

**Maryland 529
FINAL MEETING MINUTES**

**June 22, 2017
9:30 AM – 1:00 PM**

**Maryland 529
217 E. Redwood Street, Suite 1350
Baltimore, MD 21202**

Board Members/Designees Present

Nancy K. Kopp, State Treasurer and Board Chair
Geoffrey Newman, Secretary of Higher Education's Designee
Steven Serra, Superintendent of School's Designee
Carol Beatty, Secretary of Maryland Department of Disabilities
Carol Coughlin
Andrew Friedson, Comptroller of Maryland's Designee
Keith Persinger
Pamela Purcell, Chancellor of University System of Maryland's Designee (via phone)
Dee Anna Sobczak
Charles Tharp
Dr. Lisa Weah

Staff, Representatives and Guests

Lauren Shipley, Executive Director
Bernadette Benik, Deputy Treasurer
Erin Layton, Director of Investments and Cash Management
Meghan Marek, Assistant Attorney General
Anya Tapé, Executive Assistant
Dave Smith, Marquette Associates
Glenn Ross, Marquette Associates
Wayne Park, T. Rowe Price Investment Services, Inc.
Christine Akins, T. Rowe Price Investment Services, Inc.
Sara Ismart, T. Rowe Price Investment Services, Inc.
Audra Jones, T. Rowe Price Investment Services, Inc.
Renee Anderson, T. Rowe Price Investment Services, Inc.

Maryland 529

• Approval of Minutes

Treasurer Kopp asked for comments on the minutes for the regular May 25, 2017 Board meeting. There being no further comments or questions, and upon motion duly made and seconded, it was unanimously

RESOLVED, that the minutes for the May 25, 2017 Board meeting are hereby approved.

- Committee Assignments

Treasurer Kopp announced that Mr. Serra would be leaving the ABLE Special Committee and that Mr. Tharp would be joining the Committee.

- Executive Director's Report

Ms. Shipley gave the monthly Executive Director's report provided as part of the meeting materials.

Ms. Shipley presented the Maryland Public College Tuition and Mandatory Fees for approval. After discussion, the Board requested additional information be sought from the University System of Maryland.

Ms. Marek noted that the new MCIP contract would become effective July 1, 2017 and that certain contractual issues, including a fee reduction, had been captured in a proposed update to the Disclosure Statement for the Board's consideration.

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

RESOLVED, that the Board approves the revised version of the T.Rowe Price Planned Disclosure Statement.

Mr. Tharp abstained from the vote.

- ABLE Special Committee Update

Secretary Beatty gave an ABLE Special Committee update explaining that the RFP failed to yield a bid that was reasonably susceptible for an award under Maryland procurement rules.

The ABLE Committee recommended directing staff to review and present options for partnership with another state or joining a consortium of states in order to meet the legislative goal of launching a Maryland ABLE plan by October, 2017.

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

RESOLVED, that the Board approves the recommendation of the ABLE Committee and directs the staff to review options available for state partnership or joining a consortium and present findings to ABLE Committee.

- 2017-2018 Marketing & Public Relations Plan

Ms. Winner, with support from Ms. Anderson, presented a marketing update. Ms. Winner reported on Industry Updates, a review of 2016-2017 goals, a marketing review, a marketing plan, as well as statistical information.

Ms. Winner reported that within the Maryland College Investment Plan, industry assets under management and industry sales have all grown in 2016 while new accounts are projected to increase 4.9% over the next 5 years, translating to 1% per quarter. The Maryland Prepaid College Trust has also increased its assets under management, now ranking 7th out of 12 open Prepaid Plans.

Highlights from implementation of the first year of the Strategic Marketing Plan include branding, data strategy, new customer communications, existing customer communications, as well as audience segmentation. Media Highlights include the use of cinema, radio, television, email marketing, and digital.

The Executive Director presented the Marketing Budget and the 2017-2018 Marketing Plan to the Board.

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

RESOLVED, that the Board approves the Maryland 529 Marketing Plan for 2017-2018.

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

RESOLVED, that the Board approves the Maryland 529 Marketing Budget Summary for fiscal year 2018.

- Maryland 529 Budget Update

Mr. Bass, Director of Budget & Fiscal Administration, presented a budget update. Mr. Bass stated that the major factors in the FY 2018 budget are the new ABLE program and new recordkeeping system.

