

MINUTES OF THE MEETING
Arkansas Section 529 Plan Review Committee

Thursday, October 10, 2024, at 10:00 AM
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, October 10, 2024, at 10:00 AM in the Victory Building Conference Room, Suite 275 and via Microsoft Teams virtual meeting. Present at the meeting were Arkansas Treasurer of State Larry Walther; Stephen Bright, Chief of Staff; Eric Munson, Chief Deputy Treasurer; Heather McKim, Chief Public Affairs Officer; Rod Graves, Deputy Director, Arkansas Teacher Retirement System (Designee for ATRS Director, Mark White); Alisha Lewis, Assistant Commissioner, Arkansas Division of Higher Education (Designee for ADHE Director, Dr. Ken Warden); Fran Jansen, Director of 529 Programs and Financial Education; Chris Scott, Manager, 529 Programs; Kim Shockley and Johnny Saldana, with Ascensus College Savings; John Peace with Wright, Lindsey & Jennings LLP; John Park with BlackRock; Christy Miller and Amanda White with Vanguard.

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

Treasurer Walther called the meeting to order at 9:59 AM.

Treasurer Walther then asked for a motion to approve the meeting minutes from August 29, 2024. Rod Graves moved for approval, Alisha Lewis seconded the motion, and the minutes were approved.

Fran Jansen presented for approval checks and invoices paid during Q2 FY 2025. Rod Graves moved for approval, Alisha Lewis seconded the motion, and the checks and invoices were approved.

Fran then gave the director's report which summarized recent outreach and marketing efforts including results from an online 529 sweepstakes held in September; that Chris would be attending ArcBest's Employee Fair in October; and that she and Chris would be returning to ArcBest in November for a full presentation to all their employees. She also briefed the committee on sponsoring the Economics Arkansas' annual Teachers Conference, Chris attending the ADE Summit in Hot Springs, and numerous open-enrollment fairs at various state agencies.

Next, Kim Shockley reported on direct 529 account activity and advisor plan assets, U-gift, and U-promise activity. She stated that as of September 30, the Brighter Future Direct Plan assets under management were more than \$650 million. The direct plan received nearly \$45 million in year-to-date contributions, while year-to-date withdrawals were at \$43 million, and there was a total of 35,763 funded accounts, with an average account size of \$18,364. Kim also reported on the Brighter Future Advisor Plan, stating that as of September 30, there was \$789 million in total assets under management, and a total of 17,349 funded accounts, with an average account size of \$43,497.

Amanda White then presented Vanguard's annual due diligence review, economic and market overview and the program's portfolio and underlying fund performance. She noted that the due diligence review did not result in any suggested changes to the portfolio options. Amanda also reported that markets year-to-date so far had positive performance, and that the Federal Reserve was starting to cut interest rates.

Next, John Park with BlackRock commented on current market and economic conditions, summarizing that the stock market had been performing well, and that unemployment and consumer confidence reports were still coming back strong. He then reported on the Arkansas-owned Brighter Future Advisor Plan stating that there were 469 financial advisors offering the plan in Arkansas and that there were currently 4,286 Arkansas-owned accounts with an average account size of \$20,414.

John Peace then presented the budget report for FY24, reporting that income exceeded expenses by almost \$213,000, and that total expenses came in \$18,000 under-budget. He also stated that the balances of the administrative accounts totaled \$530,324 at the end of June 2024.

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John also presented for approval an engagement letter from Landmark CPA to perform an audit of both the direct and advisor 529 plans for FY24. He said that the proposal was similar to those in the past and recommended approving the engagement letter. Rod Graves moved for approval, Alisha Lewis seconded the motion, and the engagement with Landmark was approved.

For new business, Fran proposed March dates for the next quarterly meeting.

There being no further business, Treasurer Walther adjourned the meeting at 10:52 AM.

Respectfully submitted,

Fran Jansen, Director of 529 Programs and Financial Education