

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

JUNE 18, 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
Jennifer Whitaker for Keely Martin Bosler, Director, Department of Finance
Angela Acosta-Salazar, Senate Rules Committee Appointee (via teleconference)
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

Present:

Staff: Julio Martinez, Executive Director, ScholarShare Investment Board
(SIB or Board) (via teleconference)
Stanley Zeto, Deputy Executive Director, SIB
Robert Smith, Manager, SIB
Noah Lightman, Manager, CSA Initiatives, SIB
James Millward, 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)
Soohyang Lee, Vice President, AKF Consulting Group
(via teleconference)

TFI: Linda English, Senior Director, TIAA-CREF Tuition Financing, Inc. (TFI)
Doug Harrison, Senior Director, Marketing, TFI
Jeremy Thiessen, Senior Director, Investment Strategies of Education Savings,
TIAA-CREF Tuition Financing, Inc. (TFI) (via teleconference)
Bernard McCrossan, Senior Director, TFI (via teleconference)
Dustin Broach, Senior Director, TFI (via teleconference)
Jean Seidel, Director, Operations, TFI (via teleconference)
Glenn Friedman, Director, TFI (via teleconference)
Gloria Yvette Haring, Team Manager, TFI

Chair Ma declared a quorum present.

Board Agenda Item Number One

Approval of Minutes from March 19, 2020 ScholarShare Investment Board Meeting

The minutes for the March 19, 2020 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 March 19, 2020 SIB meeting.

MOTION:	Member Geiogue	SECONDED:	Chair Ma
AYES:	Members: Geiogue, Lizarraga, Martin, Ma		
NOES:	None		
ABSTAIN:	Members: Whitaker, Acosta-Salazar		
RECUSE:	None		

MOTION APPROVED

Board Agenda Item Number Two

Executive Director's Report

Mr. Julio Martinez, SIB, provided general program updates, including an update on the recently completed record-keeper and investment portfolio transitions, and current state legislation. Mr. Stan Zeto, SIB, provided updates on accounts and assets for ScholarShare 529 (Plan), recently executed contracts and recently processed marketing and outreach purchase orders. Mr. Noah Lightman, SIB, provided updates on the California Kids Investment and Development Savings (CaKIDS) program and other children's savings account (CSA) initiatives. Mr. Robert Smith, SIB, provided updates on marketing and outreach.

SIB staff and TFI responded to questions from Board members regarding higher education trends, potential CSA opportunities, marketing and outreach strategies, and legislation. Also, in response to an inquiry from Member Lizarraga, SIB staff stated it would follow-up with additional information regarding recent contracts.

Chair Ma asked for public comment. There was none.

Board Agenda Item Number Three

Resolutions to Approve Placement of the T. Rowe Price Institutional Large Cap Growth Fund on Watch Status and Removal of the TIAA-CREF Social Choice Equity Fund from Watch Status; Review and Analysis of Investment Performance for ScholarShare 529

Mr. Martinez presented SIB staff's recommendation for the Board to adopt Resolution No. 2020-03 approving the removal of the TIAA-CREF Social Choice Equity Fund from "watch" status and Resolution No. 2020-04 approving the placement of the T. Rowe Price Institutional Large Cap Growth Fund (Fund) on "watch" status.

Mr. Jeremy Thiessen and Mr. Glenn Friedman, TFI, presented TFI's Investment Performance Report for the Plan for first quarter 2020 comparing each underlying fund allocated to the portfolios in the Plan to applicable benchmark.

Mr. Eric White, Meketa, presented Meketa's Investment Performance Status Report for the Plan for first quarter 2020 and its watch memo that outlined Meketa's recommendations to remove the TIAA-CREF Social Choice Equity Fund from "watch" status and place the T. Rowe Price Institutional Large Cap Growth Fund on "watch" status.

Following the review of investment performance for the first quarter, the Board addressed the recommendation to adopt Resolution No. 2020-03.

Chair Ma asked for public comment. There was none.

Board Action

Motion to approve Resolution No. 2020-03 to remove the TIAA-CREF Social Choice Equity Fund from "watch" status.

MOTION:	Member Lizarraga	SECONDED:	Member Whitaker
AYES:	Members: Whitaker, Acosta-Salazar, Geogue, Lizarraga, Martin, Ma		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		

MOTION APPROVED

The Board then addressed the recommendation to adopt Resolution No. 2020-04. Board members discussed the performance for the T. Rowe Price Institutional Large Cap Fund during the first quarter and a period of market volatility. SIB staff and Mr. White responded to questions from the Board regarding the process for placing the Fund on "watch" status. Following additional discussion, Board members agreed to delay consideration of placing the Fund on "watch" status until second quarter 2020 performance is reviewed at the next SIB meeting.

Board Agenda Item Number Four Marketing Update for ScholarShare 529

Mr. Doug Harrison, TFI, presented TFI's Q1 2020 Marketing Results for the Plan, highlighting marketing results for the first quarter of 2020 and outlining the marketing activities planned for the remainder of the year, including specific updates to the plan following the first quarter.

Chair Ma asked for public comment. There was none.

Board Agenda Item Number Five
Review of Administrative Performance for ScholarShare 529

Ms. Linda English, TFI, provided an overview of the recent transition to a new recordkeeper in January 2020. With that recent change, Ms. English presented TFI's Administrative Performance Reports for the Plan for first quarter 2020, including separate reports for the periods prior to and following the transition. Ms. English reported that relative to the pre-established performance criteria, TFI underperformed in two performance areas, Call Center Answer Time and Call Center Abandonment Rate, and presented the Board with a memo of explanation for the underperformance. Ms. Jean Seidel, TFI, provided a brief update about performance for the current quarter.

Chair Ma asked for public comment. There was none.

Public Comment

Chair Ma called for public comment. There was none.

There being no further business before the Board, the Chair adjourned the meeting at 2:58 PM.