

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

DECEMBER 16, 2024

Chair Stephanie Tom called the meeting to order at 1:04 PM.

ScholarShare Investment Board Members Present:

- Stephanie Tom for Fiona Ma, State Treasurer, Chair
- Michele Perrault for Joe Stephenshaw, Director, Department of Finance
- Lisa Constancio for Brooks Allen, Executive Director, State Board of Education
- Angela Acosta-Salazar, Senate Rules Committee Appointee (via teleconference)
- Catalina Cifuentes, Governor Appointee (via teleconference)

ScholarShare Investment Board Members Absent:

- Paul Martin, Governor Appointee

ScholarShare Investment Board Staff Present:

- Cassandra DiBenedetto, Executive Director
- Stanley Zeto, Deputy Executive Director
- Noah Lightman, Manager
- Mario Sierras, Manager
- Roxanne Anderson, Program Analyst
- Aaron Lester, Program Analyst
- Diane Lim, Program Analyst
- Humphrey Manacsca, Program Analyst
- James Millward, Program Analyst
- Rikka Fisher, Office Technician

State Treasurer's Office Staff Present:

- Monica Jimenez, Senior Attorney, State Treasurer's Office
- Ethan Caudillo, Administrative Assistant II

ScholarShare Investment Board Consultants Present:

- Kay Ceserani, Managing Principal, Meketa Investment Group (via teleconference)
- Aysun Kilic, Managing 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:

- Chris Lynch, President
- Vivian Tsai, Senior Director, Head of Relationship Management
- Jean Seidel, Senior Director, Operations
- Jeremy Thiessen, Senior Director, Investment Strategies of Education Savings (via teleconference)
- Jason Pastoriza, Managing Director, Client Portfolio Management, Nuveen (via teleconference)
- Linda English, Senior Director
- Doug Harrison, Senior Director, Marketing
- Kristin Murphy, Director, Marketing
- Yvette Haring, Director
- Matt Lee, Non-Employee Consultant

ScholarShare Investment Board Contractors Present:

- Otilia Bretan, Media Director, Gleeson Digital Strategies

Agenda Item No. 1

Call To Order and Roll Call

Chair Tom declared a quorum present. Chair Tom also noted a change in the order of the agenda items with Agenda Item 10 now following Agenda Item 7, followed by Agenda Items 8, 9, 12, and 11.

Agenda Item No. 2

Approval of Minutes from October 22, 2024 ScholarShare Investment Board Meeting

The minutes for the October 22, 2024 ScholarShare Investment Board (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 22, 2024 SIB meeting.

MOTION:	Member Perrault
SECOND:	Member Constancio
AYES:	Members Perrault, Constancio, Acosta-Salazar, Cifuentes, Tom
NOES:	None
ABSTAIN:	None
ACTION:	MOTION PASSED

Agenda Item No. 3

Executive Director's Report

Cassandra DiBenedetto, SIB, provided updates on accounts, contributions, and assets for ScholarShare 529 (Plan) and the Morningstar annual rating for 2024.

Stanley Zeto, SIB, provided general program updates on SIB staff changes, the recent proxy vote, and federal legislation. Mr. Zeto also provided marketing and outreach highlights, including updates on new partnerships, statewide outreach and education activities, the summer incentive offer, and the Back-to-School campaign.

Mr. Zeto provided details of recently executed contracts and completed request for proposals, along with a tentative Board meeting calendar for 2024, noting that a final meeting calendar would be distributed to Board members in early-2025.

Chair Tom asked for public comment. There was none.

Agenda Item No. 4

Resolution to Approve Delegation of Authority for the Execution of Contracts up to \$500,000

Ms. DiBenedetto presented SIB staff's recommendation to adopt Resolution No. 2024-10, which provides the Executive Director with delegation authority for the execution of contracts and interagency agreements for SIB up to \$500,000.

Chair Tom asked for public comment. There was none.

Board Action

Motion to approve Resolution 2024-10, approving Delegation Authority for the Executive Director.

MOTION:	Member Perrault
SECOND:	Member Constancio
AYES:	Members Perrault, Constancio, Acosta-Salazar, Cifuentes, Tom
NOES:	None
ABSTAIN:	None
ACTION:	MOTION PASSED

Agenda Item No. 5

Update on the California Kids Investment and Development Savings Program

Noah Lightman, SIB, provided an update on the California Kids Investment and Development Savings Program (CalKIDS or Program), including an overview of participation results, distributions, call center and website analytics, and program outreach. Mr. Lightman highlighted both the Back-to-School campaign and a paid media campaign that ran from August through mid-October.

