

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

JUNE 22, 2022

Chair Audrey Noda called the meeting to order at 1:30 PM.

ScholarShare Investment Board Members Present:

- Audrey Noda for Fiona Ma, State Treasurer, Chair (via teleconference)
- Jennifer Whitaker for Keely Martin Bosler, Director, Department of Finance
- Lisa Constancio for Brooks Allen, Executive Director, State Board of Education
- Angela Acosta-Salazar, Senate Rules Committee Appointee (via teleconference)
- Hal Geiogue, Governor Appointee
- David Lizarraga, Speaker Appointee (via teleconference)

ScholarShare Investment Board Members Absent:

- Paul Martin, Governor Appointee

ScholarShare Investment Board Staff Members Present:

- Julio Martinez, Executive Director
- Stanley Zeto, Deputy Executive Director
- Lori Mattson, Manager (via teleconference)
- Noah Lightman, Manager, CSA Initiatives
- James Millward, Outreach Specialist
- Theodore Ballmer, Senior Attorney, State Treasurer's Office (via teleconference)

ScholarShare Investment Board Consultants Present:

- Eric White, Principal, Meketa Investment Group (via teleconference)
- Andrea Feirstein, Managing Director, AKF Consulting Group (via teleconference)

ScholarShare 529 Plan Manager, TIAA-CREF Tuition Financing, Inc., Staff Present:

- Vivian Tsai, Head of Relationship Management
- Linda English, Senior Director
- Doug Harrison, Senior Director, Marketing
- Jeremy Thiessen, Senior Director, Investment Strategies of Education Savings
- Glenn Friedman, Director (via teleconference)
- Kristin Murphy, Senior Marketing Manager

Chair Noda declared a quorum present.

Agenda Item No. 1

Approval of Minutes from March 23, 2022 ScholarShare Investment Board Meeting

The minutes for the March 23, 2022 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 March 23, 2022 SIB meeting.

MOTION:	Member Lizarraga	SECOND:	Member Whitaker
AYES:	Members Whitaker, Constancio, Geiogue, Lizarraga, Noda		
NOES:	None		
ABSTAIN:	Member Acosta-Salazar		
ACTION:	MOTION PASSED		

Agenda Item No. 2

Approval of Minutes from March 28, 2022 ScholarShare Investment Board Meeting

The minutes for the March 28, 2022 SIB meeting were presented to the Board.

Chair Noda asked for public comment. There was none.

Board Action

Motion to approve the minutes for the March 28, 2022 SIB meeting.

MOTION:	Member Acosta-Salazar	SECOND:	Member Whitaker
AYES:	Members Whitaker, Constancio, Acosta-Salazar, Geiogue, Lizarraga, Noda		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Agenda Item No. 3

Approval of Minutes from May 16, 2022 ScholarShare Investment Board Meeting

The minutes for the May 16, 2022 SIB meeting were presented to the Board.

Chair Noda asked for public comment. There was none.

Board Action

Motion to approve the minutes for the May 16, 2022 SIB meeting.

MOTION:	Member Acosta-Salazar	SECOND:	Member Geiogue
AYES:	Members Whitaker, Constancio, Acosta-Salazar, Geiogue, Lizarraga, Noda		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Agenda Item No. 4
Executive Director’s Report

Mr. Stanley Zeto, SIB, provided updates on accounts, contributions, and assets for ScholarShare 529 (Plan). Mr. Julio Martinez, SIB, provided general program updates including recent staff changes, performance rankings, and federal and state legislation. Ms. Lori Mattson, SIB, provided marketing and outreach highlights, including updates on new partnerships, and statewide outreach and education activities.

Chair Noda asked for public comment. There was none.

Agenda Item No. 5
Update on the California Kids Investment and Development Savings Program

Mr. Noah Lightman, SIB, provided an update on the California Kids Investment and Development Savings Program (CaKIDS) including status updates and a revised implementation timeline.

Chair Noda asked for public comment. There was none.

Agenda Item No. 6
Resolution to Approve Regulations for the California Kids Investment and Development Savings Program

Mr. Lightman presented SIB staff’s recommendation to adopt Resolution No. SIB 2022-11 approving regulations for CaKIDS.

