Maryland 529 Board Meeting Minutes OPEN SESSION

April 1, 2021 12:30 PM – 1:30 PM Held via GoToMeeting

Call-in #: 1-866-899-4679 Access Code: 956-760-357

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 Carol Beatty, Secretary of Maryland Department of Disabilities Jessica McClain Joanna Pratt Peter Tsirigotis Dr. Lisa Weah

Board Members/Designees Absent

Justin Hayes, Maryland Comptroller's Designee and Board Secretary Amalie Brandenburg, Superintendent of School's Designee Ellen Herbst, Chancellor of University System of Maryland's Designee Sam Gallo

Staff, Representatives and Guests

Erin Layton, Executive Director Janaki Kannan, Director of Finance Michelle Winner – Director of Marketing Meghan Marek, Assistant Attorney General Maria Dodge, Executive Assistant

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Treasurer Kopp called the meeting to order at 12:35 PM.

• Annual Statement Mailing Issue

Ms. Layton summarized the memo regarding the wrong annual statements being mailed to the majority of those account holders with two Prepaid accounts. Due to a mail-merge error where the name for one account holder, an irrevocable trust on behalf of the account holder, was too long to be recognized by the program, subsequent account holders on the mail-merge list received one account statement for their account, and one account statement for the account of someone else.

Ms. Layton noted that the information distributed in the mailings is not sufficient for someone to access someone else's account or request a distribution. She presented a draft letter to account holders explaining the problem, the corrective measures being taken, and consumer protection information. Ms. Layton reported that each affected account would be flagged so that additional steps would be taken prior to any account changes or distributions taking place.

There was a discussion regarding the vendor's quality control process. Ms. Layton reported that the intent, in the future, is to issue annual statements electronically through account holder logins.

Ms. Layton reported that staff has spoken to a number of account holders, who have generally been understanding and will wait to receive their new statements. The matter is summarized to those with inquiries as follows: A problem was discovered, corrected, new mailings are occurring, and flagging and extra security will be assigned to the accounts.

There was a discussion as to whether or not there could have been any violation of any state laws for non-Maryland account holders. Since Maryland 529 is a state agency, Ms. Marek does not believe there was any violation, but she will research and coordinate with the Attorney General's Office of Opinions and Advice.

There was also discussion regarding the written processes and procedures that are being put in place to direct the staff on handling of flagged accounts.

Ms. Layton reported that she has spoken to Senator Sara Elfreth, the Senate sponsor of the Maryland 529 State Contribution legislation, who suggested that Ms. Layton send an email to the entire General Assembly regarding the annual statements. Ms. Layton indicated that she has reached out to the legislators who are involved in our pending bills, but not to everyone. There was a discussion that there should be a general communication to the Chairs of the Education Business & Administrative Committee and the Education & Economic Development Committee for them to refer any calls they receive concerning the annual statements to the Agency for handling.

There being no further business and upon motion duly made and seconded, it was unanimously

RESOLVED, that the Maryland 529 Board meeting is adjourned at 1:15 PM.

Approved: ______ Date: 05/03/2021

Exhibit List

- 01-Draft Memo 2020 Annual Statement Mailing Issues
- 02-Account Holder Spreadsheet
- 03-Draft Letter to Account Holders