

**Maryland 529  
Board Meeting Minutes**

**October 17, 2022**

**12:00 PM – 1:30 PM**

**Held via: Google Video Conference**

**Board Members/Designees Present via  
Conference Call**

Peter Tsirigotis, Board Chair  
Geoffrey Newman, Secretary of Higher  
Education’s Designee, Board Vice-Chair  
Ellen Herbst, Chancellor of University  
System of Maryland’s Designee, Secretary  
Treasurer Dereck Davis, Maryland  
Treasurer  
Carol Beatty, Secretary of Maryland  
Department of Disabilities  
Justin Dayhoff, Designee for the  
Superintendent of Maryland State  
Department of Education  
Justin Hayes, Maryland Comptroller’s  
Designee  
Dave Erculiani  
Jessica McClain  
Joanna Pratt

Anthony Savia, Executive Director  
Meghan Marek, Assistant Attorney General  
Michelle Winner, Director of Marketing  
Bette Ann Mobley, Director of ABLE  
Maria Dodge, Director of Operations  
Vern Shird, Procurement Officer  
Laura Atas, Maryland Treasurer’s Designee  
Megan Schutz, Treasurer’s Office  
Glenn Ross, Marquette Associates, Inc.  
Dave McAvoy, T. Rowe Price  
Michelle Palmer, T. Rowe Price  
James Balsan, Vestwell  
Dave Nzournkeu, Vestwell  
Claire Whittington, Intuition  
Michael Berman, Hatcher

**Members of the Public**

Shareece Churchill  
Lori Delaney  
Thomas Kendall  
Unidentified Telephone Callers

**Board Members/Designees Absent**

Capathia P. Campbell

**Staff, Representatives and Guests**

**Maryland 529 Board Meeting**

Mr. Tsirigotis called the meeting to order 12:02 PM.

• **Minutes**

Mr. Tsirigotis asked for comments on the minutes from the June 23, 2022 Board meeting’s open session. There being none and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the minutes for the June 23, 2022 Board meeting’s open session are hereby approved.

Mr. Tsirigotis asked for comments on the minutes from the July 15, 2022 Board meeting’s open session. There being none and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the minutes for the July 15, 2022 Board meeting’s open session are hereby approved.

Mr. Tsirigotis asked for comments on the minutes from the August 19, 2022 Board meeting's open session. Other than an attendance correction, there were no other comments and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the minutes for the August 19, 2022 Board meeting's open session are hereby approved, subject to an attendance correction.

Mr. Tsirigotis asked for comments on the minutes from the September 9, 2022 Board meeting's open session. There being none and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the minutes for the September 9, 2022 Board meeting's open session are hereby approved.

It was noted that there is a summary of the administrative session held on September 9, 2022 for review and reference that will be discussed later in the meeting.

- **Board Chairman's Items**

Mr. Tsirigotis had no Board Chair items to report.

- **AFP Committee Report**

At Ms. Herbst's request, Mr. Savia reported that the attached Budget reports for the fiscal year-ending June 30, 2022, which were prepared by the previous CFO, are for information purposes and that the FY2024 Budgets will be presented at the October 27, 2022 Board meeting.

- **Audit & Governance Committee Report**

Ms. McClain presented a summary of the auditor update that was provided to the Audit & Governance Committee meeting last week.

Ms. Schutz joined the meeting.

Ms. McClain reported that UHY is working through the testing and minimum benefit calculation review to get that work completed. They are also completing the annual audit work and that it is expected that the audit will be completed on time. This update was provided for informational purposes and no vote was being requested.

- **Investment Committee Report**

Ms. Pratt reported that the Investment Committee will be meeting later this week and that Mr. Tsirigotis will be leading that meeting. It is expected that there will be a market update discussion, as the Plans are down 18-20%, which is in line with the markets. Ms. Pratt noted that she is speaking with Mr. Rambert on a regular basis. In response to an inquiry, she noted that there is no expectation of any vote on specific managers at the upcoming meeting.

- **ABLE Recommendations**

Ms. Mobley reported that the final Treasury regulations regarding account hierarchy, as to who can manage an ABLE account, were issued in 2020 with time being granted to implement the new regulations. The final regulations included an expansion of the individuals the IRS would consider as appropriate authorized legal representatives to control and ABLE account on behalf of the beneficiary. The expanded list was not immediately implemented by Maryland ABLE as State law does not currently permit many of the individuals listed in the regulations to control the property, in this case the ABLE account, of another person without additional legal authority. She noted that most states have decided to adopt the expanded list of authorized individuals and have already implemented their processes. Maryland ABLE has begun to investigate what it needs to do to be compliant with State law should the Board agree that it wants to endorse the expanded list for Maryland ABLE.

Mr. Kendall joined the meeting.

