



MEMORANDUM

TO: Senate Budget and Taxation and Education, Energy, and the Environment Committees

FROM: Anthony Savia, Executive Director, Maryland 529

DATE: March 15, 2023

RE: SB0959 Higher Education – Maryland 529 Program Reform

Good afternoon, Chairs Guzzone and Feldman and respective committee members. I am Anthony Savia and I thank you for allowing me to share my thoughts about the proposed Maryland 529 Program Reform bill currently being considered. As the Executive Director of the agency for the past six months, I have been able to assess the agency's infrastructure and identify both its strengths and weaknesses.

I agree that changes can be made to improve the Programs and understand the desire to place Maryland 529 under the direction of the State Treasurer's Office. I would note that while many of the 529 and ABLE Programs throughout the nation fall under the State Treasurer's Office, most also have an oversight Board to monitor the activities of these programs more closely. I believe Maryland 529 should remain an independent agency. Given the multitude of responsibilities that a state Treasurer has, direct oversight by only one individual would be difficult. I would also note that other state 529 programs that fall under the Treasurer's Office originated within the Treasurer's office and were able to grow and mature organically within the organization over the years.

I would submit that abolishing the Maryland 529 Board that oversees the agency and moving all reporting responsibilities under the Treasurer could result in *less* oversight for the Maryland 529 Programs than is currently in place. The Maryland State Treasurer, along with the Comptroller, the Secretary of the Department of Disabilities, the Secretary of Higher Education and the Chancellor of the University System have been Board members since the inception of the agency's college savings and ABLE programs.

Maryland529

Additionally, the Board currently has three separate committees that are responsible for the oversight of Administration, Personnel and Finance; Investments; and Audit and Governance. As written, SB0959 would give this authority to one individual.

I recognize and agree with the need to revise the agency's oversight structure. I suggest adding new Board members and updating and strengthening the Board's current bylaws. I would recommend that these changes include adding a minimum of one Delegate and one Senator to the Board, in addition to any other members that the General Assembly deems appropriate. I would also recommend establishing key performance indicators that include an annual report, separate from the State required annual report, along with a posted monthly dashboard showing program performance. The passage of SB475, the legislation that addresses the formation of a task force to study potential changes for Maryland 529's structure and reporting could help define those indicators and reporting requirements.

I believe that adopting the recommendations I have presented today, as amendments to the bill, will help us achieve our shared goal of strengthening the infrastructure and oversight of Maryland 529.

Thank you.