

**Maryland 529
MEETING MINUTES**

**April 24, 2018
9:00 AM– 11:10 AM**

**Maryland State Retirement and Pension System
120 E Baltimore Street
Baltimore, MD 21202
Conference Call: 1-866-247-6034**

Board Members/Designees Present

Nancy K. Kopp, State Treasurer and
Board Chair
Geoffrey Newman, Secretary of Higher
Education's Designee
Carol Beatty, Secretary of Maryland
Department of Disabilities (by phone)
Carol Coughlin
Justin Hayes, Comptroller's Designee
Keith Persinger
Pamela Purcell, Chancellor of University
System of Maryland's Designee (by
phone)
Steve Serra
Charles Tharp (by phone)
Peter Tsirigotis
Dr. Lisa Weah

Staff, Representatives and Guests

Erin Layton, Interim-executive Director
and Director of Investments and
Cash Management
Bernadette Benik, Chief Deputy
Treasurer
Meghan Marek, Assistant Attorney
General

Maryland 529

Treasurer Kopp called the meeting to order.

- Approval of Minutes

Treasurer Kopp asked for comments on the minutes for the regular February 23, 2018 Board meeting and the April 12, 2018 Board conference call. Hearing none, upon motion duly made and seconded, it was unanimously

RESOLVED, that the minutes for the February 23, 2018 and April 12, 2018 Board meetings are hereby approved.

- Board Chair's Items

Treasurer Kopp discussed her proposed Committee assignments and explained that she would discuss the draft assignments with Board members and finalize the Committees at the next meeting.

- Closed Session

Upon motion duly made and seconded, it was unanimously

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 personnel matters.

Justin Hayes entered the meeting at this time.

Carol Coughlin also entered the meeting during the closed session.

The closed session concluded and the regular session of the meeting resumed. Ms. Purcell exited the meeting at this time.

Treasurer Kopp reported that the Board voted on a personnel issue during the closed session.

- State Contribution Program

Ms. Layton updated the Board on the program revisions that occurred during the 2018 General Assembly session. The General Assembly had passed legislation to increase the State contribution from \$250 to \$500 for eligible applicants with incomes under \$87,500 (if filing as an individual) or under \$125,000 (if filing jointly). Eligible applicants making between \$87,500 and \$112,500 (if filing as an individual) or between \$125,000 and \$175,000 (if filing jointly) would still be able to apply for a \$250 State contribution. At the same time, the State funding allocated to the program was capped at \$3 million, instead of \$7 million, for fiscal year 2019 and each fiscal year thereafter.

Ms. Marek then explained that with funding for the program lowered and applications up significantly from the previous year, the agency was seeking clarity from the Board on how to determine the date an application was received. While the majority of the application is available to be filed online, a form permitting the confirmation of Maryland taxable income must be printed and mailed. The two forms, then, are being submitted at different times and the agency sought the Board's input on whether the date of online filing or the date all forms had been received, should be used to prioritize applications should there be insufficient funding for all applicants.

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

RESOLVED, that the date on which all parts of an application had been received, including the tax form, should be used to determine funding priority.

- Strategic Alternatives

Treasurer Kopp provided a brief overview of Maryland 529's history and growth, noting the increased complexity as the Prepaid program's assets and number of account holders and beneficiaries has increased. The Treasurer explained that the recent issues with the bookkeeping and needed technology updates have provided the impetus to look at the Prepaid program and strategically plan its future.

Ms. Layton then went through her analysis of the agency's long and short-term goals and the critical infrastructure problems to be addressed. The Board discussed the general landscape of Prepaid programs throughout the country and how other programs approach their infrastructure needs and how those solutions would affect program management at Maryland 529. They also discussed the process and results of the last RFP conducted to replace the recordkeeping system and what changes would be necessary to ensure a better outcome.

At the conclusion, the Board reached a consensus that Ms. Layton should continue her evaluation of alternatives for administration of the Prepaid Trust and recommended issuing a Request for Information to seek industry input about how best to solicit the services needed.

Treasurer Kopp asked if there were any further items to be addressed. Ms. Layton updated the Board on the hiring of a new Director of Finance who will start at the agency in mid-May.

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: _____

9/20/18

EXHIBIT LIST

1. Draft Minutes for February 23, 2018 Board Meeting
2. Draft Minutes for April 12, 2018 Board Meeting
3. Presentation on Strategic Alternatives

