# MINUTES SCHOLARSHARE INVESTMENT BOARD

#### June 5, 2014

Chair Bettina Redway called the meeting to order at 1:04 PM.

Present:

Members: Bettina Redway for Bill Lockyer, California State Treasurer

Erika Li for Michael Cohen, Director of Finance

Brooks Allen for Karen Stapf Walters, Executive Director, State Board of Education

Hal Geiogue, Governor Appointee, California Student Aid Commission

Christopher Jennings, Speaker Appointee

Rhonda Johnson, Senate Rules Committee Appointee

Staff: Arlene Greene, Executive Director, ScholarShare Investment Board

(SIB or Board)

Stanley Zeto, Deputy Executive Director, SIB

Katie Burns, SIB Hau Cam, SIB Maria Collins, SIB Diana Sanchez, SIB Joyce Eriksson, SIB

Deborah Yang, Senior Attorney, State Treasurer's Office

Consultants: Jeremy Thiessen, Managing Director, Pension Consulting Alliance, Inc. (PCA)

Eric White, Principal, PCA Kay Ceserani, Principal, PCA

Andrea Feirstein, Managing Director, AKF Consulting Group (AKF) (via

teleconference)

TFI: Chris Lynch, Director, TIAA-CREF Tuition Financing, Inc. (TFI)

Vivian Tsai, Senior Director, Education Savings, TFI Pamela Pan, Manager, Pricing & Financial Analysis, TFI

Don Wolf, Senior Marketing Manager, TFI

Ralph Clement, Team Manager, Lead Field Consultant, TFI

Garianne Dashiell, Field Consultant, TFI

Chair Redway declared a quorum present.

#### Board Agenda Item Number One Approval of Minutes from March 20, 2014 ScholarShare Investment Board Meeting

The minutes for the March 20, 2014 SIB meeting were presented to the Board.

#### **Board Action**

Member Johnson moved to approve the item before the Board, the minutes for the March 20, 2014 SIB meeting. The motion was seconded by Member Geiogue and approved by the Board.

### Board Agenda Item Number Two Executive Director's Report

Mr. Stanley Zeto, SIB, provided updated account and asset data for the ScholarShare College Savings Plan (Plan) and an update on the Governor's Scholarship Programs. Mr. Zeto also provided an update on state legislation and contracts currently in progress.

Ms. Arlene Greene, SIB, provided updates on SIB staffing changes, TFI and PCA personnel changes, and introduced a new board member designee from the Department of Finance.

Ms. Greene also provided highlights of ScholarShare's recent marketing and outreach efforts and provided a summary of the contracts recently signed under her delegation authority.

# Board Agenda Item Number Three Review and Analysis of Investment Performance for the ScholarShare Plan for First Ouarter 2014

Mr. Jeremy Thiessen, PCA, presented PCA's Investment Performance Status Report for the Plan for first quarter 2014 and noted that PCA is not recommending any underlying funds be placed on watch status at this time.

Ms. Pamela Pan, TFI, presented TFI's Investment Performance Report for the Plan for first quarter 2014 and also provided a current market overview.

# Board Agenda Item Number Four Marketing Update for the ScholarShare Plan

Mr. Don Wolf, TFI, presented TFI's Marketing Update for the Plan, which outlined the marketing results for the first quarter of 2014 including an overview of the account and asset results, 2014 budget, and marketing activities planned for the remainder of the year.

# Board Agenda Item Number Five Review of Administrative Performance for the ScholarShare Plan for First Quarter 2014\_\_

Ms. Vivian Tsai, TFI, presented TFI's Administrative Performance Report for the Plan for first quarter 2014 relative to pre-established performance criteria. Ms. Tsai reported that there were no areas of underperformance by more than the allowable 2% variance for the first quarter 2014. Member Geiogue requested clarification on the variance between tax reporting numbers in first quarter 2013 and first quarter 2014. Ms. Tsai stated she would follow up and provide an explanation for the differences.

#### **Public Comment**

Chair Redway called for public comment. There was none.

There being no further business before the Board, the Chair adjourned the meeting at 2:38 PM.