

SB0959f

Good evening, my name is Jamie Goldstein and I support SB0959 with amendments in two sections.

One, the workgroup has up to June 1, 2024 to make its report, leaving only six months for account holders to transfer funds out of the program when their ability to request rollovers sunsets. This may be too little time to allow for any recommended changes to be implemented and publicized to all account holders in time for them to take action. I suggest that either an additional year be added on to allow for transfers out of the Trust OR allow in this legislation for the workgroup to extend but not make earlier this cutoff point. My written testimony includes my proposed changes which are basic date change.

As written amendment to 18–190

2) (i) [The Board] ON OR BEFORE DECEMBER 31, 2024 THE STATE TREASURER shall allow the transfer of funds from the Trust to any other qualified 23 State tuition program [or from any other qualified State tuition program to the Trust], in accordance with federal law.

..

(3) ON OR AFTER JANUARY 1, 2025, THE STATE TREASURER MAY NOT ALLOW THE TRANSFER OF FUNDS FROM THE TRUST TO ANY OTHER QUALIFIED STATE TUITION PROGRAM, IN ACCORDANCE WITH FEDERAL LAW.

Suggested amendment for 18-190 (changes in italics/larger print)

2) (i) [The Board] ON OR BEFORE DECEMBER 31, *2025*, THE 22 STATE TREASURER shall allow the transfer of funds from the Trust to any other qualified 23 State tuition program [or from any other qualified State tuition program to the Trust], in 24 accordance with federal law.

..

(3) ON OR AFTER JANUARY 1, *2026*, THE STATE TREASURER MAY NOT ALLOW THE TRANSFER OF FUNDS FROM THE TRUST TO ANY OTHER QUALIFIED 2 STATE TUITION PROGRAM, IN ACCORDANCE WITH FEDERAL LAW.

Secondly, I suggest that the bill be amended to slightly broaden the scope of the Workgroup. The current definition echoes the narrative that the current 529 board has been erroneously representing, namely that the whole issue revolves around an earnings calculation error. As parents have testified, the bigger issue is over their inability to rollover contractually stipulated benefits into Maryland CIP or other state programs, and that the new contract language and implementation violates prior contract “do no harm” language. I suggest adding on the following language to the relevant section

As written amendment to 9–803:

(f) The Workgroup shall:

(1) identify policies, procedures, and practices that led to issues relating to the earnings calculation formula and Maryland 529 account holders' inability to access their prepaid college trust benefits to pay for college expenses; and

...

Suggested amendment for 9-803 (changes in italics/larger print)

(f) The Workgroup shall:

(1) identify policies, procedures, and practices that led to issues relating to the earnings calculation formula and Maryland 529 account holders' inability to access their prepaid college trust benefits to pay for college expenses, *along with an inability to rollover contractually stipulated benefits into Maryland CIP or other state programs; additionally, to identify any violations of prior contract terms resulting from recent contract changes or policies implemented*; and

I thank you for your time and consideration. I would be happy to answer any questions via email at gjgoldstein1jamie@gmail.com

For reference only, no changes suggested:

(g) On or before June 1, 2024, the Workgroup shall report its findings and 19 recommendations to the Governor and, in accordance with § 2–1257 of the State 20 Government Article, the General Assembly.