ABLE program.

Approved: JA Date: 3/24/2021  
Justin Hayes, Board Secretary

Exhibit List

- |      |   |      |   |
|------|---|------|---|
| 01A- | Agenda  | 2D-  | Investment Committee Self-Evaluation Form |
| 01B- | Draft Minutes 10/29/20  | 3A2- | FY21 MPCT Budget Amendment                |
| 2A-  | Board Self-Evaluation Form  | 3A2- | FY22 Budgets                              |
| 2B-  | Audit & Governance Committee Self-Evaluation Form                 | 4A   | MPCT and MCIP Annual Report Summary       |
| 2C-  | Administration Personnel & Finance Committee Self-Evaluation Form | 4B-  | MCIP Disclosure Update                    |