

**College Savings Plans of Maryland Board
FINAL MEETING MINUTES**

**September 24, 2015
9:30 AM – 1:30 PM**

**College Savings Plans of Maryland
217 E. Redwood Street, Suite 1350
Baltimore, MD 21202**

Board Members/Designees Present

Nancy K. Kopp, State Treasurer and Board Chair
Helene Grady, Board Vice Chair
Emily Hollis, Comptroller's Designee
Pamela Purcell, Chancellor,
University System of Maryland's Designee
Geoffrey Newman, Secretary of Higher Education's Designee
Steven Serra, Department of Education's Designee
Russell Kelley
John Kenney

**Board Members/Designees
Absent**

Lewis Robinson, Board Secretary

Staff, Representatives and Guests

Andrew Friedson
Lauren Shipley
Jessica Papaleonti
Joshua Fretz
Bernadette Benik, Chief Deputy Treasurer
Lara Hjortsberg, Assistant Attorney General
Meghan Marek, Assistant Attorney General
Tom Kazmierczak, Jr., T. Rowe Price Investment Services, Inc.
Vanessa Eluma, T. Rowe Price Investment Services, Inc.
Audra Jones, T. Rowe Price Investment Services, Inc.
Felicia Bennett, Wilshire Associates, Inc.
David Lindberg, Wilshire Associates, Inc.
Amy Williams, Gabriel Roeder & Smith
Paul Wood, Gabriel Roeder & Smith
Peter Burchfield, Navellier & Associates
Louis Navellier, Navellier & Associates
Joseph Vivona, University System of Maryland
Susan Niezelski, Account Holder

College Savings Plans of Maryland ("CSPM")

Treasurer Kopp regretfully announced that Lewis Robinson had submitted his letter of resignation to the Board. She expressed her gratitude for the service Mr. Robinson provided to the Board over his eight-year tenure, citing in particular his assistance over the past year.

Treasurer Kopp then expressed the Board's, and her personal appreciation to Ms. Lara Hjortsberg for her tireless work and contributions to CSPM. She noted that a donation

had been made to the Leukemia Lymphoma Society, an organization strongly supported by Ms. Hjortsberg, in the name of the CSPM Board.

- Approval of Minutes

Treasurer Kopp asked for comments on the June 24, 2015 and August 27, 2015 regular Board meeting minutes. There being no comments or questions, and upon motions duly made and seconded, it was unanimously

RESOLVED, that the minutes for the June 24, 2015 regular Board meeting and the August 27, 2015 regular Board meeting are hereby approved.

- Executive Director's Report

Mr. Friedson reviewed the Executive Director's report.

After discussion of Mr. Friedson's last day as Interim-executive Director being scheduled for September 30, 2015, and upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approves the transfer of access, authority and privileges of bank accounts in the name of the Maryland Prepaid College Trust (MPCT), Maryland College Investment Plan (MCIP), and CSPM, from Mr. Friedson to Ms. Shipley effective October 1, 2015.

After discussion of CSPM's specialized information technology needs and the potential for cost savings, upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board authorizes CSPM management to enter into an inter-agency MOU with the State Treasurer's Office (STO), whereby the STO will provide network services and IT support services currently procured under an emergency contract set to expire no later than December 31, 2015.

After discussion of the 1099-Q filing issue reported by T. Rowe Price to the Board in the Spring of 2015, and upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board authorizes CSPM management, upon approval of counsel, to execute an IRS Power of Attorney and Declaration of Representative, Form 2848, permitting PricewaterhouseCoopers (PwC), retained by T. Rowe Price, to negotiate and settle with the IRS any civil penalties that may result, and for which T. Rowe Price would be responsible.

- Differential Tuition Discussion

Mr. Joseph Vivona entered the meeting at this time.

Mr. Vivona discussed the University System Board of Regents' decision to implement differential pricing for three majors of study at the University of Maryland, College Park: Engineering, Business, and Computer Science. He explained that the increases are limited to the junior and senior years and are being phased in to minimize the burden on current students. Mr. Vivona informed the Board that all Big Ten flagship schools utilize differential pricing. He responded to questions from several Board members, including questions as to whether the University had considered covering these fees for MPCT students and whether there could have been advanced notice provided to CSPM. Mr. Vivona left the meeting at this time.

- Maryland College Investment Plan

Mr. Kazmierczak reported on T. Rowe Price's mail services migration to Boston Financial Data Services (BFDS).

