



State of Wisconsin
Department of Financial Institutions

Tony Evers, **Governor**

Kathy Blumenfeld, **Secretary**

COLLEGE SAVINGS PROGRAM

REGULAR COLLEGE SAVINGS PROGRAM BOARD MEETING
WEDNESDAY, June 23, 2021

MINUTES

A meeting was held virtually via Cisco Webex conference call on Wednesday, June 23, 2021 at 9:00 a.m.

1. Call to Order and Roll Call

Chairman Bill Oemichen called the regular meeting of the College Savings Plan Board to order at 9:00 a.m., with a quorum present.

Board Members Present Via Conference Call

Secretary Kathy Blumenfeld, Board Chairman William Oemichen, Kimberly Shaul, Rachel Keith representing Senator Alberta Darling, Derek Drummond, Susie Bauer, Carrie Stahl representing Dr. Rolf Wegenke, Sean Nelson, Ashleigh Edgerson, and Jim Zylstra.

Staff Liaisons Present: Linda Lambert, and Jessica Fandrich.

Others Staff and Vendors Present Via Conference Call

Steve DiGirolamo & Felicia Bennett, Wilshire, Paula Smith, Voya, Shirley Yang, Glenn Friedman, Catherine Burdick, James Mandler, Jeremy Thiessen, Vivian Tsai, and Douglas Harrison TIAA, Matt Lynch, Cody Kastorff, and Lucien Adams, DFI,

General Public Attendees: Justin Slaughter, Ed Maraccini, Kevin Balaod, Parker (full name unknown),

The Board Chairman noted that a quorum was present for the Board to conduct the business posted in the notice of the meeting. Kimberly Shaul, Board Co-Chair officiated a portion of the meeting.

2. Agenda approval and public posting report

The agenda was received and staff reported that the meeting notice and agenda have been properly posted.

3. Approval of the minutes of the March 17, 2021 Board Meeting

Mr. Oemichen moved to approve the minutes of the March 17, 2021, College Savings Program Board meeting minutes. James Zylstra seconded the motion.
Motion carried.

4. Administrative Reports

- a. **DFI Secretary Blumenfeld Comments** – Secretary Blumenfeld commented on the department’s return to the office and plans for a hybrid schedule for the foreseeable future. She discussed the formal recognition and celebration of National 529 Day with the Governor’s 529 College Savings Plan Day Proclamation. She also commented on how the 529 Day promotion was by far the best 529 Day campaign we have had to date. She also commented on the Wisconsin Strong initiative and how Edvest at Work was added to the Program’s curriculum. She mentioned that the Achieving a Better Life Experience (ABLE) program was cut from the Governor’s budget but there is still a proposed bill for DFI to research and recommend the implementation of an ABLE program. Secretary Blumenfeld discussed proposed legislative changes for our 529 College Savings Program. Changes include increasing the tax contribution from \$3,380 for joint filers, or \$1,690 for single to \$5,000 and \$2,500 respectively, but also to simplify the language and increase the current Employer Tax Credit.
- b. **Board Chair Comments** – Board Chairman Bill Oemichen welcomed Senator LaTonya Johnson as the newest board member replacing Rob Kreibich. He also noted the reappointment of Senator Alberta Darling and Kimberly Shaul to the Board.

5. Program Director Comments

Linda Lambert, Program Financial Capability Officer – Commented on the partnership with Wisconsin Strong and the success of the webinars. She shared the new ReadySave 529 mobile app with Edvest launched in April, offering Account Owners easy access to Edvest account data on their mobile phones. She also discussed the Saving for College rankings – Linda indicated that Edvest increased in the 3-year performance category compared to last quarter, moving from an overall ranking of 7th to 4th. In the 5-year category, it ranked 2nd, which is up from 7th the previous quarter. These numbers are the highest rankings to-date for Edvest. The Tomorrow’s Scholar’s Advisor-sold plan ranked 4th in the 3-year performance and 6th in the 5-year performance. In the fee-only Registered Investment Advisor shares, it is ranked #1 in both the 3-year and 5-year performance categories, maintaining this ranking for the past 6 months. She concluded by discussing planning for the Morningstar meetings will begin later this summer and the meetings for both Plans will be held in September.

