

**MINUTES  
SCHOLARSHARE INVESTMENT BOARD**

**SEPTEMBER 19, 2019**

Chair Fiona Ma called the meeting to order at 9:40 AM.

***Present:***

**Members:** Fiona Ma, State Treasurer, Chair  
Audrey Noda for Fiona Ma, State Treasurer, Chair  
Gayle Miller for Keely Martin Bosler, Director, Department of Finance  
David Sapp for Karen Stapf Walters, Executive Director,  
State Board of Education  
Angela Acosta-Salazar, Senate Rules Committee Appointee  
Hal Geiogoue, Governor Appointee, California Student Aid Commission  
David Lizarraga, Speaker Appointee  
**Absent:** Paul Martin, Governor Appointee – Member at Large

***Present:***

**Staff:** Julio Martinez, Executive Director, ScholarShare Investment Board  
(SIB or Board)  
Stanley Zeto, Deputy Executive Director, SIB  
Robert Smith, Manager, SIB  
Roxanne Anderson, SIB  
Aaron Lester, SIB  
Lori Mattson, SIB  
Rachell Owen-Reinwald, SIB  
Dana Salas, SIB  
Ravinder Kapoor, Senior Attorney, State Treasurer's Office

**Consultants:** Eric White, Principal, Meketa Investment Group, Inc. (Meketa)  
Andrea Feirstein, Managing Director, AKF Consulting Group (AKF)  
Mark Chapleau, Vice President, AKF

**TFI:** Vivian Tsai, Senior Director, Head of Relationship Management,  
TIAA-CREF Tuition Financing, Inc. (TFI),  
Linda English, Senior Director, TFI  
Doug Harrison, Senior Director, Marketing and Sales, TFI  
Glenn Friedman, Director of Asset Allocation and Investments, TFI  
Gloria Yvette Haring, Team Manager, TFI

Chair Ma declared a quorum present.

**Board Agenda Item Number One**  
**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, Ms. Andrea Feirstein and Mr. Mark Chapleau from AKF Consulting Group (AKF) and Mr. Eric White from Meketa Investment Group, Inc. (Meketa), and by the program manager, Mr. Glenn Friedman from TIAA-CREF Tuition Financing, Inc. (TFI). Items covered in the training included the Board's role and responsibilities, investment and asset overview, and investment strategy.

The Board adjourned for break at 10:25 AM and resumed at 10:48 AM. Member Sapp departed the meeting at 10:25 AM.

The Board adjourned for a lunch break at 12:00 PM and resumed at 1:00 PM. Chair Ma departed the meeting at the lunch break at 12:00 PM. Deputy Treasurer Noda resumed the meeting as Chair at 1:00 PM. Member Sapp returned at 1:00 PM.

As a follow-up to the Board's inquiry regarding liability and fiduciary insurance for members, Ravinder Kapoor, State Treasurer's Office (STO), provided a brief overview on these items. Board members also requested that additional information be provided during an agenda item at the next SIB meeting.

**Board Agenda Item Number Two**  
**Approval of Minutes from June 26, 2019 ScholarShare Investment Board Meeting**

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The minutes for the June 26, 2019 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 June 26, 2019 SIB meeting.

MOTION:	Member Miller	SECONDED:	Member Acosta-Salazar
AYES:	Members Miller, Sapp, Acosta-Salazar, Noda		
NOES:	None		
ABSTAIN:	Members Geiogue, Lizarraga		
RECUSE:	None		

MOTION APPROVED

**Board Agenda Item Number Three  
Executive Director's Report**

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Mr. Stan Zeto, SIB, provided updates on accounts and assets for ScholarShare 529 (Plan), and recently executed contracts and marketing and outreach purchase orders. Mr. Julio Martinez, SIB, provided program updates as well as updates on current federal and state legislation. Mr. Robert Smith, SIB, provided updates on marketing and outreach and the Governor's Scholarship Programs.

Member Sapp inquired if there were a fee reduction breakpoint, to which Ms. Linda English, TFI, responded that there would be a reduction in the program management fee when Plan assets reach \$10 billion. Ms. Vivian Tsai, TFI, responded to Member Geiogoue and Member Acosta-Salazar's inquiries about the upcoming transition to a new record-keeper in January 2020.

Chair Noda asked for public comment. There was none.

**Board Agenda Item Number Four  
Resolution to Issue Request for Proposals for Investment Consulting Services for the  
ScholarShare Investment Board**

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Mr. Martinez presented SIB staff's recommendation for the Board to adopt Resolution 2019-05 authorizing the executive director to issue a request for proposals (RFP) for investment consulting services.

Mr. Zeto responded Member Lizarraga's inquiry about the elements and process for this RFP. Additionally, Member Lizarraga requested that the RFPs be shared with him prior to issuance.

Chair Noda asked for public comment. There was none.

Board Action

Motion to approve Resolution No. 2019-05 authorizing the executive director to issue a request for proposals for investment consulting services.

MOTION:	Member Miller	SECONDED:	Member Sapp
AYES:	Members Miller, Sapp, Acosta-Salazar, Geiogoue, Lizarraga, Noda		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		

MOTION APPROVED

**Board Agenda Item Number Five  
Resolution to Issue Request for Proposals for 529 Industry Consulting Services for the  
ScholarShare Investment Board**

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Mr. Martinez presented SIB staff's recommendation for the Board to adopt Resolution No. 2019-06 authorizing the executive director to issue a RFP for 529 industry consulting services.

Chair Noda asked for public comment. There was none.

**Board Action**

Motion to approve Resolution No. 2019-06 authorizing the executive director to issue a RFP for 529 industry consulting services.

MOTION:	Member Geiogue	SECONDED:	Member Acosta-Salazar
AYES:	Members Miller, Sapp, Acosta-Salazar, Geiogue, Lizarraga, Noda		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		

MOTION APPROVED

**Board Agenda Item Number Six  
Review and Analysis of Investment Performance for ScholarShare 529 for  
Second Quarter 2019**

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Mr. Friedman presented TFI's Investment Performance Report for the Plan for second quarter 2019 comparing each underlying fund allocated to the portfolios in the Plan to applicable benchmark.

Mr. White presented Meketa's Investment Performance Status Report for the Plan for second quarter 2019 and outlined Meketa's recommendation that the fund currently on "watch" status, TIAA-CREF Social Choice Equity Fund (Fund), remain on "watch" status. Mr. White also provided an update on the status of the benchmark review for the Fund. Mr. Martinez and Mr. White responded to inquiries from Member Noda and Member Miller regarding the performance status of the underlying funds and the ongoing process for evaluating options for the Fund's benchmark.

Chair Noda asked for public comment. There was none.

**Board Agenda Item Number Seven**  
**Marketing Update for ScholarShare 529**

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Mr. Doug Harrison, TFI, presented TFI's Marketing Update for the Plan, outlining marketing results through the second quarter of 2019 and highlighting various activities utilized to promote the Plan. Mr. Martinez and Mr. Harrison responded to inquiries from Board members regarding outreach to employees of community colleges and school districts, and stated that they welcomed any additional feedback or suggestions for Board members. Chair Noda asked for public comment. There was none.

Member Acosta-Salazar and Member Lizarraga departed the meeting at 2:37 PM.

**Board Agenda Item Number Eight**  
**Review of Administrative Performance for ScholarShare 529 for Second Quarter 2019**

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Ms. English presented TFI's Administrative Performance Report for the Plan for second quarter 2019 relative to pre-established performance criteria and reported that TFI met the performance criteria in all areas.

Chair Noda called 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 2:40 PM.