Ms. Mobley reported that over the last several months MD ABLE conducted focus groups with various key stakeholders and that based on the results of the focus groups, MD ABLE is seeking to reestablish the ad hoc Special Committee to look at potential hierarchy changes. They would like to invite key stakeholders to participate to begin to develop potential proposed changes to the law. There was discussion that any potential changes should be brought to the Board for consideration prior to submission to the legislature. There being no more discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the Board approves the reestablishment of the Special ABLE Committee to look at potential hierarchy changes and to develop recommendations to the Board regarding potential legislative changes for the Board's consideration regarding any participation, either formally or informally, in any legislative changes that are developed.

It was also suggested that the Special Committee work with the Office of the Attorney General regarding any procedures that need to be followed.

- **Maryland College Investment Plan ("MCIP") Report**

Mr. McAvoy reviewed the end of FY22 MCIP highlights including that assets were down 6% from FY21, at \$8.1M and that considering the market is down 18-20%, a 5.8% decline is not as bad as it could be. He reported that year-to-date distributions were in line with normal distributions outside of the most recent years. July and August were the busiest months and were 9.8% higher in 2022 versus 2021. They are expecting future numbers to be more in line with previous years. The decline in new account openings is believed to be a result of the legislative changes that tightened up qualification requirements for the State Contribution Program. They are expecting the year end numbers to remain strong. Mr. Tsirigotis suggested that at the end of the calendar year T. Rowe Price provide some data regarding the impact of active investment management compared to passive since this is a constant question. Ms. Pratt agreed that an annual review of the impact of active investment management is a good idea. Mr. McAvoy

responded that T. Rowe would be happy to present that data to the Investment Committee early next year.

- **MPCT Report**

Mr. Savia reported a change in personnel at Intuition College Savings Solution (“ICSS”). He introduced Claire Whittington, the VP of Client Relations, and noted that they will provide a formal update on October 27, 2022. Ms. Whittington introduced herself and noted that she has been with ICSS for seven years and has a background with the ICSS team managing Mississippi’s Prepaid Savings Plan. She is looking forward to working with the team.

- **ABLE Report**

Mr. Nzournkeu, the Relationship Manager for Vestwell, presented the MD ABLE quarterly report for the period ending June 30, 2022. He reported that there were 4,773 accounts with \$48M in assets under management (“AUM”) at fiscal year-end; and that as of October 14, 2022, there are 4,991 accounts with \$50M AUM. Mr. Nzournkeu noted that the contribution decreases are a result of the current economic situation and that prepaid card accounts are at almost 500. He noted the ALR numbers and the distribution numbers in the report. There was a discussion that the numbers for ARC of Washington and the ARC of Baltimore are the highest because these are large communities with large numbers of individuals represented as ARCs are the largest entity representatives. Ms. Mobley noted that there are expectations that there will be changes to the entity accounts process as the new hierarchy regulations are implemented, which has led to not actively marketing at this time. It was also noted that due to the economy there is an increase in the cash AUM, both nationally and locally, due to higher interest rates.

- **Executive Director’s Report**

Mr. Savia provided administration updates to the Board noting that the Agency was moving forward with the following positions:

Assistant Director of Finance – The applications have been received, the panel is being convened to review and set up interviews.

CFO – The paperwork for recruitment was sent to the Department of Budget and Management (“DBM”) last week. Parallel to that recruitment, there is a temporary firm in place to find someone for three or four months during the permanent recruitment process.

Executive Associate – A position is being developed to support the Board and the Executive Director and that paperwork has also been sent to DBM.

Actuary Services – Submissions are being reviewed by staff.

Mr. Savia also reported that the Agency is working on finalizing the annual report, which should be completed by the end of the month.

Pertaining to the Board Budget, last year's report, which was prepared by the previous Director of Finance, is for informational purposes. There is no vote being requested.

- **Soundness Valuation Review**

Mr. Savia noted that the GRS report was presented to the Audit & Governance Committee last week and there will be more information available at next week's meeting, which will include pricing information.

- **Closed Session (12:55 PM)**

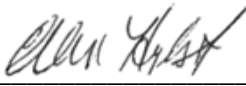
There was a request to move into Closed Session to approve minutes from previous Closed Sessions and to receive advice of counsel regarding an Open Meetings Act Complaint. There being no discussion and upon motion duly made and seconded, it was unanimously

**RESOLVED**, that the Board move into Closed Session to approve Closed Session minutes and to receive advice of counsel regarding an Open Meetings Act Complaint.

The Board moved back into open session at 1:28 PM and Mr. Tsirigotis reported that in closed session the Board approved minutes of Closed Sessions from previous meetings and received advice of counsel on an Open Meeting Act Complaint. The Board voted to approve the recommended response to the Complaint and to approve and post minutes from the administrative session of the Board held September 9, 2022.

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

**RESOLVED**, that the Board meeting be adjourned at 1:30 PM.

Approved:   
Ellen Herbst, Board Secretary

Date: November 3, 2022

Exhibit:

1A- Agenda

1B – Minutes – Open Sessions (6/23/22,  
(7/15/22, 8/19/22, 9/9/22)

3 – FY2022 Budget Report

4 – UHY Presentation

6 – ABLÉ Hierarchy Summary

7 – GRS Report

8A- MCIP July 2022 Report

8C- ABLÉ July 2022 Report