

# 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

September 20, 2016  
1:00 p.m.

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

OTHERS PRESENT: *Annoesjka West, Callan Associates; Catherine Burdick, Jeremy Thiessen, and Shirley Yang, with TIAA-CREF; Paula Smith and Josh Dennin with Voya Investment; Cory Fish, Michael Wolff, and Jim DiUlio.*

- I. **Call to Order and Roll Call** – Chair *Bill Oemichen* called the meeting to order at 1:05 p.m., with a quorum present. Introductions were made.
- II. **Approval of Agenda** – Motion by *Zylstra*, second by *Erdman* to accept the agenda. Voice vote, carried. Staff reported that the meeting notice and agenda have been properly posted.
- III. **Approval of Minutes of May 24, 2016** Motion by *Zylstra*, second by *Erdman* to approve the minutes. Carried.
- IV. **Public Presentations** [if requested in advance] – none requested, none at meeting

## **V. Administrative Reports**

- A. **Board Chair Comments** – *Oemichen* commented on education opportunities for members and staff. He also thanked the program managers for responding to the Board's questions..
- B. **Department of Administration** *Erdman* announced that Waylon Hurlburt has been appointed as the new Director of Executive Budget and Finance.
- C. **Program Director Comments** – *DiUlio* thanked members for the kind words and condolences on his mothers' passing. She was an inspirational person. The annual Morningstar 529 evaluation process is underway, with interviews for both plans at their Chicago offices. Results will be released in late October. Savingforcollege.com's second quarter rankings continue to be favorable for both plans. Financial literacy outreach events with the Department of Financial Institutions continue, with the addition of Cheryl Weiss as their student debt specialist. A number of joint presentations are in the works.

The program again had a successful outreach event in July with Farm Technology Days, held this year near Lake Geneva. Staff attended the Strategic Insight 529 Conference last week. This national event includes topical sessions for both direct and advisor plans, as well as a one day 'boot camp' for those new to 529.

Preparations are underway to fill the open program position. *DiUlio* said an ideal candidate will be a 401k administrator, mutual fund wholesaler, securities attorney, or one who can manage manufacturing. A national search is possible.

Currently, the program is participating in benefit fairs at the state's technical colleges, universities, and corrections facilities. Payroll deduction for state employees is planned in the near future.

Looking forward, the Board meetings will include from time to time topics similar to a broker-dealer's firm element in-service education. This is becoming a best practice at other states' 529 programs.

There were no proxy votes taken, nor communications received since the last meeting. The fiscal year-end numbers are not yet ready, but the program was on track to come in within budget guidelines.

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

Representing the program management, *Shirley Yang* of TIAA-CREF and *Paula Smith* presented highlights of Edvest and Tomorrow's Scholar, respectively. (refer to the presentation decks). Highlights included the Edvest call centers answering 85% of calls within 30 seconds. Adding Tomorrow's Scholar as part of work benefit packages is a new Voya project.

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

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

- A. **Investment Committee Report - Review of Second Quarter Investments**  
Callan's *Annoesjka West* detailed activity for the second quarter in her Executive Summary (details in the reporting books). The reports now add Morningstar references for the funds they follow. Some discussion regarding benchmarks followed. As examples, would the Templeton Foreign Equity need a second benchmark as a value fund, and the BlackRock Global may not have the appropriate index.

**Watch List update, recommendations** *Oemichen* reporting for the committee's meeting earlier this morning recommended adding three additional funds to the three on watch, as we pass the three-year window to trigger action. Motion by *Drummond*, second by *Oemichen* to add Templeton Foreign Equity, BlackRock Global Allocation, and Voya Multi-Manager Emerging Markets Equity to the Watch List, and maintain watch on the remaining three funds. Carried.

- B. The Board then heard reports from Voya regarding their funds on Watch, and TIAA detailed their proposal to incorporate more of the Principal Plus insurance portfolio into the Edvest age-based tracks. (refer to Investment Advisory Committee minutes and presentation decks for details)

#### **IX. Announcements** – none

**X. Adjournment** — Motion by *Zylstra* second by *Larson* to adjourn. Carried. The meeting was adjourned at 2:58 p.m.