

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

**June 23, 2016
9:30 AM – 3:00 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
Emily Hollis, Comptroller's Designee
Russell Kelley
John Kenney
Geoffrey Newman, Secretary of Higher Education's Designee
Pamela Purcell, Chancellor, University System of Maryland's Designee
Steven Serra, Department of Education's Designee
Dee Anna Sobczak
Charles Tharp

Board Members/Designees Absent

Helene Grady, Board Vice Chair

Staff, Representatives and Guests

Lauren Shipley, Executive Director
Angeline Huffman, Chief Financial Officer

Mary Christine Jackman, Interim Chief Investment Officer
Bernadette Benik, Chief Deputy Treasurer
Carol Beatty, Secretary of Maryland Department of Disabilities
Meghan Marek, Assistant Attorney General
Michelle Winner, Public Relations Mgr.
Joshua Fretz, Executive Administrator
Tom Kazmierczak, T. Rowe Price Investment Services, Inc.
Renee Anderson, T. Rowe Price Investment Services, Inc.
Vanessa Eluma, T. Rowe Price Investment Services, Inc.
Audra Jones, T. Rowe Price Investment Services, Inc.
Patrick Potter, S.B. & Company
Monique Booker, S.B. & Company
David Lindberg, Wilshire Associates (via phone)
Chuck Fitzgibbon, Weber Shandwick
Jennifer Beatty, MacKay Shields
Rob Kinsey, MacKay Shields
Kim Thoreson, Wellington
Joy Perry, Wellington
Garret Halbach, Policy Analyst

College Savings Plans of Maryland ("CSPM")

- Approval of Minutes

Treasurer Kopp asked for comments on the minutes for the regular May 26, 2016 Board meeting. Mr. Tharp stated that he found a spelling mistake in the minutes. There being no further comments or questions, and upon motion duly made and seconded, it was unanimously

RESOLVED, that the minutes for the May 26, 2016 Board meeting are hereby approved, pending the change indicated by Mr. Tharp.

- Executive Director's Report

Ms. Shipley presented the Executive Director's Report during which she introduced Michelle Winner as the new Director of Marketing. Ms. Shipley also discussed the agency's name change to Maryland 529, effective July 1st. She reviewed a Morningstar report on the 529 College-Savings Plan Landscape and talked about the emergence of robo-advisors in the financial industry. She deferred further discussion about the agency's staffing plan until the next Administration and Personnel Committee.

Ms. Shipley then discussed the mandatory fee categories for Maryland four-year public colleges and community colleges.¹

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approves the Mandatory Fee Categories for the 2016-2017 academic year.

Treasurer Kopp suggested that the Board send Ms. Grady a thank you letter recognizing her years of service and her diligent work.

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board will send a letter of recognition to Helene Grady.

- Presentation of 2016-2017 Marketing Plan

Mr. Halbach left the meeting at this time.

Ms. Shipley, Ms. Anderson, Mr. Fitzgibbon, and Ms. Winner presented the Marketing & Public Relations Plan for 2016-2017. Treasurer Kopp requested that an updated version of slide 6 be emailed to the Board.

Upon motion duly made and seconded, it was unanimously

¹ Ms. Purcell questioned the two fees listed for University of Baltimore Shady Grove. Mr. Newman researched the issue after the meeting and determined that the fees are charged to all Shady Grove students and are not specific to University of Baltimore. He reported that Shady Grove also receives half of the technology fees that each institution charges.

RESOLVED, that the Board approves the fiscal year 2017 Enrollment Period as December 1, 2016 through April 24, 2017.

Ms. Shipley reviewed the fiscal year 2017 marketing budget.

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approves the fiscal year 2017 Marketing Plan.

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approves the fiscal year 2017 Marketing Budget.

Mr. Newman thanked Ms. Shipley for her contribution to the marketing efforts for the past 7 years.

Ms. Winner, Ms. Nelson, and Mr. Fitzgibbon left the meeting at this time.

- External Auditor's Pre-Audit Presentation

Mr. Potter and Ms. Booker entered the meeting at this time.

Mr. Potter and Ms. Booker reviewed SB & Company's presentation.

Mr. Potter and Ms. Booker left the meeting at this time.

- Maryland College Investment Plan Monthly Report

Mr. Kazmierczak presented the June 2016 monthly report. He discussed the impact on T. Rowe Price of a lawsuit involving a miscue in the voting of proxy shares with respect to Dell Inc.'s management buyout in 2013. T. Rowe inadvertently voted in favor, rather than against, the buyout despite its vocal opposition to the deal. Mr. Kazmierczak stated that T. Rowe Price has decided to make its customers whole for the difference between Dell's stock price at its sale and the price the court deemed was appropriate. Per Ms. Eluma, the total cost T. Rowe Price incurred as a result of the decision to make MCIP account holders whole was \$499,535.73. Mr. Kazmierczak said that the Dell decision only impacted one fund in the MCIP, the Spectrum Income Fund.

The Board then asked Mr. Kazmierczak about the availability of socially responsible funds in the MCIP fund lineup. He responded that there are none currently available in the T. Rowe Price fund portfolio line up, but he will research options and follow up with the Board at a later date.

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

- Fiscal Year 2017 Agency Operating Budget

Ms. Huffman presented the fiscal year 2017 agency operating budget. She explained that this current budget has been revised because the original budget was not an operating budget.

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the Board approves the revised fiscal year 2017 Agency Operating Budget.

- Legal Update

Upon motion duly made and seconded, it was unanimously

RESOLVED, that the CSPM Board moves into a closed session in accordance with §§3-305(b)(7) of the General Provisions Article of the Maryland Annotated Code to discuss the audit project.

Mr. Fretz, Ms. Huffman, and Ms. Jackman left the meeting at this time. The closed session concluded and the regular session of the meeting resumed. Mr. Fretz, Ms. Huffman, and Ms. Jackman entered the meeting at this time.

Ms. Marek reported that during the closed the session the Board approved draft correspondence to be sent in regard to certain account discrepancies.

Ms. Hollis and Mr. Kenney left the meeting at this time.

- Investment Manager Presentation – Wellington

Ms. Thoreson and Ms. Perry entered the meeting at this time. Mr. Lindberg called into the meeting at this time.

Ms. Thoreson and Ms. Perry reviewed the Wellington presentation.

Ms. Thoreson and Ms. Perry left the meeting at this time.

- Investment Manager Presentation – MacKay Shields

Ms. Beatty and Mr. Kinsey entered the meeting at this time. Mr. Kelley left the meeting at this time.

Ms. Beatty and Mr. Kinsey reviewed the MacKay Shields presentation.

Ms. Beatty and Mr. Kinsey left the meeting at this time.

- Legal Update

Ms. Marek provided an overview of the conflict of interest regulations recently finalized by the Department of Labor.

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
Executive Director – for Board Secretary

Date: _____08/31/2016_____

EXHIBIT LIST

1. Agenda for the June 23, 2016 Regular Board Meeting
2. Draft Minutes for the May 26, 2016 Board Meeting
3. Executive Director's Report
4. Marketing & Public Relations Plan 2016-2017
5. CSPM Marketing Budget Fiscal Year 2017
6. SB & Company Presentation to the Board
7. MCIP June 2016 Monthly Report
8. Fiscal Year 2017 Agency Operating Budget
9. Wellington Management Company LLP Presentation
10. MacKay Shields Presentation
11. MPCT Banking and Investments Memo