

# Minutes of the Meeting Of the College Savings Program Board

Held at the State of Wisconsin Department of Administration Building  
101 E. Wilson Street, Yahara Room; Madison, Wisconsin

May 24, 2016  
1:00 p.m.

MEMBERS PRESENT: *Derek Drummond, Rob Kieckhefer, Rob Kriebich (by phone), David Erdman for Scott Neitzel, Bill Oemichen, Kim Shaul, Rolf Wegenke, and Jim Zylstra.*

OTHERS PRESENT: *Annoesjka West, Callan Associates; Jeremy Thiessen, and Shirley Yang, with TIAA-CREF; Paula Smith, with Voya Investment; and Jim DiUlio.*

- I. **Call to Order and Roll Call** – Chair *Bill Oemichen* called the meeting to order at 1:02 p.m., with a quorum present. Introductions were made.
- II. **Approval of Agenda** – Motion by *Wegenke*, second by *Kieckhefer* to accept the agenda. Voice vote, carried. Staff reported that the meeting notice and agenda have been properly posted.
- III. **Approval of Minutes of December 7, 2015** Motion by *Zylstra*, second by *Kieckhefer* to approve the minutes. Carried.

#### IV. **Election of Officers**

The meeting was then temporarily chaired by *DiUlio* who asked for nominations for Chair, Vice Chair, and Chairs for Investment Advisory Committee and Outreach/Marketing Committee.

*Wegenke* nominated *Oemichen* for Chair, second by *Zylstra*, no other nominations. Unanimous vote for *Oemichen*, who resumed the Chair. Separate nominations by *Wegenke*, seconds by *Zylstra*, followed by unanimous votes as follows: *Shaul* as Vice Chair, *Kieckhefer* to Chair the Investment Advisory Committee, and *Kriebich* to Chair the Outreach/Marketing Committee.

- V. **Public Presentations** [if requested in advance] – none requested, none at meeting

#### V. **Administrative Reports**

- A. **Board Chair Comments** – *Oemichen* reminded members that education opportunities occur throughout the year and you are encouraged to participate when available. And the order of today's agenda may change depending on time.
- B. **Department of Administration** *Erdman* mentioned that the Governor will be issuing a "5-29 Day Proclamation" this week to highlight the national awareness campaign by all college plans.

- C. Program Director Comments** – *DiUlio* no communications received and no proxy votes taken, nearly a year since the last votes. He then reviewed the program's income and expenditures, noted rising rates in the State Investment Funds. We are well below budgeted expenses.

The federal PATH act included pieces of HR 529, including computers, aggregation and refunds from colleges. Work in Washington to improve 529 rules and regulations is a continuing process through the CSPN contacts and communications. ABLE plans continue to prepare for customers in a handful of states. The Legislature decided to not offer a state ABLE program at this time, instead allowing residents to use other state plans. Costs may be a concern for participants since out-of-state fees may be greater than returns for the most conservative choices.

He then outlined the Department of Revenue's interpretation of recent legislation regarding contributions to our 529 plans and the income reduction benefit. Contributions within a 365-day window of withdrawal will not qualify for the reduction, retroactive to 2014. However earlier contributions will be treated on a first-in first-out basis.

Also a short discussion regarding business continuity from the state's management of the college savings program and building redundancy into staffing.

#### **D. Manager Comments**

*Shirley Yang* of TIAA-CREF and *Paula Smith* presented highlights of Edvest and Tomorrow's Scholar, respectively. A brief introduction to TIAA's Principal Plus insured portfolio was given. (refer to the presentation decks)

#### **VI. Old Business** none today

#### **VII. New Business**

##### **A. Investment Committee Report - Review of First Quarter Investments**

*Annoesjka West* briefly covered the lengthy period since the last meeting with her Executive Summary. (see the full report) She then reviewed the plan portfolios and underlying investment, identifying two funds for consideration to the Watch List, the Columbia Limited Duration Credit and Voya Global Real Estate, both for performance reasons.

- B. Watch List update, recommendations** The committee reviewed recommendations by Callan Associates to place two funds in the Tomorrow's Scholar plan on the Watch List, due to performance relative to peers. Motion by Committee Chair, to keep Voya Large Cap Value on watch and add Columbia Limited Duration and Voya Clarion Global Real Estate portfolios on the Watch List. Voice vote, unanimous., Carried.

#### **IX. Announcements** – none

**X. Adjournment** — Motion by *Shaul*, second by *Kieckhefer* to adjourn. Carried. The meeting was adjourned at 3:00 p.m.