**MINUTES OF THE MEETING**

**Arkansas Section 529 Plan Review Committee**

Thursday, June 11, 2020 at 10:00am

Victory Building Conference Room, Suite 275, Little Rock, AR 72201

A meeting of the Arkansas Section 529 Plan Review Committee (“Committee”) was held on Thursday, June 11, 2020 at 10:00am in the Victory Building Conference Room, Suite 275 and via Zoom virtual meeting. Present at the meeting were Treasurer of State Dennis Milligan; Clint Rhoden, Director of the Arkansas Teacher Retirement System; Dr. Maria Markham, Director of the Arkansas Department of Higher Education; Grant Wallace, Chief Deputy Treasurer; Fran Jansen, Director of 529 Programs and Financial Education; Thomas Burchfield, Deputy Director of 529 Programs and Financial Education; Chris Scott, AR 529 Assistant; Stacy Peterson, Communications Director for the State Treasurer’s office; Dave Ponder with Ascensus College Savings; John Peace with Dover Dixon Horne; John Park with BlackRock; Mary Ryan with Vanguard.

Treasurer Milligan called the meeting to order at 10:04 am. He started the meeting by introducing Fran Jansen as the new Director of 529 Programs and Financial Education.

Treasurer Milligan then asked for a motion to approve the minutes of the March 17, 2020 meeting. Clint Rhoden moved to approve, Treasurer Milligan seconded the motion, and the minutes were approved.

Grant Wallace presented checks and invoices paid during fourth quarter of fiscal year 2020 and pending invoices for approval. Clint Rhoden moved to approve, Treasurer Milligan seconded the motion, and the checks and invoices were approved.

John Peace then reported on the budget stating that the income was ahead of budget by over $26,000, and expenses were $73,000 under budget. John concluded by saying that the ending balance at Southern Bancorp was $107,958.97 and the ending balance at First Security was $63,974.82.

John Peace then presented a revised GIFT Plan Privacy Policy for approval. He explained that the committee needed to adopt their own policy, separate from that of Ascensus to be published in a program supplement. Clint Rhoden moved to approve, Treasurer Milligan seconded the motion, and the privacy policy was approved.

A report from Ascensus College Savings, presented by Dave Ponder, detailed assets, contributions, withdrawals, funded accounts, average funded account size, iShares 529 assets, U-gift and U-promise. Dave stated that as of June 8, the total GIFT assets under management were $476,152,520. The presentation also reflected $21.9 million in year-to-date contributions, 30,421 funded accounts, with an average account size of $15,127. Dave also reported on the iShares Plan, stating that there was over $520 million in assets, 13,976 funded accounts, and an average account size over $37,000.

Mary Ryan with Vanguard gave a report on portfolio performance to the Committee. She reported that the year-to-date return on the ‘Aggressive Growth Portfolio’ was down 22%, the blended growth portfolio was only down 1.26%, and the conservative was up .67%. On the topic of the account owners staying the course she stated that for example going into April, Vanguard saw a couple of poor performance days, followed immediately by one of the biggest rallies they have seen in a very long time.

John Park reported on the iShares Plan, stating that since the beginning of the year assets had grown in Arkansas by $44 million; the total number of financial advisors offering the plan had grown to 339 and that there were currently 2,832 accounts with an average account size of $15,700.

Grant Wallace briefed the committee on federal changes to IRS section 529 through the recently passed SECURE Act. He explained that these changes expanded qualified expenses to now include student loan repayments and apprenticeships. Grant stated that during the next regular legislative session, the Treasurer’s office would work on legislation to implement these changes into the Arkansas plan.

The date for the 3rd Quarter meeting of 2020 will be determined later.

There being no further business, Treasurer Milligan moved to adjourn the meeting and the meeting adjourned at 10:33am.

Respectfully submitted,

Fran Jansen, Director of 529 Programs and Financial Education