

**MINUTES  
SCHOLARSHARE INVESTMENT BOARD**

**DECEMBER 19, 2023**

Chair Stephanie Tom called the meeting to order at 1:33 PM.

**ScholarShare Investment Board Members Present:**

- Stephanie Tom for Fiona Ma, State Treasurer, Chair
- Gayle Miller for Joe Stephenshaw, Director, Department of Finance (via teleconference)
- Lisa Constancio for Brooks Allen, Executive Director, State Board of Education (via teleconference)
- Angela Acosta-Salazar, Senate Rules Committee Appointee (via teleconference)
- David Lizarraga, Speaker Appointee (via teleconference)
- Paul Martin, Governor Appointee (via teleconference)

**ScholarShare Investment Board Staff Present:**

- Julio Martinez, Executive Director (via teleconference)
- Stanley Zeto, Deputy Executive Director
- Lori Mattson, Manager (via teleconference)
- Noah Lightman, Manager
- Mario Sierras, Manager
- Ethan Caudillo, Outreach Specialist

**State Treasurer's Office Staff Present:**

- Monica Jimenez, Senior Attorney, State Treasurer's Office

**ScholarShare Investment Board Consultants Present:**

- Andrea Feirstein, Managing Director, AKF Consulting Group (via teleconference)
- Juliana Crist, Senior Consultant, AKF Consulting Group (via teleconference)
- Kay Ceserani, Managing Principal, Meketa Investment Group (via teleconference)
- Aysun Kilic, Managing Principal, Meketa Investment Group (via teleconference)
- Otilia Bretan, Media Director, Gleeson Digital Strategies

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

- Chris Lynch, President
- Vivian Tsai, Senior Director, Head of Relationship Management
- Linda English, Senior Director
- Jeremy Thiessen, Senior Director, Investment Strategies of Education Savings
- Doug Harrison, Senior Director, Marketing
- Yvette Haring, Director
- Brian Griggs, Portfolio Strategist, Portfolio Strategy & Solutions, Nuveen (via teleconference)
- Jordan Jones, Investment Analyst

Chair Tom declared a quorum present.

**Agenda Item No. 2**  
**Fiduciary and Investment Training for Board Members**

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Fiduciary and Investment Training for ScholarShare Investment Board (SIB or Board) members was presented by SIB’s consultants, Andrea Feirstein and Juliana Crist from AKF Consulting Group (AKF), and Kay Ceserani from Meketa Investment Group, Inc. (Meketa). Items covered in the training included the oversight and securities law fundamentals, fiduciary duties of administrators, guidance on good governance, investment policy statements, and overview of investment portfolios.

Chair Tom asked for public comment. There was none.

**Agenda Item No. 3**  
**Approval of Minutes from October 16, 2023 ScholarShare Investment Board Meeting**

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The minutes for the October 16, 2023 SIB meeting were presented to the Board.

Chair Tom asked for public comment. There was none.

Board Action

Motion to approve the minutes for the October 16, 2023 SIB meeting.

|          |  |         |                   |
|----------|--|---------|-------------------|
| MOTION:  | Member Miller                                      | SECOND: | Member Constancio |
| AYES:    | Members Miller, Constancio, Lizarraga, Martin, Tom |         |                   |
| NOES:    | Member Acosta-Salazar                              |         |                   |
| ABSTAIN: | None   |         |                   |
| ACTION:  | MOTION PASSED                                      |         |                   |

**Agenda Item No. 4**  
**Executive Director’s Report**

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Stanley Zeto, SIB, provided updates on accounts, contributions, and assets for ScholarShare 529 (Plan) and contracts and presented a tentative Board meeting calendar for 2024, noting that a final meeting calendar would be distributed to Board member in early-2024.

Julio Martinez, SIB, provided general program updates, including SIB staff updates, Morningstar annual rating for 2023, recent proxy vote, and federal legislation. Mr. Martinez and Chris Lynch, TFI, responded to inquiries from Member Miller regarding the Morningstar rating, by providing further insights, as well a plan to review the ratings further and to discuss next steps that SIB staff and TFI will take. Mario Sierras, SIB, responded to Chair Tom’s inquiry regarding details on the financial literacy initiative including an anticipated timeline.

Lori Mattson, SIB, provided marketing and outreach highlights, including updates on new partnerships, statewide outreach and education activities, and the recently completed holiday promotion.

Chair Tom asked for public comment. There was none.

**Agenda Item No. 5**

**Update on the California Kids Investment and Development Savings Program**

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Noah Lightman, SIB, provided an update on CalKIDS, including an overview of participation results, distributions, call center and website analytics, and program outreach.

Chair Tom asked for public comment. There was none.

**Agenda Item No. 6**

**Resolution to Approve Amendment to Agreement No. SIB 07-21 with VistaShare LLC for Recordkeeping Platform for the California Kids Investment and Development Savings Program**

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Mr. Zeto and Mr. Lightman presented SIB staff’s recommendation to adopt Resolution No. 2023-09 approving an amendment to Agreement No. SIB 07-21 with VistaShare LLC for the recordkeeping platform used for CalKIDS. Mr. Zeto responded to Member Miller’s procurement-related inquiry.

Chair Tom asked for public comment. There was none.