The ABLE budget covers salaries and benefits of two staff members (1 Program Director and 1 Community Outreach Coordinator). It also covers the costs for support of these two individuals in their work. Marketing of the ABLE program will impact costs in FY 2018.

Software licensing is a part of the recordkeeping expense, however a significant part of the budget is a one-time expenditure and it is anticipated that any ongoing monthly maintenance or licensing will be offset by a consolidation of resources as a result of not needing to continue maintaining separate systems as Banner requires.

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

RESOLVED, that the Board approves the Maryland 529 Agency Budget for FY 2018.

- Maryland College Investment Plan

Mr. Park and Ms. Akins gave an update and monthly report. Mr. Park announced that Ms. Anderson and Ms. Jones have accepted new positions within T. Rowe Price and a systematic approach has been implemented to take place over the next few months (July- October), as the two employees transition into their new roles. The approach will include adding more staff and additional documentation.

The Board discussed the significant personnel changes and its effect on Maryland 529 staff, expressing the need for improved communication between the partners. Mr. Park reaffirmed T. Rowe Price's commitment to the success of the MCIP.

Mr. Park also announced that the downtown office is relocating the Investor Center to the corporate office on the mezzanine level which effectively ends the current walk-in service and will require MCIP account holders to make appointments going forward.

Lastly, 21 Baltimore families featured in the 2017 movie Step Up, were gifted MCIP accounts in their names; the amounts were \$10,000 each.

Ms. Akins presented the College Investment Plan report. She noted that assets had a year over year increase of 16.2%, monthly contributions totaled \$39,921,289, distributions \$12,542,290, and 2,799 new accounts were opened in May.

- Audit and Finance Committee Update

Mr. Smith and Mr. Ross, Marquette Associates, gave a market update and commentary on the Prepaid College Trust and MCIP investments.

The Board discussed TS&W's performance and whether there was a need to withdraw assets prior to identifying a new permanent manager for the holdings. Marquette and Ms. Layton responded that a search was being conducted and they would not recommend an immediate withdrawal of assets from TS&W. The Board would be updated in August as to a recommended manager following review by the Audit and Finance Committee.

- Administration and Personnel Committee Update

Mr. Newman updated the Board on the Administration & Personnel Committee's last meeting on June 5, 2017. Highlights include discussion of the Executive Director's evaluation, agency structure, and the development of a Board Strategic Plan. Following the Committee meeting, Executive Director evaluations will be sent to Board members,

feedback instrument forms will be sent to the Maryland 529 Directors, and then information will be sent to Board members to complete evaluations.

Following that process, Mr. Newman would meet with Ms. Shipley to discuss the results of the evaluation.

- Board Chairman Items

The Board discussed the option of obtaining D&O insurance. Ms. Benik explained that if D&O insurance were to be procured for the Maryland 529 Board, that coverage, rather than the applicable limits of the Maryland Tort Claims Act, would control liability. The Board reached a consensus that the best option would be for the Board to forego the acquisition of D&O Insurance at this time.

- Closed Session

RESOLVED, that the Maryland 529 Board moves into a closed session in accordance with §§3-305(b)(1) of the General Provisions Article of the Maryland Annotated Code to discuss the evaluation of the Executive Director.

Ms. Benik, Ms. Layton, Ms. Tapé, Mr. Smith, Mr. Ross, Mr. Park, Ms. Akins, Ms. Ismart, Ms. Jones, and Ms. Anderson left the meeting at this time.

Upon completion of the closed session, it was reported that the Board took no actions during the closed session.

- New Business

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: _____



Steve Serra
Board Secretary

Date: _____

9/14/17

EXHIBIT LIST

1. Agenda for the June 22, 2017 Regular Board Meeting
2. Draft Minutes for the May 25, 2017 Board Meeting

3. Executive Director's Report
4. Maryland Public Colleges Tuition and Mandatory Fees
5. MD 529 ABLE Special Committee Report
6. Marketing Update
7. MD 529 Marketing Budget FY 2018
8. MD 529 Agency Budget & ABLE Program
9. MD 529 Fiscal operations Budget Report
10. T. Rowe Price Monthly Report
11. Administration and Personnel Committee Report
12. Market Update and Commentary