

MINUTES OF THE MEETING
Arkansas Section 529 Plan Review Committee

Tuesday, June 17, 2025, at 9:00 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 17, 2025, at 9:00 AM in the Victory Building Conference Room, Suite 275 and via Microsoft Teams virtual meeting. Present at the meeting were Michael Harry, Chief Compliance Officer for Treasurer of State John Thurston (Designee for Arkansas Treasurer of State John Thurston); Bill Huffman, Chief Deputy Treasurer; Ben Ellis, Chief Operations Officer; Kenneth Burleson, Chief Deputy Treasurer & Chief Legal Counsel; Amanda O’Neal, General Counsel & Director of Public Relations; Alisha Lewis, Assistant Commissioner (Designee for Dr. Ken Warden, Commissioner, Arkansas Division of Higher Education); Rod Graves, Deputy Director (Designee for Mark White, Director of Arkansas Teacher Retirement System); Fran Jansen, Director of 529 Programs and Financial Education; Chris Scott, Manager, 529 Programs; Kim Shockley, Johnny Saldana, Thomas Lowe, Audrey Syatt, and Thomas Hewitt with Ascensus College Savings.; John Peace with Wright, Lindsey & Jennings LLP; John Park with BlackRock; Amanda White, Ryan Matthews, Christy Miller, James Creel, and Smitha Walling with Vanguard

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

Michael Harry called the meeting to order at 9:00 AM. He then asked for a motion to approve the meeting minutes from March 17, 2025. Alisha Lewis moved for approval, Rod Graves seconded the motion, and the minutes were approved.

Fran Jansen presented for approval checks and invoices paid during Q4 FY 2025. Mr. Graves moved for approval, Mrs. Lewis seconded the motion, and the checks and invoices were approved.

Ms. Jansen then proposed a budget for FY 26 for consideration. Ms. Jansen highlighted the changes over previous years and provided context for them. Mr. Graves made a motion to approve the budget for FY 26 as presented, Mrs. Lewis seconded the motion, and the budget was approved.

Ms. Jansen gave the director’s report which summarized recent outreach and marketing efforts. This included an upcoming op-ed in Arkansas Money & Politics where Treasurer Thurston will discuss how offering 529 payroll deductions can benefit business, a sponsorship with the Arkansas Travelers with accompanying sweepstakes, a presentation to Girls of Promise and conference sponsorships. Ms. Jansen also provided an update on the GROW program at Murrell Taylor Elementary school. Ms. Jansen closed her report by briefing the committee on recently passed bills from the 95th general assembly that impacted the 529 plan.

John Peace presented a budget report for fiscal year 2025. Mr. Peace stated that revenues exceeded expenses by \$251,016,84, Marketing expenses were expected to come in right at budget once final invoices were received, and that the balance of the two bank accounts (Southern Bancorp & First Security Bank) was \$890,694 as of May 30, 2025.

Kim Shockley reported on the direct 529 plan, highlighting that despite market volatility in Q1, the plan still saw growth in Assets Under Management compared to the end of Q4 2024, the number of funded accounts also grew, adding over 400 accounts in Q1, and that the direct plan continues to see positive net returns based on both growth in number of accounts and market performance.

John Park with BlackRock reported on the Advisor 529 plan, summarizing that there were currently \$801 million in assets, 67 firms licensed to sell the plan that reflected 496 advisors and 4,362 accounts.

Amanda White presented Vanguard’s quarterly report and highlighted recent equity and fixed income market performances. She commented that the direct plan’s portfolios with a higher allocation to international equities provided diversification benefits and that all portfolios were positive for one-year returns.

Mr. Harry then briefed the Committee on the passage of Act 937 from the state legislature, which in part requires the Arkansas 529 plan to divest a small amount of its assets away from any underlying funds that have exposure to Chinese markets. Mrs. Shockley then provided a summary of current 529 industry practices surrounding investments and Arkansas’ investment management through Vanguard and BlackRock. Christy Miller from Vanguard spoke to the direct plan, showing current minimal overall exposure to Chinese markets, Vanguard’s practices, and proposed options to make the necessary divestment changes to further minimize the exposure. Mrs. Miller noted that Vanguard

was working towards launching an ex-China product that could be used here. Mr. Park from BlackRock spoke to the advisor plan, also showing current minimal overall exposure to Chinese markets as well as proposed options to make the necessary changes. John mentioned that BlackRock already had an existing ex-China product that could replace the current underlying funds with the most exposure.

Mr. Harry then asked for a motion that the committee work towards implementing Vanguard's and BlackRock's ex-China products into the respective portfolio options as soon as reasonably possible and that total China market exposure be reported both quarterly and annually as outlined in Act 937. Mrs. Lewis moved for approval, Mr. Graves seconded the motion, and the motion was approved.

For new business Ms. Jansen proposed September 25th for the next quarterly meeting.

There being no further business, Mr. Harry adjourned the meeting at 9:37 AM.

Respectfully submitted,

Chris Scott, Acting Director of 529 Programs and Financial Education