

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

MARCH 19, 2020

In light of the COVID-19 pandemic and in accordance with the requirements of Executive Order N-25-20 to provide social distancing at state body meetings, the ScholarShare Investment Board provided its members, participants, and members of the public the opportunity to participate in this meeting via teleconference.

Chair Fiona Ma called the meeting to order at 1:01 PM.

Present:

Members: Fiona Ma, State Treasurer, Chair
Gayle Miller for Keely Martin Bosler, Director, Department of Finance
Hal Geiogue, Governor Appointee, California Student Aid Commission
(via teleconference)
David Lizarraga, Speaker Appointee (via teleconference)
Paul Martin, Governor Appointee – Member at Large (via teleconference)

Absent: Karen Stapf Walters, Executive Director, State Board of Education
Angela Acosta-Salazar, Senate Rules Committee Appointee

Present:

Staff: Julio Martinez, Executive Director, ScholarShare Investment Board
(SIB or Board) (via teleconference)
Stanley Zeto, Deputy Executive Director, SIB
Robert Smith, Manager, SIB
Lori Mattson, SIB
James Millward, SIB
Rachell Owen-Reinwald, SIB
Diana Sanchez, SIB
Audrey Noda, Deputy Treasurer, State Treasurer’s Office (via teleconference)
Ravinder Kapoor, Senior Attorney, State Treasurer’s Office

Consultants: Eric White, Principal, Meketa Investment Group, Inc. (Meketa) (via teleconference)
Kay Ceserani, Managing Principal, Meketa (via teleconference)
Andrea Feirstein, Managing Director, AKF Consulting Group (AKF)
(via teleconference)
Soohyang Lee, Vice President, AKF
(via teleconference)

TFI: Chris Lynch, President, TIAA-CREF Tuition Financing, Inc. (TFI)
(via teleconference)
Vivian Tsai, Senior Director, Head of Relationship Management, TFI
(via teleconference)
Jeremy Thiessen, Senior Director, Investment Strategies of Education Savings, TFI
(via teleconference)
Linda English, Senior Director, TFI (via teleconference)
Doug Harrison, Senior Director, Marketing, TFI (via teleconference)
Jean Seidel, Director, Operations, TFI (via teleconference)
Glenn Friedman, Director, TFI (via teleconference)
Gloria Yvette Haring, Team Manager, TFI (via teleconference)

Chair Ma declared a quorum present.

Board Agenda Item Number One
Approval of Minutes from December 19, 2019 ScholarShare Investment Board Meeting

The minutes for the December 19, 2019 ScholarShare Investment Board meeting were presented to the Board.

Chair Ma asked for public comment. There was none.

Board Action

Motion to approve the minutes for the December 19, 2019 SIB meeting.

MOTION:	Member Geiogue	SECONDED:	Member Miller
AYES:	Members Miller, Geiogue, Lizarraga, Martin, Ma		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		

MOTION APPROVED

Board Agenda Item Number Two
Executive Director's Report

Mr. Julio Martinez, SIB, provided general program updates, including updates on the recently completed record-keeper and investment portfolio transitions, and an overview on current federal legislation. Mr. Stan Zeto, SIB, provided updates on accounts and assets for ScholarShare 529 (Plan), recently executed contracts, current request for proposals, and recently processed marketing and outreach purchase orders. Mr. Robert Smith, SIB, provided updates on marketing and outreach and the Governor's Scholarship Programs.

SIB staff and TFI responded to questions from Board members regarding marketing and outreach strategies, partnerships, and future collaboration with the State Treasurer's Office and other media outlets.

Chair Ma asked for public comment. There was none.

Board Agenda Item Number Three
Resolution to Approve Amendment to Agreement No. SIB 15-10 with TIAA-CREF Tuition Financing, Inc. for Program Management Services for ScholarShare 529

Mr. Martinez presented SIB staff's recommendation to adopt Resolution No. 2020-01, approving an amendment to Agreement No. SIB 15-10 with TIAA-CREF Tuition Financing, Inc. for program management services for the Plan.

Ms. Andrea Feirstein, AKF, presented AKF's analysis of Plan, which analyzed account and asset growth rates, investment structures, and fees. Ms. Feirstein reported that AKF found that the Plan has generally improved its position in relation to peer plans and the rest of the industry.

Mr. Eric White, Meketa, presented Meketa's analysis reviewing performance of the Plan, as compared with the Morningstar Direct Plan Median, other TFI-managed 529 plans, and non TFI-managed 529 plans, and the Plan's underlying funds. Mr. White reported that Meketa found that the Plan has performed well on both an absolute and relative basis. Chair Ma asked for public comment. There was none.

Board Action

Motion to adopt Resolution No. 2020-01, approving an amendment to Agreement No. SIB 15-10 with TFI for program management services for Plan.

MOTION:	Member Geiogoue	SECONDED:	Member Miller
AYES:	Members Miller, Geiogoue, Lizarraga, Martin, Ma		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		

MOTION APPROVED

Board Agenda Item Number Four

Resolution to Approve Changes to the ScholarShare Monitoring Procedures and Criteria; Review and Analysis of Investment Performance for ScholarShare 529 for Fourth Quarter 2019

Mr. Zeto presented SIB staff's recommendation for the Board to adopt Resolution No. 2020-02 approving changes to the ScholarShare Monitoring Procedures and Criteria (Procedures).

Mr. Glenn Friedman, TFI, presented TFI's Investment Performance Report for the Plan for fourth quarter 2019 comparing each underlying fund allocated to the portfolios in the Plan to applicable benchmark.

Mr. White presented Meketa's Investment Performance Status Report for the Plan for fourth quarter 2019 and its watch memo that outlined Meketa's recommendation that the fund currently on "watch" status, TIAA-CREF Social Choice Equity Fund (Fund), remain on "watch" status. Mr. White also highlighted in the memo a summary of options for monitoring of the Fund going forward including Meketa's recommendation for changes to the Procedures as it relates to Fund.

Member Lizarraga departed at 2:15 p.m.

Chair Ma asked for public comment. There was none.

