

Thank you, Senators, for giving us an opportunity to share our stories today. My name is Heather Boley, and I am from District 27B.

We have a student debt crisis in our country in which students collectively owe \$1.76 trillion.

Our family took steps to prevent that for our children by enrolling in MD's Prepaid Trust Plan. In 2005, we opened 2 MPCT accounts for our 1-year-old daughter and newborn daughter anticipating that they would be attending college in 2022 and 2023. We opened a 3rd account in 2007 for our son who we anticipated attending college in 2025; we knew we would have exorbitant costs paying for 3 kids in college all very close in age, so we planned accordingly. In the December 31, 2021 statement as well as a copy of the account information we requested in February 2022 it was confirmed that the total of all 3 accounts had a reporting value of \$271,751.02. A breakdown of all the accounts showed that my daughter, Abby's account had \$94,650.81; my daughter Megan had \$91,697.60; and my son Ryan had \$85,516.84. We felt assured that the money was safe and available for our children to attend college and graduate debt free.

When our oldest daughter, Abby started the process of selecting colleges, we relied on the FAFSA reporting values provided to us. Again, we called MPCT and it was confirmed in February 2022 that Abby had \$94.6K in her account which could be rolled over to the Investment Plan and used to pay both tuition and room and board costs. We knew that with the scholarship money she received from Pittsburgh along with the fact that she had accrued enough college credit from high school to graduate in 3 years versus 4, we could make it work with our budget. It was after several discussions and reviewing the college cost spreadsheets that Abby committed to Pitt.

In August 2022, Abby started her first year at Pitt, and we called at that time to have the rollover initiated. However, it was then that we learned our funds were frozen due to a system wide update. We were told the issue would be resolved in September, then November, and so on. We were told our funds were safe. During this time, we submitted a service request for a manual calculation for Abby's account as her account was considered a priority case. We then submitted a payment request as we were late on her fall payment, and MPCT made one payment of ~\$5K; leaving us with a remaining balance of \$12K for tuition/room and board costs. We continued to delay payment for her fall semester in hopes that our remaining funds would be unfrozen; however, that did not happen and my daughter's college account went to the collections department and a hold was placed on it. This meant her transcripts and grades could not be accessed, and we were told Abby would be disenrolled from Pitt if the balance was not paid in full. Therefore, we had to borrow money from her grandparents who used funds from their retirement reserves to pay the remaining balance of \$12K. Several weeks later, we received her spring bill of \$17K. Although our manual calculations had been completed by this point, our earnings had been retroactively changed so that her original balance of \$94.6K was no longer available; now it was reported she only had \$35K to cover her next 5 semesters. We had to borrow more money from her grandparents to cover the balance of the bill. We continue to wait for a resolution to our dispute of this recalculated amount.

Included in Abby's individual manual calculations was also the total of all 3 of the accounts we have in MPCT; which showed we only have \$120,103.21 for our 3 children's college trusts. This is roughly \$151.6K less than what we were told we had in February 2022. We sacrificed putting money away for our children so they would be able to attend college without fear of accruing major debt. Now, I fear my kids will all accrue massive debt just as they are entering young adulthood, and will be yet another statistic added to our student debt crisis in America. I am a single mother of 3 and work for PG County Public schools. My oldest will be a college sophomore next school year, my second daughter will be a college freshman attending Towson this Fall, and my son will be attending his first year of college in the fall of 2025. I do not have the luxury of time nor the funds to change how I save for my kids' college. I entrusted that we were backed by the State of Maryland and that with responsible decision making, my children would be ok.

I don't feel that way anymore. Instead, I fear for my children's financial future. It's as though I am about to witness a train wreck and I don't know how to stop it. The stress and anxiety created by this mess has consumed my life and my children's lives.

I am only one story of many. The parents I've talked to feel very much like me. They are scared and have spent countless hours outside of working full time jobs to try and fix this for our kids.

To make this right, we need Maryland to honor its spoken and unspoken commitment to resolve this crisis. We need our rollover values restored to what was stated on our contracts since inception of the Trust in 1998 through 2021, which is that our Rollover distribution amounts are EQUAL to all contributions plus or minus 100% of the Trust's investment earnings. This practice has been the precedent set for over 20 years. We need our December 2021 statement values honored as THAT statement was in line with MPCT's contractual terms. With that, I propose that until the work group can report on their findings, this bill include an amendment that directs the Treasurer to allocate dollars through the Maryland Rainy Day fund and provide immediate money for those of us with students in college or about to enter college. Most of us need the money now, and don't have the luxury of time to wait.

Thank you,

Heather Boley

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