



## MINUTES OF THE PLANS MANAGEMENT BOARD June 04, 2024

A virtual meeting of the Plans Management Board (“Board”) was held on June 4, 2024, at 10:00 AM. Board members and members of the public were able to participate using the provided dial-in information.

### Board Members Represented or in Attendance:

Ms. Donna Vieira, Board Chair  
Mr. Alan Colberg, Chair, Investment Committee (“IC”)  
Mr. Pete Kennedy, Chair, Audit and Governance Committee (“AGC”)  
The Honorable Colleen C. Davis, State Treasurer  
The Honorable Trinidad Navarro, Insurance Commissioner  
Mr. Rick Geisenberger, Secretary of Finance  
Ms. Courtney Stewart, Deputy Director of the Office of Management and Budget (“OMB”) (on behalf of Mr. Cerron Cade, Director of OMB)  
Ms. Jennifer Carlson, Director of Finance of Department of Education (on behalf of Secretary Mark Holodick)  
Mr. Joel Coppadge, III, Public Member  
Mr. Jason Hale, State Employee  
Leighann Hinkle, State Employee

### Others in Attendance:

Mr. Jordan Seemans, Deputy State Treasurer (“OST”)  
Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice  
Mr. John Meyer, Director of Contributions and Plans Management, OST  
Ms. Khairat Makanjuola, Chief Operating Officer, OST  
Mr. Dan Kimmel, Promotion and Outreach Manager, OST  
Mr. Ted Griffith, Executive Director, DE EARNs  
Mr. Matthew Rosen, Senior Policy Advisor, OST  
Ms. Priya Vaidya, Accounting Specialist, OST  
Mr. Earle Allen, Principal Financial Advisor, CAPTRUST  
Mr. Christopher Engelhardt, Vice President, Strategic Relationship Management, Voya  
Mr. Anthony Durkan, Director, Vice President, Head of 529 Relationship Management, Fidelity

### **CALLED TO ORDER**

The meeting was called to order at 10:00 a.m.

### **APPROVAL OF MINUTES**

**A MOTION was made by Mr. Coppadge and seconded by Treasurer Davis to approve the minutes from the Committee meeting on March 5th, 2024.  
MOTION PASSED UNANIMOUSLY.**

## **PRESENTATION**

### Quarterly Business Report - Deferred Compensation Plans

Mr. Engelhardt presented the quarterly report on the deferred compensation plans. Mr. Engelhardt stated that total assets across all plans for the end first quarter were approximately \$1.3 billion (which does not include legacy assets of approximately \$254.0 million). He stated that the growth in assets is primarily due to strong market performance. Mr. Engelhardt stated that enrollments for the first quarter saw a slight increase and anticipates a rise in enrollments in upcoming quarters due to outreach efforts and market performance.

Mr. Engelhardt reviewed the first quarter communications data for the deferred compensation plans.

### Quarterly Business Report - Education Savings Plan

Mr. Meyer presented fourth quarter data for the 529 plan. Mr. Meyer stated that total plan assets at the end of the quarter were approximately \$673.5 million, as compared to \$651.1 million from year end 2023. Mr. Meyer stated that approximately sixty-eight percent of plan assets (\$440.8 million) was invested in the age-based portfolios. Within the age-based portfolios, forty-four percent (approximately \$294.3 million) was in the active age-based funds, three percent (approximately \$23 million) was in the blend age-based funds, and eighteen percent (approximately \$123.5 million) was in the index age-based funds. Thirty-two percent of plan assets (approximately \$232.7 million) are invested in static portfolios or individual funds. New accounts for the first quarter of 2024 grew by 11 percent over the same period in 2023. Mr. Meyer provided an update on the First State, First Steps incentive program. The program continues to attract Delaware residents with children under age five.

Mr. Kimmel presented promotion and outreach information for the 529 plan, including events at the State Fair, the Museum of Natural Science Family Fun Day, events during the University of Delaware sports season, and promotions at Wilmington Blue Rocks baseball games.

Mr. Durkan added highlights on the College Savings Indicator study. Results indicate a greater awareness among parents and participants on education savings over retirement, which may result in a higher percentage of participants being more focused on education savings.

### Quarterly Business Report - ABLE Plan

Mr. Meyer presented the quarterly report on the ABLE plan. The ABLE plan grew to 421 funded accounts and had approximately \$4.4 million in assets as of the end of the first quarter. New accounts increased approximately thirty three percent through the first quarter of 2024 versus the same period in 2023.

Mr. Meyer mentioned an upcoming June initiative which included OST participating in a national roundtable at Capitol Hill to discuss the ABLE plan and how they can support veterans and military families.

#### Delaware EARNs

Mr. Griffith presented an update on Delaware EARNs. Mr. Griffith stated that the regulations were completed, and a pilot program launched in May. The initial feedback from the participants has been positive. On July 1, 2024, the program will be launched statewide. Employers will have several months to register or certify exemption. Mr. Griffith mentioned that outreach initiatives will take place in collaboration with Aloysius Butler & Clark marketing over the next several months to help support the launch.

### **COMMITTEE REPORTS, ADMINISTRATIVE UPDATES AND ACTION ITEMS**

#### Discussion and Vote on Recommendation Regarding Memorandum of Understanding with the Office of the Auditor of Accounts (AOA)

Mr. Meyer discussed the draft MOU, which governs selection and payment of the external audit firm and the fee payable by the plans to AOA for the 2023 and 2024 plan year audits. The draft MOU is consistent with the version executed for plan year 2021 and 2022 audits and includes a management fee to AOA of 7.5 percent of the external audit firm contract expense. Mr. Meyer will circulate a follow-up letter from AOA detailing the services that AOA will provide under the MOU.

**A MOTION was made by Mr. Navarro and seconded by Mr. Kennedy to approve the MOU with AOA for the 2023 and 2024 plan year audits.**

**MOTION ADOPTED UNANIMOUSLY.**

#### Update Regarding SECURE Act 2.0 Provisions

Mr. Meyer discussed the SECURE Act 2.0's catch-up provisions for participants ages 60 to 63. Starting January 2025, this age group can defer an additional \$10,000 or 150% of the over-50 catch-up dollar amount. Mr. Meyer will consult with Ice Miller and Mr. Staib on necessary plan revisions.

### **OST UPDATES**

#### Legislative Updates

Mr. Seemans gave an update on two legislative initiatives. The first is Senate Bill 94, which aims to reinstate the state match for the deferred compensation plan. The second initiative is the proposal to shift the procurement authority for external plan auditors from the Auditor's Office to the Board and OST. In light of recent negotiations with AOA, effort to change selection authority has been suspended.

Mr. Seemans stated that a resolution was passed by the General Assembly recognizing May 29<sup>th</sup> as "DE529 Day."

Mr. Seemans also mentioned that it is the third year of the Aspire 529 pilot program supporting foster youth in Delaware. Mr. Meyer will forward a press release related to Aspire 529 after the Board meeting.

**PUBLIC COMMENT**

None

**NEXT MEETING**

The next meeting of the Board is scheduled for September 10, 2024.

The next meeting of the Investment Committee is scheduled for August 13, 2024

The next meeting of the AGC Committee is scheduled for August 6, 2024

**ADJOURNMENT**

**Ms. Vieira adjourned the meeting of the Board at 11:08 a.m.**

Respectfully submitted,

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Donna Vieira  
Chair for the Plans Management Board