

COLLEGE SAVINGS PROGRAM

REGULAR COLLEGE SAVINGS PROGRAM BOARD MEETING

WEDNESDAY, September 15, 2021

MINUTES

A meeting was held virtually via Cisco Webex conference call on Wednesday, September 15, 2021 at 9:00 a.m. – 12:00 p.m. cst.

1. Call to Order

Chairman Bill Oemichen called the regular meeting of the College Savings Plan Board to order at 9:00 a.m. The Board Chairman Bill Oemichen noted that a quorum was present for the Board to conduct the business posted in the notice of the meeting

2. Roll Call – Board Members Present Via Conference Call

Present: Secretary Kathy Blumenfeld, Derek Drummond (attended after roll call), Sean Nelson, Bill Oemichen, Kimberly Shaul, Susie Bauer, Ashleigh Edgerson, Rachel Keith from Senator Alberta Darling office, Sen Darling, Aimee Biba, WAICU representing Dr. Wegenke, Rachel Keith (Sen Darling's office), Lacy Fox (Sen Johnson's office), and Sen La Tonya Johnson. Absent: Jim Zylstra & Dr. Wegenke.

3. Others Present via conference call: Edvest-TIAA: Jim Mandler, Vivian Tsai, Shirley, Catherine Burdick, Doug Harrison, Glenn Friedman; Wilshire: Stephen DiGirolamo, Tomorrow's Scholar-Voya: Paula Smith, and

Executive Secretaries to Board Present: Linda Lambert, and Jessica Fandrich.

General Public Attendees: Justin Slaughter

4. Quorum:

5. Agenda approval and public posting report

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

6. Approval of the Minutes of the June 23, 2021 Board Meeting

Secretary Kathy Blumenfeld moved to approve the minutes of the June 23, 2021, College Savings Program Board meeting minutes. Susie Bauer seconded the motion. Motion carried.

7. Guest Speaker, Patricia Roberts (Gift of College, Inc.), 529 industry expert – Insights from a Rewarding Journey. Bill Oemichen introduced the guest speaker and read her bio, followed by Patricia Roberts delivering her presentation.

8. Administrative Reports

DFI Secretary Blumenfeld commented that the State continues to work a hybrid schedule and work a few days in the office and a few remotely. We continue to be vigilant, and we all hope everyone stays safe and healthy and see the end of this pandemic soon.

We are all in Morningstar mode and had our first meeting with them yesterday to present our Tomorrow's Scholar plan. Our next meeting to present Edvest is scheduled for October 1st.

CSM - September is College Savings Month and we formally are recognizing and celebrating College Savings Month with the Governor's 529 College Savings Month Proclamation. We have a promotion running through September 26th to award new account owners who set up recurring

contribution awarding a \$50 bonus. We have seen tremendous growth this year in new accounts and assets and Catherine will show later how well these promotions have been proving to work!

WI Strong - The WI Strong program continues to expand and has reached nearly 10,000 employees so far this year since it was launched in early March which our goal for the year is to reach and engage 10,000 employees, including their families, with extensive outreach campaigns. We have targeted urban and rural employees, specific occupations, such as firefighters and teachers, and have been providing information tailored to women and under-served populations. Edvest at Work was added to the Program's curriculum and early last month we officially launched Savi under the WI Strong program. Savi is a technology solution which helps student loan borrowers lower their payments and when available, find loan forgiveness opportunities. Through the NAST grant we were awarded, we are able to offer Savi to public employees in WI at no cost to them, or their employers. Offering a student debt tool was one of the recommendations presented to the Governor last year from his Task Force on Student Debt and I'm proud that we are to deliver on this recommendation so quickly.

While we've only have about 100 Savi users so far, they have an average of almost \$21K in loan forgiveness, saving each of them on average, over \$140/per month on their loan payments.

WI Saves - We continue to promote WI Saves under the WI Strong program and have over 70 employers throughout the State promoting this initiative and encouraging their employees to set up automatic savings and split-to-save for the unexpected and to help reduce debt and build wealth. Employers play a vital role in raising awareness of the program and helping to improve the financial lives of their employees.