Mr. Lightman responded to Chair Tom's inquiry about an increase in CalKIDS account claims, Member Constancio's inquiry about notification letters mailed out, and Member Cifuentes' inquiry about incorporating the CalKIDS account claiming process into applying for student aid.

Chair Tom asked for public comment. There was none.

Agenda Item No. 6

Resolution to Approve Agreement with VistaShare LLC for Recordkeeping Platform for the California Kids Investment and Development Savings Program

Mr. Zeto and Mr. Lightman presented SIB staff's recommendation to adopt Resolution No. 2024-11 authorizing the Executive Director to enter into Agreement No. SIB 05-24 with VistaShare LLC for the recordkeeping platform for CalKIDS.

Chair Tom asked for public comment. There was none.

Board Action

Motion to adopt Resolution No. 2024-11 to enter into Agreement No. SIB 05-24.

MOTION:	Member Constancio
SECOND:	Member Perrault
AYES:	Members Perrault, Constancio, Acosta-Salazar, Cifuentes, Tom
NOES:	None
ABSTAIN:	None
ACTION:	MOTION PASSED

Agenda Item No. 7

Resolution to Approve Agreement with the Foundation for California Community Colleges for Call Center Services for the California Kids Investment and Development Savings Program

Mr. Zeto and Mr. Lightman presented SIB staff's recommendation to adopt Resolution No. 2024-12, authorizing the Executive Director to enter into Agreement No. SIB 06-24 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. 2024-12 to enter into Agreement No. SIB 06-24.

MOTION:	Member Perrault
SECOND:	Member Constancio
AYES:	Members Perrault, Constancio, Acosta-Salazar, Cifuentes, Tom
NOES:	None
ABSTAIN:	None
ACTION:	MOTION PASSED

Agenda Item No. 10

Review of ScholarShare 529 Environmental, Social and Governance (ESG) Investments

Ms. DiBenedetto provided a brief introduction to SIB's Environmental, Social, and Governance (ESG) investments.

Jeremy Thiessen, TIAA-CREF Tuition Financing, Inc. (TFI), presented a review of the Plan's ESG portfolios, including the underlying funds and ESG guidelines and components. Aysun Kilic, Meketa Investment Group, Inc. (Meketa) also added commentary on the ESG investments.

Chair Tom asked for public comment.

Multiple members of the public provide public comment (via Teams and in-person) regarding their desire for fossil fuel-free investment options for the Plan. Mr. Thiessen and Jason Pastoriza, Nuveen, provided additional details about the Plan's ESG investments in response to these comments.

Agenda Item No. 8

Review of Asset Allocation Recommendation for 2025 for ScholarShare 529

Mr. Thiessen presented TFI's analysis and asset allocation recommendation for 2025, recommending that no changes be implemented. In addition, Ms. Kilic presented Meketa's review and analysis, concurring with TFI's recommendation for no changes in 2025.

Chair Tom asked for public comment. There was none.

Agenda Item No. 9

Review and Analysis of Investment Performance for ScholarShare 529

Mr. Thiessen presented TFI's Investment Performance Report for the Plan for third quarter 2024, comparing each portfolio and underlying fund allocated to the portfolios in the Plan to applicable benchmarks.

Ms. Kilic presented Meketa's Investment Performance Status Report and Watch Memo for the Plan for third quarter 2024.

Chair Tom asked for public comment. There was none.

Agenda Item No. 12

Review of Administrative Performance for ScholarShare 529

Linda English, TFI, presented TFI's Administrative Performance Report for the Plan for the third quarter of 2024 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.

Agenda Item No. 11

Marketing Update and 2025 Marketing Plan for ScholarShare 529 and the California Kids Investment and Development Savings Program

Doug Harrison, TFI, and Yvette Haring, TFI, presented TFI's Q3 2024 Marketing Results for ScholarShare 529 and CalKIDS, highlighting the strong growth of both ScholarShare 529 and CalKIDS during the year. In addition, Mr. Harrison presented TFI's 2025 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 2024.

Ms. DiBenedetto spoke on the creation of a messaging platform for ScholarShare 529 and CalKIDS and provided background on her own educational journey.

Chris Lynch, TFI, commented on the success of ScholarShare 529 when compared to other states' 529 Plans and the Morningstar annual rating improvement.

Chair Tom asked for public comment. There was none.

Public Comment

Chair Tom called for public comment. There was none.

There was no further business before the Board. The Chair adjourned the meeting at 3:12 PM.