

Written Testimony – Senate Bill 959

Tammy Glasser

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My name is Tammy Glasser and I am support senate bill 959 with amendments.

The Maryland 529 staff and board have proven again and again that they do not care about the families and beneficiaries they have harmed. Their mismanagement, misinformation, poor communication, horrible customer service, and breaches of contract cannot be tolerated anymore. I support transferring the Maryland Prepaid College Trust under the office of the State Treasurer in the hopes that the working group will come to a resolution that will uphold the terms of our contract, reinstate our binding 2021 account values plus earnings to date, and the use of rainy day funds to reimburse families who suffered financial hardships due to the suspension of our earnings.

Account holders, the previous Maryland 529 staff, Intuition, actuaries, and auditors all understood the disclosure statement the same way and how the earnings were calculated. I have repeatedly asked the current Maryland 529 staff and board to show me where in our contract it says that rollovers and refunds should receive the earnings rate of the 1-year treasury minus 1.2% which they claim to be the “correct calculation” for contributions before November 2021. There has been no response because it does not exist. For at least 6 months after this date, Maryland 529 staff counseled families like mine on how rollovers receive a 6% earnings on contributions (which was in line with the previous and current disclosure statements as well as the 2021 FAFSA values). Families will not accept anything less and we will not allow our kids to pay the price by taking out student loan debt because of the mistakes made by Maryland 529. We appreciate the legislators and treasurer’s desire to honor its promise, take responsibility and make this right.

Amendments needed:

1. Guarantee that all account holders will receive the rollovers and refunds earnings as defined in our original contracts less any appropriate fees.
2. The Treasurer will allocate monies from the rainy day fund for immediate (within 90 days of passage of the Bill) financial relief of account holders with students in their last year of high school and in college, or another approved program. Such ‘financial relief’ must cover, at a minimum, the immediate costs of attending the school in which they have enrolled (or plan to enroll) up to and including the value of their rollover amounts, plus documented expenses from unplanned loans, mortgages, credit card charges, etc., accrued because of the frozen assets.
3. The deadline for applying for rollovers will be December 31, 2025 (extended from January 1, 2025) or a mechanism for multiple accounts to be merged so that all funds can be transferred in its entirety to meet IRS regulations.
4. In the event that the entire MPCT is dissolved, any remaining assets will be divided among account holders to commensurate with their contributions and time in the Trust to include active account holders as of April of 2022 (when earnings were suspended).

Thank you for your time and consideration,

Tammy Glasser