

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

December 9, 2014

Chair Michael Paparian called the meeting to order at 1:03 PM.

Present:

Members: Michael Paparian for Bill Lockyer, California State Treasurer
Eraina Ortega for Michael Cohen, Director of Finance
Brooks Allen for Karen Stapf Walters, Executive Director, State Board of Education
Hal Geigogue, Governor Appointee, California Student Aid Commission
Christopher Jennings, Speaker Appointee
Rhonda Johnson, Senate Rules Committee Appointee
Paul Martin, Governor Appointee – Member at Large

Staff: Arlene Greene, Executive Director, ScholarShare Investment Board
(SIB or Board)
Stanley Zeto, Deputy Executive Director, SIB
Mario Sierras, Manager, SIB
Katie Burns, SIB
Maria Collins, SIB
Brian Gorban, SIB
Sue Lim, SIB
Diana Sanchez, SIB
Joyce Eriksson, SIB
Mark Paxson, General Counsel, State Treasurer’s Office

Consultants: Eric White, Principal, Pension Consulting Alliance, Inc. (PCA)
Andrea Feirstein, Managing Director, AKF Consulting Group (AKF)
(via conference call)

TFI: Michael Noone, President, TIAA-CREF Tuition Financing, Inc. (TFI)
Chris Lynch, Director, Tuition Financing, TFI
Pamela McNulty, National Director, TFI
Jeremy Thiessen, Senior Director, Education Savings, TFI
Vivian Tsai, Senior Director, Education Savings, TFI
Don Wolf, Senior Marketing Manager, TFI
Ralph Clement, Team Manager, TFI
Jennifer Benson, Field Representative, TFI
Gianne Dashiell, Field Representative, TFI
Mike Diephouse, Field Representative, TFI
Julianna Gobin, Field Representative, TFI
Yvette Meneses, Field Representative, TFI
Rafael Rivera, Field Representative, TFI

Chair Paparian declared a quorum present.

Mr. White provided an update on PCA's review of TFI's 2015 Asset Allocation Recommendation for the Plan and stated that PCA concurs with TFI's recommendation for no changes in 2015 to the existing asset allocation for the Plan, however, PCA requests TFI develop a short list of three alternative funds, in addition to the TIAA-CREF Bond Plus Fund (Fund), to be evaluated by the Board and PCA pursuant to the Procedures to ensure the Fund is the best option for the Plan.

Member Martin inquired about the criteria used when calculating a formula for estimating tuition increases. TFI stated it would follow-up and report back to the Board at the March meeting.

Board Agenda Item Number Eight
Review and Analysis of Investment Performance for the ScholarShare Plan for Third Quarter 2014

Mr. Thiessen presented TFI's Investment Performance Report for third quarter 2014 and provided a current market overview.

Mr. White presented PCA's Investment Performance Report for third quarter 2014 and noted that the funds are performing well.

Board Agenda Item Number Nine
Review of 2015 Marketing Plan for the ScholarShare Plan

Mr. Don Wolf, TFI, presented the 2015 Marketing Plan Recommendations for the Plan which outlined the marketing activities planned for 2015.

Board Agenda Item Number Ten
Review of Administrative Performance for the ScholarShare Plan for Third Quarter 2014

Ms. Vivian Tsai, TFI, presented TFI's Administrative Performance Report for the Plan for third quarter 2014 relative to pre-established performance criteria. Ms. Tsai reported that there were no areas of underperformance by more than the allowable two percent variance for the third quarter 2014.

Public Comment

Chair Papanian called for public comment.

Ms. Zeny Agullana, previous Executive Director for SIB, and Mr. Michael Noone, TFI, both expressed their appreciation to Ms. Greene, who will be retiring in January 2015.

The Chair asked for further comment. There was none.

There being no further business before the Board, the Chair adjourned the meeting at 3:45 PM.