Chair Noda asked for public comment. There was none.

Board Action

Motion to adopt Resolution No. 2022-11 approving regulations for CaKIDS.

MOTION:	Member Lizarraga	SECOND:	Member Acosta-Salazar
AYES:	Members Whitaker, Constancio, Acosta-Salazar, Geiogue, Lizarraga, Noda		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Agenda Item No. 7 was not presented at the Board meeting.

Agenda Item No. 8

Resolution to Approve Changes to the Board Administrative Fee for ScholarShare 529

Ms. Andrea Feirstein, AKF Consulting Group, presented AKF's Administrative Fee Reduction Analysis which provided an overview of the Plan fee analysis and projections, including multiple fee reduction scenarios. Mr. Martinez presented SIB staff's recommendation to adopt Resolution No. SIB 2022-13, approving a reduction of the Board Administrative Fee from 0.05% to 0.04% for the active and ESG investment portfolio options in the Plan, upon the Plan's assets under management exceeding \$15 billion.

Chair Noda asked for public comment. There was none.

Board Action

Motion to adopt Resolution No. 2022-13 approving changes to the Board Administrative Fee for ScholarShare 529.

MOTION:	Member Geioque	SECOND:	Member Whitaker
AYES:	Members Whitaker, Constancio, Acosta-Salazar, Geioque, Lizarraga, Noda		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Agenda Item No. 9

Review and Analysis of Investment Performance for ScholarShare 529

Mr. Jeremy Thiessen, TFI, and Mr. Glenn Freidman, TFI, presented TFI's Investment Performance Report for the Plan for first quarter 2022 comparing each underlying fund allocated to the portfolios in the Plan to applicable benchmarks.

Mr. Eric White, Meketa, presented Meketa's "2022 Markets and Economy – A Perspective" report explaining rising global inflation, market expectations, and growth forecasts for 2022. Additionally, Mr. White presented Meketa's Investment Performance Status Report for the Plan for first quarter 2022.

Chair Noda asked for public comment. There was none.

Board Agenda Item No. 10

Resolution to Approve Placement of the T. Rowe Price Institutional Large Cap Growth Fund on Watch Status

Mr. Martinez presented SIB staff's recommendation to adopt Resolution No. SIB 2022-14, approving the placement of the T. Rowe Price Institutional Large Cap Growth Fund (Fund) on watch status. Mr. White presented Meketa's Watch Memo, outlining its analysis of two funds, the T. Rowe Price Institutional Large Cap Growth Fund and the TIAA-CREF Emerging Markets Equity Index Fund, qualifying for watch status in first quarter 2022. Meketa provided an explanation for its recommendation that Fund be placed on watch status and that the TIAA-

CREF Emerging Markets Equity Index Fund not be placed on watch status due a technical market anomaly that caused a spike in tracking error.

Mr. White also provided additional details in response to Member Geiogoue’s inquiry about the process for replacing funds.

Chair Noda asked for public comment. There was none.

Board Action

Motion to adopt Resolution No. 2022-14 approving placement of the T. Rowe Price Institutional Large Cap Growth Fund on watch status.

MOTION:	Member Geiogoue	SECOND:	Member Constancio
AYES:	Members Whitaker, Constancio, Acosta-Salazar, Geiogoue, Lizarraga, Noda		
NOES:	None		
ABSTAIN:	None		
ACTION:	MOTION PASSED		

Board Agenda Item No. 11
Marketing Update for ScholarShare 529

Mr. Doug Harrison, TFI, presented TFI’s Q1 2022 Marketing Results for the Plan, highlighting marketing results for the first quarter of 2022 and outlining the marketing activities planned for 2022. In response to Member Geiogoue’s inquiry, Mr. Harrison and Mr. Martinez provided a brief update the forthcoming updated website for CalKIDS.

Chair Noda asked for public comment. There was none.

Board Agenda Item No. 12
Review of Administrative Performance for ScholarShare 529

Ms. Linda English, TFI, presented TFI’s Administrative Performance Report for the Plan for first quarter 2022 relative to pre-established performance criteria and reported that TFI did not underperform in any of the performance areas.

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 3:12 PM.