

EZRA Griboff – Oral testimony before the MD Senate Budget and Taxation Committee (March 15, 2023)
SB959: Higher Education - Maryland 529 Program – Reform

Good afternoon honorable Senators,

I'm Ezra Griboff, a resident of Rockville, and a Freshman at Emerson College in Boston.

What is Fifty-two thousand dollars? Let that roll around in your head for a moment.

Could be someone's annual salary. Could be a hospital bill.

In my case, that's one full year of college tuition missing from my MPCT account.

The fact is: the Maryland529 Trust disclosed that there were **investment** earnings available to me for rollovers -- TWICE -- on official letterhead.

I had every reasonable expectation to rely on these documents in deciding that attending Emerson was affordable for my family and me.

These funds are gone, because the Trust Board is not honoring the contracts that called for **investment** earnings in rollovers.

My contract entitled me to 100 percent of **investment** earnings (or losses) from the day of my parents' first **investment** in 2004 to the day they would roll over their money to another qualified educational plan.

The same contract says that, although the Board could amend the terms of the contract from time to time, the change cannot be adverse to the Trust participants.

In the MPCT disclosure statement available on its website, dated 2021-22, the Board removed the word "**investment**" and left just the vague word "earnings" in its rollover paragraph. And all of a sudden, \$52,000 disappeared from my Trust account.

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This is the heart of the problem: the Trust Board’s arbitrary recasting of the rollover benefit by removing the word “**investment**” is adverse to the Trust participants, and breaches the terms of my contract.

This needs to be corrected now. In less than 6 months, the Fall 2023 tuition bills are due.

I fully support the efforts of the General Assembly to investigate the mismanaged Maryland529 Trust.

Although Senate Bill 959 is a step in the right direction, it does not provide the immediate relief my parents and I need to pay out-of-state tuition and avoid significant unexpected debt.

I suggest an amendment that leaves no ambiguity on the definitions and calculations of interest rates, investment earnings, distributions, rollovers and refunds.

And a further amendment that provides immediate rollover access to our contributions and **investment** earnings that we relied on from our contract and as disclosed on our December 2021 MPCT Annual Statements.

We should not have to wait for the transfer of the Trust responsibilities to the State Treasurer this summer or the outcome of the proposed workgroup’s research and recommendations next summer.

If you were relying on \$52,000 how fast would you want it found?

Thank you for your consideration.