**MINUTES OF THE MEETING**

**Arkansas Section 529 Plan Review Committee**

Tuesday, May 14, 2019 at 9:00am

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

A meeting of the Arkansas Section 529 Plan Review Committee (“Committee”) was held on Tuesday, May 14, 2019 at 9:00am in the Victory Building Conference Room, Suite 275. Present at the meeting were Grant Wallace, Chief Deputy Treasurer; Treasurer of State Dennis Milligan; Rod Graves, of the Arkansas Teacher Retirement System; Jonathan Coleman with the Arkansas Department of Higher Education Director of 529 Programs and Financial Education Emma Willis; AR 529 Assistant Chris Scott; Dave Ponder with Ascensus College Savings; John Peace with Dover Dixon Horne; John Park with BlackRock.

Treasurer Milligan called the meeting to order at 9:00 am. He asked for a motion to approve the minutes of the February 28th, 2019 meeting, Rod Graves moved to approve, Jonathan Coleman seconded the motion, and the minutes were approved.

Emma Willis presented checks and invoices for the second quarter of fiscal year 2019 for approval. Jonathan Coleman moved to approve, Rod Graves seconded the motion, and the checks and invoices were approved.

John Peace with Dover Dixon Horne reported on the budget, noting the report was through April 30th. He stated that the income was right in line with the budget. John continued, saying that the expenses were about $200,000 over budget, primarily coming from the development of the mobile app. He stated the current account balances totaled about $237,000.

Emma Willis presented her written report, covering EOA and ACOM partnerships status, information about the Clinton Foundation ACT preparation, A publication effort between University of Washington, University of Arkansas, and 529, an update on the National Urban League White paper, and her invitations to speak in upcoming NAST panels. She stated that all the details the committee would need are in the written report.

Emma Willis then went on to her verbal report, highlighting Invite Education, the “Smart Women, Smart Money” Conference, and an update on the mobile application. Emma mentioned that for Invite Education, we were still in the contracting process, assuring that all the partners (Arkansas Treasurer’s office, Arkansas Student Loan Authority, Arkansas 529, and Arkansas Department of Higher Education) have all received a contract suitable for their agency. She continued her report with the “Smart Women, Smart Money” Conference, stating that it was a successful event, with over 200 women registered, with a healthy offering of financial events throughout the day, with great feedback and high anticipation for the conference next year. Emma stated that a group of women were also interested in forming an advisory group to grow the attendance next year. Treasurer Milligan added that this was the first time the “Smart Women, Smart Money” Conference was held outside of the state of Idaho. He continued saying that he was inspired by the response from the women.

Emma Willis provided an update on the mobile application, stating that two-factor authentication was coming to the app in the next version update, as well as mobile enrollment, which will beef up security and allow the mobile enrollment feature. She stated that while were a bit behind schedule, we were working fast to get everything back on schedule with the project.

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, U-gift and U-promise. Dave stated since the market and inflows into the plan have been good. As of the end of April, the total GIFT assets under management were over $432,000,000, another all-time high for the plan. He stated that the iShares plan was doing great as well. The presentation also reflected $70.2 million in year to date contributions, over 28,600 funded accounts, with an average account size north of $15,000. Dave also reported on the iShares Plan, stating that there was $473,000,000 in assets, 12,669 funded accounts, and an average account size of over $37,000. Dave continued stating that he continues to be amazed at the rate of growth, noting that the GIFT plan assets in addition to the iShares plan have passed $900,000,000 and is on its way to a total of $1,000,000,000 in assets. Treasurer Milligan commented that the Plan continues to get more traction and is more widely recognized and that it was phenomenal, and he was thankful for the committee’s efforts and their major impact on the plan since he has come on board.

John Park then made a report on the iShares Plan. He began by stating that the recent tax changes and additional incentives to bring the funds back into the state of Arkansas has helped the advisor-sold plan tremendously. The iShares report went on to highlight broadening iShares plan availability, product structure and price review, as well as marketing strategy. He mentioned that the plan is now approved to be offered by LPL Financial, a major firm in the country. John went on to say that there are now 53 firms and 281 Financial Advisors selling the iShares plan in Arkansas.

Mary Ryan with Vanguard had sent over meeting decks beforehand, as she could not attend. These meeting decks were distributed to the committee. Emma did advise that there were no major changes to report on.

Grant Wallace gave the last report, stating that he and Emma had spent the last few months reviewing our marketing firm, and would like to receive permission to switch from MHP to Vines/Brookshire, a small marketing firm that has an exciting vision for the plan, and would like to invite them to come in to the next board meeting and share their proposal. Treasurer Milligan added that while MHP is a fine firm, but that this was simply a decision to change and see if Vines/Brookshire could help us, and if not we could return to MHP or look elsewhere. He asked for a motion to approve the change of marketing firms from MHP to Vines/Brookshire, Jonathan Coleman moved to approve, Rod Graves seconded the motion, and the motion was approved.

The date for the 3rd Quarter meeting of 2019 will be determined later.

There being no further business, Treasurer Milligan moved to adjourn the meeting and the meeting adjourned at 9:23am.

Respectfully submitted,

Emma Willis, Director of 529 Programs and Financial Education