Since we met last, I've brought together our College Affordability and Financial Literacy under the Office of Financial Capability. These, along with the College Savings Program all focus on education and higher-education and bring together strong synergies and collaboration, leveraging their outreach efforts. I'm confident this change will bring efficiencies and greater productivity.

9. **Board Chair Comments**

Board Chairman Bill Oemichen noted that since Sen Johnson was unable to attend our June meeting, He wanted to formally welcome her to the WI College Savings Program Board. He then went on to introduce Patricia Roberts from Gift of College,

Patricia has a B.A. in Philosophy and Political Science, a J.D. from Brooklyn Law School, and is licensed to practice law in both New York and New Jersey. Through her leadership over the past 23 years, Patricia Roberts has helped tens of thousands of families prepare for the cost of higher learning. To educate and inspire even more, she authored a book in 2020 called Route 529: A Parent's Guide to Saving for College and Career Training with 529 Plans in which she shares both her professional expertise and personal journey as a mom saving for her son's education.

She currently serves as Chief Operating Officer at Gift of College, Inc. where one of her primary objectives is to bring 529 plans to the workplace as a financial wellness benefit. Prior to this, Patricia held key legal, product and program management roles at Citigroup, Merrill Lynch and Alliance Bernstein Investments where her focus was on the program management of several of the largest 529 plans in the nation and on the many issues (including legislative, regulatory, advisor sales and direct-to-consumer marketing) that affect these plans.

Patricia also designed and launched several first-of-their-kind children's savings account programs (including Rhode Island's CollegeBoundbaby program in 2010 and the NYC Kids RISE

program in 2017) through which families receive seed money for college savings accounts along with valuable financial education and incentives to help them save on their own.

Patricia has become a go-to resource for the media and industry peers on a range of education savings and financial empowerment topics. As a motivational speaker and writer, she has a special interest in offering encouragement and guidance to first-generation college goers and students from low-income families like the one she grew up in. She is also passionate about helping individuals with disabilities develop greater confidence and independence.

She has held leadership roles in various industry groups including the National Association of State Treasurers' College Savings Plans Network and has served in various industry-related capacities including eight years on the Municipal Securities Rulemaking Board's Professional Qualifications Advisory Committee. And, according to Patricia, her favorite role of all, is the proud mom of a debt-free college graduate named Benjamin who is beginning graduate studies this fall.

10. Program Director Comments

Linda Lambert, Financial Capability Director commented on the Independent Financial Audits we just completed Financial Audits for both the Edvest and Tomorrow's Scholar Plans and there was nothing outstanding - all looked good.

Morningstar - After spending the past 8 weeks documenting and reviewing the RFIs for both Plans, we just completed our first Morningstar meeting yesterday meeting with the analysts for Tomorrow's Scholar. Add anything more from yesterday's meeting.

Promotions in 2021 - Have been doing exceptionally well and Catherine will give more details shortly. And as the Secretary just mentioned, September is Saving for College month and we're running a promotion, which began on the 7th and runs through the 26th. All new accounts set up during this time, funded with at least \$50 and a recurring contribution of \$25 or more for at least 6 months, will receive a \$50 bonus from Edvest. Additionally, Jessica delivered 2 webinars this month in recognition of the CSM, on 9/8 and 9/13 and had close to 50 attendees.

Outreach - Last month the CSP teamed up with the BGC of DC and participated in their Back-to-School night. This was our very first live event since the pandemic. Jessica represented the CSP to over 100 families who attended the event. And we partnered with Bob Wynn of Climb USA, who offers economic and investment education strategies for underserved communities, such as their summer Stock Market Experience. We set up a special promotion for a little over 100 youth participating in last month's Stock Market game to encourage them to set up a new Edvest or TS account with recurring contributions. Additionally, they also teamed up with a local credit union to encourage these same kids to set up bank accounts and start saving!

