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Budget and Taxation Committee
SB0959
Maryland Prepaid College Trust Account Holder Testimony

Thank you, Committee members, for considering my testimony.

I'm Monica Heinlein, I'm a resident of District 13, I'm a MD public school counselor and the proud mother of Matthew, a sophomore at Howard Community College, and Connor, a freshman at Towson University. I opened Maryland Prepaid College Trust accounts for my boys in 2008 and 2009, the years they entered kindergarten in the hopes that it would prevent them from becoming part of the student loan debt crisis plaguing our country.

Maryland 529's narrative that there was a calculation error that needed to be fixed is false. Until early 2022, account values calculated by the Prepaid Trust staff for rollovers equaled contributions plus compounded earnings since date of inception at a rate of approximately 5.5% to 6%. This was in keeping with our contracts which stated that the rollover calculation equals "100% investment earnings since date of inception." By April 2022, MD 529 put a hold on rollovers until they fixed what they claim was a calculation error.

My son, Matt, is one of the lucky ones. I rolled over his Trust account in March of 2021 to the Maryland College Investment Plan. The total principal for his accounts was \$20,116 and earnings equaled \$13,980. Unfortunately, I didn't do the same for Connor, who's now one of the unlucky ones because his accounts have lost over \$13,000 in earnings due to MD 529's harmful "fix" for an error that didn't exist.

The Board's harmful "fix", which decimated earnings on accounts opened prior to November 2021, wasn't made public until January 6, 2023 (by posting in on their website). What they tried to fix was what they saw as a problem- they didn't like how rollover values were calculated per our contracts, so they reinterpreted and changed contract language and applied it retroactively.

SB0959 needs an amendment to ensure that our account values are restored to include earnings as stated in our contracts and reflected as the FAFSA value on our 2021 Annual Statements. We need your help and the Treasurer's to make this happen now, before our children's college tuition bills are due in August 2023.

Thank you for your time and support.