**MINUTES OF THE MEETING**

**Arkansas Section 529 Plan Review Committee**

Tuesday, June 21, 2022, 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 Tuesday, June 21, 2022, at 10:00 AM 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; Alisha Lewis, serving as proxy for Arkansas Department of Higher Education; Fran Jansen, Director of 529 Programs and Financial Education; Chris Scott, Manager, AR 529 Programs; Stacy Peterson, Communications Director for the State Treasurer’s office; Dave Ponder with Ascensus College Savings; John Peace with Wright, Lindsey & Jennings LLP; John Park with BlackRock; Julia Ward with Vanguard; Kelsey Smith and Alaina Bromling with Brand Catalyst Company; Brooke Vines and Bill Brookshire with Vines/Brookshire.

Treasurer Milligan called the meeting to order at 10:04 AM.

The Treasurer then asked for a motion to approve the meeting minutes from March 8, 2022. Clint Rhoden moved for approval, Alisha Lewis seconded the motion, and the minutes were approved.

Fran Jansen gave the director’s report. She highlighted recent brand awareness promotions on KTHV-Channel 11 and local radio stations B98.5 and Alice 107.7. She then informed the committee that Brighter Future 529 would sponsor the Arkansas Travelers Kids Zone again and, new this year, would be entering into a year-long sponsorship with Arkansas State University men’s and women’s athletics. Next, Fran reviewed recent outreach efforts and meetings which included attending the Governor’s Coding Competition at the University of Central Arkansas, a due diligence meeting at Ascensus with Grant, the National Association of State Treasurer’s Management Training Symposium in Texas with Chris, and a ‘Personal Finance Day’ at the University of Central Arkansas. She finished her report with a brief update on the plan’s transition to target enrollment portfolios and by announcing that the new BF529 rules have officially been adopted and filed with Secretary of State.

Fran then presented for approval checks and invoices paid during fourth quarter of fiscal year 2022. Clint Rhoden moved to approve, Alisha Lewis seconded the motion, and the checks and invoices were approved.

Next, the BF529 marketing partners presented their annual reviews. First, Brooke Vines and Bill Brookshire with Vines/Brookshire reported on digital media initiatives and performance, including public relations and audience demographics. Then, Kelsey Smith and Alaina Bromling with Brand Catalyst Company reported on social media strategy, results, top performing creative, organic results, special initiatives, and areas they would like to focus on

in the future.

Dave Ponder reported on assets, contributions, withdrawals, funded accounts, average funded account size, Advisor Plan 529 assets, U-gift, and U-promise. Dave indicated that account owners were being notified of the target enrollment portfolio change by mail and email as well as the associated changes to the website and program description. He stated that as of May 31, the Brighter Future Direct Plan assets under management were $542,800,869. He noted that the direct plan received $26.6 million in year-to-date contributions, had a total of 33,446 funded accounts, with an average account size of $16,229. Dave also reported on the Brighter Future Advisor Plan, stating there was nearly $644 million in total assets under management, 16,339 funded accounts, with an average account size of $39,451, bringing the total of assets under management for the plan to $1,187,406,122.

Next, Julia Ward reported on 529 industry trends, economic influences and forecasts, and portfolio performance. She advised that major trends included progressive smooth glide paths, price compressions, and other options that some states are choosing to add to their current portfolios. Julia reported that already-turbulent economic conditions resulted in Vanguard lowering their US economy growth projections from 4% to 3.5% for 2022. Julia also reported that portfolio performance in general continued as expected.

Treasurer Milligan inquired about any potential Russian exposure that our portfolios may have and Julia advised that while the exposure was minimal (lower than one percent) they will divest when they are able to as the securities were not currently trading.

John Park reported on the Brighter Future Advisor Plans stating that at the end of the first quarter, assets had decreased by 3% since the end of 2021 due to volatility in the market. Highlighting Arkansas-owned accounts, he reported the total number of financial advisors offering the plan in Arkansas has grown to 420 advisors and that there were currently 3,718 Arkansas-owned accounts with an average account size of $18,773.

John Peace reported on the final budget for fiscal year 2022. He stated that as of June 30, the income was $716,678, and that expenses came in at $661,151 with a resulting net income of $55,526. He also noted that the administrative accounts had a combined balance of $233,954.

There being no further business, Treasurer Milligan adjourned the meeting at 11:22 AM.

Respectfully submitted,

Fran Jansen, Director of 529 Programs and Financial Education