7. Investment Consultant Comments (Wilshire Associates)

- a. **First Quarter 2021 market activity and investment performance** - Felicia Bennett reviewed 1st quarter 2021 asset class returns. Equity asset class returns were positive for the quarter however, U.S. Core Bonds were negative over the same period. U.S. Bonds suffered as the yield curve moved higher for intermediate and longer dated maturities, while short-term rates remained unchanged. Within the Edvest direct-sold plan, 67% of the total funds ranked in the top half of their respective peer universe over the trailing five-year period for performance. Within the Tomorrow’s Scholar advisor-sold plan, 63% of the total funds ranked in the top half of their respective peer universe over the trailing five-year period for performance. There are currently no funds on the Watchlist within the Edvest or Tomorrow’s Scholars Plan.

Steve DiGirolamo reviewed the Edvest direct-sold plans performance with the Board. For the 1st quarter 2021, 14 of the total 25 funds, or 56%, ranked in the top half of their respective peer universes. For the 1-year period, all enrollment-year fund options reported double digit returns. He went on to discuss the Tomorrow’s Scholar plan performance. 20 of the total 32 funds, or

63%, ranked in the top half of their respective peer universes. He noted that performance was strong for both plans in terms of expectations relative to the strategies they utilized.

- b. Wilshire Manager research update** - Steve DiGirolamo provided an overview of Wilshire's manager research process including the qualitative and quantitative aspects of their research. He highlighted the six components (Firm/Team, Information, Forecasting, Portfolio Construction, Implementation, and Attribution) that the core team focuses on during the manager screening and evaluation process to find managers that outperform their peers.

8. Program Manager comments (Voya Investment)

- a. First Quarter 2021 Activity and Metrics** – Paula Smith reviewed the Tomorrow's Scholar program for the quarter including growth in sales, as well as the source of growth. Paula notified the Board that Ameriprise now operates under the omnibus tracking and is expected to go live in June. She discussed the addition of NASDAQ symbols for the Tomorrow's Scholar investment options as enhancements to their investor portal.

Paula commented on how their marketing group continues to focus on diversified marketing campaigns for the 529 plan to increase its awareness and increase new accounts. She discussed several different campaigns they ran including a 529 Day email and social media campaign, as well as a national webinar. She concluded by discussing ESG at Voya and the firm's commitment to conducting business in a way that is ethically, economically, socially, and environmentally responsible.

9. Program Manager comments (TIAA)

- a. First Quarter 2021 Activity and Metrics**

Shirley Yang discussed the Edvest plan performance for the 1st quarter. Total assets grew 35% year-over-year to \$4.4 Billion, while the number of accounts increased 6% to 201,416. Net new accounts and average account balances were higher year-over-year 50% and 27%, respectively. All figures were in-line with the direct plan industry. Shirley discussed how online enrollment continued as the primary avenue for new account openings.

Catherine Burdick began by introducing Jim Mandler as a new TIAA Marketing Consultant working on the Wisconsin plan. She went on to review the Marketing and Outreach report. Edvest began 2021 with several tax campaigns since tax season is often Edvest's largest growth period. Preliminary results indicate 539 new accounts from prospects were opened during the period. She also discussed how Edvest celebrated National 529 Day with a \$50 Match Promotion that propelled Edvest to its best May results in the past nine years. Catherine concluded by discussing upcoming marketing for the new ReadySave 529 mobile app, release of new Spanish-language educational resources and summer advertising initiatives.

10. Old business

- a. None**

11. New business

- a. Board Member Appointments** – Kim Shaul discussed the reappointment of Senator Alberta Darling and herself to the board as well as the new appointment of Senator LaTonya Johnson
- b. She went on to thank Rob Kreibich for his service to the Board.**

12. Announcements

- a.** The next meeting of the CSP Board will be held virtually on Wednesday September 15, 2021, at 9:00 a.m. The board discussed and decided to have three of the four quarterly future board meetings held virtually.

13. Adjournment

- a.** Motion to adjourn the meeting by James Zylstra, second by Susie Bauer to adjourn at 11:08 a.m. Motion Carried.