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

RESOLVED, that the Board approves the migration of T. Rowe Price's mail services to BFDS, with the condition that T. Rowe Price will update the Board following contract ratification regarding oversight of the project.

Mr. Kazmierczak, Ms. Eluma, Ms. Jones, Ms. Hjortsberg, and Ms. Papaleonti left the meeting at this time.

- Maryland Prepaid College Trust

Mr. Lindberg presented Wilshire's Asset Allocation Analysis & Recommendation.

After discussion, the Board decided to postpone adoption of new asset allocations pending review of the actuarial studies by GRS.

Ms. Williams and Mr. Wood entered the meeting at this time.

Ms. Williams and Mr. Wood presented Gabriel Roeder Smith & Company's (GRS) Preliminary Results of the June 30, 2015 Actuarial Soundness Valuation.

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

RESOLVED, that the Board instructs GRS to perform two actuarial studies for discussion at the October Board meeting. The studies will depict discount rates of 6.75% and 7% applied to two scenarios, resulting in four different data sets.

1. Scenario 1 maintains the load from 2014-2015 at 2.5% for University and 1.8% for Community College. Based on those loads, GRS will calculate the resulting contract price increases.
2. Scenario 2 begins by setting the contract price at last year's prices plus the WAT increase (5.49% for University and 3.3% for Community College and determines what the resulting load would be.

Mr. Kenney, Ms. Williams, Mr. Wood, Mr. Lindberg, and Ms. Bennett left the meeting at this time.

Treasurer Kopp explained that the next several items on the agenda required a closed session. Upon motion duly made and seconded, it was unanimously

RESOLVED, that the CSPM Board move into a closed session in accordance with §§3-305(b)(7) and (13) of the General Provisions Article of the Maryland Annotated Code, to (a) consult with counsel to obtain legal advice; (b) consult with staff, consultants or other individuals about pending or potential litigation; and (c) discuss an investigative proceeding on actual or possible criminal action.

All Board members (except for Mr. Kenney), Mr. Friedson, Ms. Shipley, Ms. Benik and Ms. Marek remained for the closed session. Mr. Fretz and Ms. Niezelski left the meeting at this time. The closed session concluded and the regular session of the meeting resumed at 12:30 p.m.

- Investment Manager Presentation: Navellier

Mr. Burchfield, Mr. Navellier, and Mr. Fretz entered the meeting at this time.

Mr. Burchfield and Mr. Navellier presented the Navellier Client Review and responded to questions presented by the Board.

Mr. Burchfield and Mr. Navellier left the meeting at this time.

- Disclosure Statement Policy Changes

Mr. Friedson reported on the Draft Policy Changes for Board Consideration.

Treasurer Kopp expressed her appreciation to Mr. Friedson for his service as Interim Executive Director during the agency's time of transition.

Treasurer Kopp asked if there were any further items to be addressed. There being no further business, and upon motion duly made and seconded, it was unanimously,

RESOLVED, that the meeting is hereby adjourned.

Approved: _____


Lauren Shipley
Acting Executive Director – for Board Secretary

Date: _____

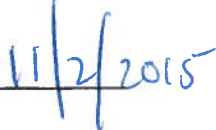


EXHIBIT LIST

1. Presiding Officer's Written Statement for Closing a Meeting Under the Open Meetings Act (§§3-305(b)(7) and (13))
2. Agenda for the September 24, 2015 Regular Board Meeting
3. Draft Minutes for the June 24, 2015 Board Meeting
4. Draft Minutes for the August 27, 2015 Board Meeting
5. Lewis Robinson's Resignation Letter to Treasurer Kopp
6. Executive Director's Report
7. FAFSA Changes Make Grandparent 529 Plans Even Better
8. March 2015 College Savings Plan Network 529 Report
9. List of Fund Holdings and Fund Values for the Prepaid College Trust
10. Maryland College Investment Plan
 - a. Monthly Report for August 2015 – T. Rowe Price
 - b. T. Rowe Price Mail Services Migration to Boston Financial Data Services
 - c. 1099-Q Follow Up Items – T. Rowe Price
11. Maryland Prepaid College Trust
 - a. Asset Allocation Analysis & Recommendation – Wilshire
 - b. Preliminary Results of the June 30, 2015 Actuarial Soundness Valuation
12. Navellier Client Review
13. Draft Policy Changes for Board Consideration