

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

February 14, 2019

Chair Audrey Noda called the meeting to order at 1:02 PM.

Present:

Members: Audrey Noda for Fiona Ma, State Treasurer
Erika Li for Keely Martin Bosler, Director, Department of Finance
David Sapp for Karen Stapf Walters, Executive Director,
State Board of Education
Hal Geiogoue, Governor Appointee, California Student Aid Commission
Christopher Jennings, Speaker Appointee
via teleconference
Paul Martin, Governor Appointee – Member at Large
via teleconference
Absent: Angela Acosta-Salazar, Senate Rules Committee Appointee

Present:

Staff: Julio Martinez, Executive Director, ScholarShare Investment Board
(SIB or Board)
Stanley Zeto, Deputy Executive Director, SIB
Robert Smith, Manager, SIB
Carolina Hernandez, SIB
Roxanne Anderson, SIB
Rachell Owen-Reinwald, SIB
Diana Sanchez, SIB
Ravinder Kapoor, Senior Attorney, State Treasurer’s Office (STO)

Consultants: Eric White, Managing Director, Pension Consulting Alliance, LLC (PCA)
Andrea Feirstein, Managing Director, AKF Consulting Group (AKF)
via teleconference

TFI: Chris Lynch, President, TIAA-CREF Tuition Financing, Inc. (TFI)
Vivian Tsai, Senior Director, Education Savings, TFI
Jeremy Thiessen, Senior Director, TFI
Linda English, Senior Director, TFI
Doug Harrison, Senior Director, Marketing and Sales, TFI
Glenn Friedman, Manager, TFI
Yvette Haring, Team Manager, TFI

Chair Noda declared a quorum present.

Board Agenda Item Number One
Approval of Minutes from December 13, 2018 ScholarShare Investment Board Meeting

The minutes for the December 13, 2018 ScholarShare Investment Board (SIB or Board) meeting were presented to the Board.

Chair Noda asked for public comment. There was none.

Board Action

Motion to approve the minutes for the December 13, 2018 ScholarShare Investment Board meeting.

MOTION: Member Geiogue SECONDED: Member Sapp
AYES: Members Li, Sapp, Geiogue, Jennings, Martin, Noda
NOES: None
ABSTAIN: None
RECUSE: None

MOTION APPROVED

Board Agenda Item Number Two
Executive Director's Report

Mr. Stan Zeto, SIB, provided updates related to accounts and assets for ScholarShare 529 (Plan), and recently executed contracts and services orders. Mr. Julio Martinez, SIB, provided program updates as well as updates on current federal and state legislation, the Matching Grant Program, and the Scholar Dollars program. Mr. Robert Smith, SIB, provided updates on marketing and outreach and the Governor's Scholarship Programs . SIB staff responded to questions from the Board regarding recent account growth and the Scholar Dollars program.

Chair Noda asked for public comment. There was none.

Board Agenda Item Number Three
Resolution to Approve Delegation of Authority for the Execution of Contracts

Mr. Martinez presented SIB staff's recommendation to adopt Resolution No. 2019-01, approving the delegation of authority for the execution of contracts for SIB.

Chair Noda asked for public comment. There was none.

Board Action

Motion to approve delegation of authority for the execution of contracts for SIB.

MOTION: Member Geiogue SECONDED: Member Sapp
AYES: Members Li, Sapp, Geiogue, Jennings, Martin, Noda
NOES: None
ABSTAIN: None
RECUSE: None

MOTION APPROVED

Board Agenda Item Number Four Review of 2019 Asset Allocation Recommendation for ScholarShare 529

Mr. Jeremy Thiessen, TFI, presented TFI's 2019 Asset Allocation Recommendation, which highlights the analysis completed for their recommendation and includes the concept of an enrollment-based glide path. Mr. Thiessen responded the questions from the Board regarding the risk associated with this change as well as the proposed portfolio mapping.

Mr. Eric White, PCA, presented PCA's analysis, highlighting key observations associated with TFI's recommended change to an enrollment-based glide path, including a review of proposed enrollment-based structure, a peer comparison, and asset allocation. Mr. White responded to questions from the Board regarding reporting.

Ms. Andrea Feirstein, AKF, presented AKF's analysis, which provides an overview of the prevalence of the enrollment-based structure within the 529 industry, and the potential benefits and challenges associated with the proposed change. Ms. Feirstein responded to questions from the Board regarding transition, performance history, and impact of the proposed change from an industry perspective.

Chair Noda asked for public comment. There was none.

Public Comment

Chair Noda called for public comment. There was none.

There being no further business before the Board, the Chair adjourned the meeting at 2:53 PM.