

To the Maryland Legislature,

Thank you for your serious consideration of House Bill 1290 (Senate Bill 0959) regarding the 529 Maryland Prepaid College Trust. With amendments, it is my hope that you are able to move this bill forward in this legislative session to provide relief to the parents and college-age children who are currently struggling financially as a result of the mismanagement of the MCPT.

My recommendations are as follows:

- The legislature will provide explicit instruction to the Treasurer for administration of the MCPT. The Treasurer should be given the adequate support to execute the Bill in a timely manner.
- Should the trust remain intact, contracts will be honored to restore investment earnings to all existing account holders (per contract) and the trust will be transparent in communication of the contract value.
- Should the Trust be dissolved, which I endorse, contracts will be honored to restore investment earnings to all existing account holders and account holders will be given the option to rollover funds directly into a qualified educational savings vehicle. Those with multiple accounts per beneficiary will be allowed to consolidate accounts in order to meet IRS rules limiting the number of rollovers per year.
- Existing funds in the trust (\$355.6M surplus and \$321M set aside for earnings) should be used to restore interest to accounts of existing account holders, as noted in their original contracts. Should the trust not be able to cover all earnings owed to account holders, additional funds will be approved from a rainy day fund provided by the state of Maryland to make account holders whole.
- Communication with account holders will be frequent, transparent, and include reasonable timelines. Account holders will be notified of the outcome of the legislature's decision within 15 days of the outcome. All future statements will include principal, earnings, and FAFSA value for accounting purposes.
- If the current calculated weighted average tuition is less than the amount estimated at the time the contract was signed, the account holder is still entitled to those funds and any earnings. These excess funds may be applied to other educational expenses, rolled over to another qualified educational account, or transferred to another beneficiary.
- During the restoration of accounts, there will be prioritization of account holders whose beneficiaries are currently in college or will be attending college in fall 2023 (current seniors in high school).
- Extend the statute of limitations for contract disputes to one year.
- Add subpoena power to enable access to all account information as needed.

I beseech you to act swiftly to rectify this situation. Our children's futures are in your hands.

Most sincerely,

Amber K. Boehm

