**MINUTES OF THE MEETING**

**Arkansas Section 529 Plan Review Committee**

Tuesday, August 15, 2017 at 9:00am

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

A special meeting of the Arkansas Section 529 Plan Review Committee (“Committee”) was held on Tuesday, August 15, 2017 at 9:00am in the Victory Building Conference Room, Suite 275. Present at the meeting were Treasurer Dennis Milligan; Director George Hopkins of the Arkansas Teacher Retirement System; Grant Wallace with the Treasurer’s Office; Director of 529 Programs and Financial Education Emma Willis; AR 529 Assistant Chris Scott; Jonathan Coleman, serving as the voting representative for Dr. Markham with the Arkansas Department of Higher Education; Dave Ponder with Ascensus College Savings; John Peace with Dover Dixon Horne.

The press was notified in compliance with the Freedom of Information Act.

Treasurer Milligan called the meeting to order at 9:01am and asked for a motion to approve the minutes of the June 20, 2017 (Second Quarter) meeting, Director George Hopkins moved for motion, Jonathan Coleman seconded the motion, and the minutes were approved.

Wayne Weber made a presentation regarding the “Gift of College” gift card program, highlighting the rollout of the Gift of College gift cards in both retail and online outlets, and the associated processes and fees. Jonathan Coleman made a motion to enter into an agreement with Gift of College. Director Hopkins seconded the motion, and the motion carried.

Aaron Harris made a presentation regarding the impact of the “Everfi” program, including 19,920 students impacted, and 148 schools utilized the program since inception. Students showed the most gain of knowledge in responsible money choices, saving, and investing. The presentation also included testimonies from students and teachers, geographic maps showing district and county participation. Treasurer Milligan spoke attesting to the relationship with “Everfi” continuing to grow stronger, specifically in economically challenged counties.

John Peace reported on the budget for year ending June of 2017. As of 6/30/17 all three administrative accounts totaled $1,152,717.94.Total income was $565,228.85, which includes the $150,000.00 pay out from BlackRock. Treasurer Dennis Milligan asked for a motion to approve the budget report, Jonathan Coleman moved to approve, with Director Hopkins seconding the motion, and the motion carried.

Emma Willis presented the checks and invoices for approval, which included a partnership with Gift of College, legal fees, aerial banner, travel reimbursements, and promotional products. Director Hopkins made a motion to pay all checks and invoices, Jonathan Coleman seconded and the list was approved.

Emma Willis reported on Partnerships and Potential Opportunities which included an event with the “Pay it Forward Foundation”, multiple partnerships and events with University of Arkansas, a partnership with United Way of Northwest Arkansas, a potential partnership with Southern Bancorp where in volunteer tax preparers would incentivize putting a portion of their return in the 529 program, a collaboration with Springdale Area Schools and Toyota “Family Literacy Program”, and other partnerships and opportunities.

John Park presented a report on iShares, highlighting availability through larger trends and marketing strategy. John Park noted that redemptions from the 529’s are beginning with the school year beginning. Changes proposed included replacing selected iShares holdings with iShares Core Funds, resulting in lower total fees for the portfolios, as well as relacing selected iShares ETF’s with low cost iShares core funds that provide similar exposure. The mentioned proposed changes would make the iShares in 529 one of the cheapest investment plans. Currently 43 firms and 147 Financial Advisors are offering the iShares 529 plan, with an average account size of $19,899. Treasurer Milligan proposed a motion to accept the proposed changes, Jonathan Coleman seconded, and the motion passed through a unanimous voice vote.

Mary Ryan with Vanguard presented her report, highlighting the portfolio and underlying fund performance which detailed performance and allocation, underlying fund details including stock and market index fund details, and Vanguard’s economic and market outlook.

A report on the Ascensus College Savings was presented by Dave Ponder which detailed assets, contributions, withdrawals, funded accounts, average funded account size, iShares 529 assets, and U-gift and U-promise. The total GIFT assets under management were $375,076,909. The presentation also reflected 25,790 funded accounts, with an average account size of $14,543.

The date for the 4th Quarter meeting 2017 will be November 14th, 2017 at 9:00am.

There being no further business, Treasurer Milligan moved to adjourn the meeting and the meeting adjourned at 10:13am.

Respectfully submitted,

Emma Willis, Director of 529 Programs and Financial Education