Benefit Fairs - We'll kick off three weeks of benefit fairs starting on September 27th and running through mid-Octobers. Jessica leads these virtual fairs for employees of every State Agency and the UW System, holding 3 webinars each week. This is our second year holding the benefit fairs virtually and it appears to not have hindered attendance as last year we had record attendance to hear about Edvest at Work and we're expecting high attendance again.

Last week on Sept 7th, we had a blog posting on CSPN, talking about 7 tips to achieving college saving goals, and we just reposted these tips in a Press Release sent out on the 9th. If you'd like to check it out, here's the link: <https://www.collegesavings.org/seven-tips-to-achieve-your-college-savings-goals/>.

11. Investment Consultant Comments (Wilshire Associates)

Second Quarter 2021 market activity and investment performance

- a. Stephen DiGirolamo commented:
 - 2021 2nd Quarter of 2021 Asset Class Returns:
 - U.S. Equity: 8.4%
 - International Equity: 5.6%
 - U.S. Core Bonds: 1.8%
 - Within the Edvest Direct Sold plan, 67% of the total funds ranked in the top half of their respective peer universes over the trailing five-year period
 - Within the Tomorrow's Scholar Advisor Sold plan, 66% of the total funds ranked in the top half of their respective peer universes over the trailing five-year period
 - There are currently no funds the Watch List within the Edvest Plan
 - There are currently no funds on the Watch List within the Tomorrow's Scholars Plan

12. Program Manager comments (Tomorrow's Scholar-Voya)

Second Quarter 2021 Activity and Metrics

- a. Paula Smith reviewed the Tomorrow's Scholar
 - Strongest sales since inception as investors put excess capital to work.
 - Overall sales of \$124m thru July 2021, up 20% over the same period in 2020. Investors have money is in motion.
 - Sales were spread across 250 broker/dealers nationally.
 - Merrill Lynch (+38%), Ed Jones: (+33%), Morgan Stanley (+29%),
 - RW Baird (+22%) and LPL (+20%), continue to show strong sales growth
 - New accounts number over 12,000, still concentrated with younger beneficiaries. Average account size is \$21,716.

13. Program Manager comments (Edvest-TIAA)

Second Quarter 2021 Activity and Metrics

- a. Shirley Yang discussed the Edvest plan performance for the 2nd quarter.
Plan Statistics
 - Assets reached \$4.67 billion, a 26.3% increase from Q2 2020, in line with the direct plan industry growth of 26.9%.*
 - Growth in average account size (\$22,794) of 18.4%, just above industry growth of 17.8%* (\$29,537 average account size*).
 - Total accounts of 204,873 were up 6.6%, compared to 7.8%* for the industry.
 - 4,936 new Edvest accounts were opened, a year-over-year increase of 31.7%, exceeding industry growth of 20.8%*.
 - Contributions of \$94.9 million in Q2 were 28.8% higher than in Q2 2020, in line with
 - Industry growth of 29.2%*.
- b. Service Levels
 - Call volume of 10,239 was 42% lower than in Q2 2020 (transition of administrative platform was in March 2020).
 - Service level remains strong at 91.43%, with a 0.6% abandonment rate.
 - The average call duration was 7.81 minutes.
 - The average speed to answer was 14.44 seconds.
- c. Second Quarter Marketing Comments 2021 Activity and Metrics (Edvest)
Catherine Burdick discussed Edvest's marketing campaigns and initiatives.
 - 529 Day promotion
 - Tax Campaign results

- Highlights from the Conversion and Lifecycle marketing
- ReadySave 529 App
- College Savings Month Preview
- Field Consultant Activity

14. Old business

None

15. New business

- a. Linda Lambert outlined the changes to Investment Policy Statement (formerly SIPO) and opened the floor to discussion (no objections).
- b. Matt Lynch reviewed the Ethics Refresher presentation for the Board

16. Announcements

The next meeting of the CSP Board will be held virtually on Wednesday March 16, 2022, at 9:00 a.m. The board discussed and decided to have three of the four quarterly future board meetings held virtually.

17. Adjournment

Motion to adjourn the meeting by Secretary Kathy Blumenfeld, second by Sean Nelson to adjourn at 12:04 p.m.

- a. Motion Carried.