

MINUTES OF THE MEETING
Arkansas Section 529 Plan Review Committee

Thursday, November 30, 2023, 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, November 30, 2023, at 10:00 AM in the Victory Building Conference Room, Suite 275 and via Zoom virtual meeting. Present at the meeting were Arkansas Treasurer of State Larry Walther; Stephen Bright, Chief of Staff; Eric Munson, Chief Deputy Treasurer; Mark White, Executive Director of Arkansas Teacher Retirement System; Dr. Ken Warden, Commissioner of Arkansas Division of Higher Education; Fran Jansen, Director of 529 Programs and Financial Education; Chris Scott, Manager, 529 Programs; Kim Shockley with Ascensus College Savings; John Peace with Wright, Lindsey & Jennings LLP; John Park with BlackRock; 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 10:06 AM.

Following introductions, Treasurer Walther asked for a motion to approve the meeting minutes from September 14, 2023. Mark White moved for approval, Dr. Ken Warden seconded the motion, and the minutes were approved.

Fran Jansen then gave the director's report which highlighted holiday season marketing and recent outreach efforts. She also informed the committee that the Arkansas 529 Brighter Future plan would be sponsoring a preschool graduation as a pilot program that could potentially be offered to other preschools in the future. Dr. Warden offered to assist with those future efforts.

Fran then presented for approval checks and invoices paid during Q2 FY 2024. Dr. Warden moved to approve, Director White seconded the motion, and the checks and invoices were approved.

Next, John Peace presented a budget report for fiscal year 2024 thus far, reporting that from July 1 to November 30, income came in at \$294,145.33, and expenses paid totaled \$168,141.45. He closed by reporting that the administrative accounts balance as of November 30 totaled \$443,656.10. John then presented the engagement letter from Landmark CPA seeking to provide audits for both the Brighter Future Direct and Advisor plans for Fiscal Year 2023. Mark White moved for approval of the engagement letter, Dr. Ken Warden seconded the motion, and the engagement letter was approved.

Kim Shockley then reported on Direct 529 account activity as well as Advisor Plan assets, U-gift, and U-promise. She stated that as of September 30, the Brighter Future Direct Plan assets under management were \$545,031,738. The direct plan received \$42 million in year-to-date contributions, year-to-date withdrawals were at \$40.6 million, and there was a total of 34,558 funded accounts, with an average account size of \$15,771. Kim also reported on the Brighter Future Advisor Plan, stating that as of September 30, there was \$655 million in total assets under management, and 17,068 funded accounts, with an average account size of \$38,396.

Next, Amanda White reported on Vanguard's 529 annual plan review, industry trends and market outlook. She stated that Vanguard was not recommending any changes to the plan's portfolios at this time. On industry trends and market outlooks, Amanda reported positive year-to-date equity markets and recovering fixed income markets.

John Park also provided commentary on market reactions to inflation data and high interest rates. He reported on the Arkansas-owned Brighter Future Advisor Plan accounts stating that there were 466 financial advisors offering the plan in Arkansas and currently 4,111 Arkansas-owned accounts with an average account size of \$16,798.

For new business, Fran proposed March 7 for the next quarterly meeting.

There being no further business, Treasurer Walther adjourned the meeting at 11:12 AM.

Respectfully submitted,

Fran Jansen, Director of 529 Programs and Financial Education