

MINUTES OF THE MEETING
Arkansas Section 529 Plan Review Committee

Monday, March 17, 2025, 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 Monday, March 17, 2025, 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 John Thurston; Bill Huffman, Chief Deputy Treasurer; Ben Ellis, Chief Operations Officer; Kenneth Bursleson, Chief Deputy Treasurer & Chief Legal Counsel; Amanda O’Neal, General Counsel & Director of Public Relations; Michael Harry, Chief Compliance Officer & Director of Governmental Affairs; Dr. Ken Warden, Commissioner, Arkansas Division of Higher Education; Mark White, Director of Arkansas Teacher Retirement System; 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; Amanda White with Vanguard; and Greg Walker with Landmark PLC.

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

Treasurer Thurston called the meeting to order at 10:00 AM. He then asked for a motion to approve the meeting minutes from October 10, 2024. Mark White moved for approval, Dr. Ken Warden seconded the motion, and the minutes were approved.

Fran Jansen presented for approval checks and invoices paid during Q3 FY 2025. Dr. Warden moved for approval, Mark White seconded the motion, and the checks and invoices were approved.

Fran then asked for the committee to approve removing former Treasurer Larry Walther as a signatory on the administrative accounts and adding Treasurer Thurston. Mark White moved for approval, Dr. Warden seconded the motion, and the signatory changes were approved.

Next, Fran gave the director’s report which summarized recent outreach and marketing efforts. Media exposure included television appearances on KARK Channel 4, as well as articles in *AY* and *Talk Business & Politics* magazines. She also mentioned events attended and presentations made that included the Society of Human Resources Managers conference, ArcBest, and the Women’s Foundation Girls of Promise workshop.

Chris Scott then reported on state and federal legislation with potential to change the Brighter Future 529 Plan. He reported that the “Freedom to Invest in Tomorrow’s Workforce Act” had been reintroduced for 119th Congress. It would allow funds in a 529 to be used for expenses related to recognized postsecondary credentials. Michael Harry mentioned that he and the Treasurer were in Washington DC the previous week and met with Congressmen Hill and Westerman who were both supportive of this bill. Then Chris reported on state-level bills currently being considered including allowing unused 529 funds to be rolled over into a Roth IRA, allowing certain entities to share personally identifying information with the Treasurer’s office, and a bill that expands restricted investment products for a public investment entity.

Next, Kim Shockley reported on direct and advisor 529 plans account activity, Ugift, and U-Promise activity. She stated that as of December 31, the Brighter Future Direct Plan assets under management were more than \$656 million. The direct plan received nearly \$65.6 million in year-to-date contributions, while year-to-date withdrawals were at \$55.2 million, and there was a total of 36,322 funded accounts, with an average account size of \$18,066. Kim also reported on the Brighter Future Advisor Plan, stating that as of December 31, there was \$775.2 million in assets under management, and a total of 17,407 funded accounts, with an average account size of \$44,534. Chris noted that as of February 28, together the direct and advisor plans totaled over 54,000 accounts with assets under management coming in at \$1.46 billion.

Next, John Park with BlackRock commented on current market and economic conditions, summarizing that the economy is still relatively strong and various industries are waiting to adapt to any new federal policy decisions. He then reported on the Arkansas-owned Brighter Future Advisor Plan, noting that it had grown 90% since 2017 compared to the 70% industry norm, and had the third largest average account size of all advisor-sold 529 plans. He also reported that as of December 31, there were 481 financial advisors offering the plan in Arkansas and that there were currently 4,362 Arkansas-owned accounts with an average account size of \$20,021.

Next, Amanda White presented Vanguard's economic and market overview as well as the program's portfolio and underlying fund performance. She noted that the Federal Reserve paused rate cuts in January 2025, with projections for two additional cuts later in the year, though tariffs and inflation remain key risks. Amanda reported that portfolios with higher equity exposure, such as aggressive growth and long-term target enrollment, showed strong double-digit returns through January but may face pressure from recent market declines.

Next, John Peace presented a budget report for fiscal year 2025 thus far. He stated that as of the end of February, income had come in at \$549,038, There had been \$354,307 in expenses and that the balances of the administrative accounts total \$833,597.

Greg Walker from Landmark was in attendance to present the firm's findings from an audit of the 2024 Arkansas 529 plans. Following a brief overview of Landmark's services, Greg indicated that clean opinions were issued for both the direct and advisor-sold Arkansas plans. He followed with a summary of the independent auditor's report, management discussion and analysis, and basic financial statements.

For new business, Fran asked the committee to consider reallocating \$5,000 in the marketing budget from the "Scholarships & Grants" line item to "Marketing" to fund streaming TV advertising in May. Mark White moved for approval, Dr. Warden seconded the motion, and the budget reallocation was approved.

She then briefed the committee on an initiative the office had been working on with Tempus Realty called "GROW." Fran explained that "GROW" was a CSA initiative which Tempus created through their nonprofit foundation to open and fund Brighter Future 529 accounts for students and faculty of Murrell Taylor Elementary School in Jacksonville. She added that this would hopefully inspire other non-profits around the state to adopt schools in their communities.

Fran closed new business by proposing June dates for the next quarterly meeting.

There being no further business, Treasurer Thurston adjourned the meeting at 11:34 AM.

Respectfully submitted,

Fran Jansen, Director of 529 Programs and Financial Education