Board Action

Motion to adopt Resolution No. 2023-09 approving an amendment to Agreement No. SIB 07-21.

|          |  |         |               |
|----------|--|---------|---------------|
| MOTION:  | Member Miller  | SECOND: | Member Martin |
| AYES:    | Members Miller, Constancio, Acosta-Salazar, Lizarraga, Martin, Tom |         |               |
| NOES:    | None   |         |               |
| ABSTAIN: | None   |         |               |
| ACTION:  | MOTION PASSED  |         |               |

**Agenda Item No. 7**

**Resolution to Approve Amendment to Agreement No. SIB 08-21 with Foundation for California Community Colleges for Call Center Services for the California Kids Investment and Development Savings Program**

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Mr. Zeto and Mr. Lightman presented SIB staff’s recommendation to adopt Resolution No. 2023-10 approving an amendment to Agreement No. SIB 08-21 with the Foundation for California Community Colleges for call center services for CalKIDS.

Chair Tom asked for public comment. There was none.

Board Action

Motion to adopt Resolution No. 2023-10 approving an amendment to Agreement No. SIB 08-21.

|          |  |         |               |
|----------|--|---------|---------------|
| MOTION:  | Member Lizarraga   | SECOND: | Member Miller |
| AYES:    | Members Miller, Constancio, Acosta-Salazar, Lizarraga, Martin, Tom |         |               |
| NOES:    | None   |         |               |
| ABSTAIN: | None   |         |               |
| ACTION:  | MOTION PASSED  |         |               |

**Agenda Item No. 8**  
**Resolution to Approve Request for Proposals for Audit Services for the ScholarShare Investment Board**

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Mr. Zeto presented SIB staff's recommendation to adopt Resolution No. 2023-11 authorizing the Executive Director approving the issuance of request for proposals for audit services.

Chair Tom asked for public comment. There was none.

Board Action

Motion to adopt Resolution No. 2023-11 approving the issuance of a request for proposals for audit services.

|          |  |         |               |
|----------|--|---------|---------------|
| MOTION:  | Member Constancio  | SECOND: | Member Miller |
| AYES:    | Members Miller, Constancio, Acosta-Salazar, Lizarraga, Martin, Tom |         |               |
| NOES:    | None   |         |               |
| ABSTAIN: | None   |         |               |
| ACTION:  | MOTION PASSED  |         |               |

**Agenda Item No. 9**  
**Resolution to Approve 2024 Asset Allocation Recommendation for ScholarShare 529**

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Mr. Martinez presented SIB's staff's recommendation to adopt Resolution No. 2023-11 approving asset allocation changes to the existing actively-managed and passively managed enrollment year investment portfolios for ScholarShare 529. Jeremy Thiessen and Jordan Jones, TIAA-CREF Tuition Financing, Inc. (TFI), presented TFI's analysis and recommended asset allocation changes for 2024. In addition, Ms. Ceserani presented Meketa's review and analysis, including its concurrence with TFI's recommendation.

Chair Tom asked for public comment. There was none.

### Board Action

Motion to adopt Resolution No. 2023-12 approving asset allocation changes to the actively-managed and passively-managed enrollment year investment portfolios for the Plan.

|          |  |         |                       |
|----------|--|---------|-----------------------|
| MOTION:  | Member Miller  | SECOND: | Member Acosta-Salazar |
| AYES:    | Members Miller, Constancio, Acosta-Salazar, Lizarraga, Martin, Tom |         |                       |
| NOES:    | None   |         |                       |
| ABSTAIN: | None   |         |                       |
| ACTION:  | MOTION PASSED  |         |                       |

### **Agenda Item No. 10 Review and Analysis of Investment Performance for ScholarShare 529**

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Brian Griggs, Nuveen, presented a brief market update for October 2023.

Mr. Thiessen and Mr. Jones presented TFI's Investment Performance Report for the Plan for the third quarter of 2023, comparing each underlying fund allocated to the portfolios in the Plan to applicable benchmarks.

Ms. Ceserani presented Meketa's Investment Performance Status Report and watch review memo for the Plan for the third quarter of 2023.

Chair Tom asked for public comment. There was none.

### **Agenda Item No. 11 Marketing Update and 2024 Marketing Plan for ScholarShare 529 and the California Kids Investment and Development Savings Program**

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Doug Harrison, TFI, and Yvette Haring, TFI, presented TFI's Q3 2023 Marketing Results for ScholarShare 529 and CalKIDS, highlighting marketing results for the third quarter of 2023. In addition, Mr. Harrison presented TFI's 2024 Marketing Plan for ScholarShare 529 and CalKIDS, outlining the marketing goals and strategies for the upcoming year.

Otilia Bretan, Gleeson Digital Strategies, presented a summary of the CalKIDS paid media campaign completed in September-October 2023.

Chair Tom asked for public comment. There was none.

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

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Linda English, TFI, presented TFI's Administrative Performance Report for the Plan for the third quarter of 2023 relative to pre-established performance criteria and reported that TFI did not underperform in any of the performance areas.

Chair Tom asked for public comment. There was none.

### **Public Comment**

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Chair Tom called for public comment. There was none.

There was no further business before the Board. The Chair adjourned the meeting at 4:57 PM.