

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING  
July 25, 2013

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Chairman Kate Marshall, State Treasurer, called the meeting of the Board of Trustees of the College Savings Plans of Nevada to order at 10:00 a.m., on Wednesday, July 25, 2013. The meeting was held by conference call from the Nevada State Capitol, 101 North Carson Street, Guinn Room, Carson City, Nevada to the Grant Sawyer Building, 555 East Washington Avenue, Suite 4600, Las Vegas, Nevada. Other attendees participated in person or by conference call.

Present at the meeting were:

Board Members

Ned Martin  
Mike Torvinen  
Robert Seale (excused)  
Crystal Abba, Nevada System of Higher Education (excused)  
Chairman Kate Marshall

Others Present

Sheila Salehian, Senior Deputy Treasurer - South, Treasurer's Office  
Mark Mathers, Chief Deputy Treasurer, Treasurer's Office  
Linda English, Deputy Treasurer, College Savings  
Troy Watts, Marketing Coordinator, Treasurer's office  
Blanca Platt, Program Officer, Treasurer's Office  
Gina Robison-Billups, International Association of Working Mothers  
Irene Bustamante Adams, International Association of Working Mothers  
Shane Chesney, Deputy Attorney General, Office of the Attorney General

Roll was taken and it was determined a quorum was present. Ms. Salehian indicated the meeting had been properly noticed and the agenda was posted in accordance with the Open Meeting Law.

1. Public Comment.

There were no comments.

### Consent Agenda

2. For possible action – Board review and approval of the minutes of the College Savings Board of Trustees meetings of:
  - a.) May 29th, 2013
  - b.) June 27th, 2013
  
3. 3.For possible action: Review and approve the letter dated June 20, 2013 from Kafoury, Armstrong & Co. that summarizes the significant terms of engagement for the FY13 audit of the Nevada Prepaid Tuition Program.
  
4. For possible action: Review and approve the auditors selected by each of the Nevada College Savings Plans program managers to conduct annual audits for FY13 for the SSgA Upromise 529 Plan, the Vanguard 529 Plan, the Putnam 529 Plan for America, and the USAA 529 Plan.
  
5. For possible action: Review and approve the updated plan description for the USAA 529 College Savings Plan.
  
6. For possible action: Review and approve an amendment to the contract with Callan Associates for investment performance monitoring of the Prepaid Tuition Program, and direct staff as appropriate.

Mr. Ned Martin made a motion to approve agenda items 2-6. Mr. Mike Torvinen seconded the motion. The motion passed unanimously.

### Discussion Agenda

7. For possible action: Review and approve the Nevada Prepaid Tuition annual assumptions for inflation, long term rate of investment return, and tuition increases for the Prepaid Tuition Higher Education Trust Fund and approve their use in the 2013 Actuarial Valuation Study prepared pursuant to NRS 353B.190, and the preparation of pricing scenarios for the 2013 Prepaid Tuition contracts for fall enrollment, and/or direct staff.

Mr. Ken Alberts explained how the company establishes the assumptions for Prepaid Tuition. Mr. Alberts explained in depth how Prepaid Tuition parameters impact gains and losses in tuition trust funds. David Kausch noted that the State of Nevada currently has a return assumption of 6.75% per year. This assumption is used to determine the pricing of the contracts and in the annual valuation. Mr. Kausch explained the process of how GRS validates the proposed assumptions to the Board using the attachment that was given to the Board members. The average return of all the investment consultants was 6.64%. Mr. Kausch stated there is a wide variety between the investment

consultants. The analysis of eight investment consultants was based on validating the reasonableness of the expected return assumptions.

Mr. Mike Torvinen stated the college his daughter attends is using bracketed or block scheduling. Mr. Alberts stated that in cases of bracketed tuition, it is important to understand how the billing would impact the prepaid tuition program. Usually students can take up to 18 credits and the program is only billed for 15.

Mr. Ned Martin made a motion to approve the Nevada Prepaid Tuition annual assumptions for inflation, long term rate of investment return, and tuition rate increases for the Prepaid Tuition Higher Education Trust Fund and approve their use in the 2013 Actuarial Valuation Study. Mr. Mike Torvinen seconded the motion. Motion passed unanimously.

8. Receive a report on the 2nd Annual Women's Money Conferences which took place in April.

Ms. Robison-Billups stated 84% of Women reported that they do not understand what Financial Institutions and investment companies are trying to convey to them. During the 2013 conferences 7 women were awarded with achievement awards. There was a 34% increase in attendance between the 1<sup>st</sup> Women's Money conference in 2012 and the 2<sup>nd</sup> conference in 2013. There was an increase of 135% in the scholarship funds given to women to participate in the Women's Money Program, a 13% increase in community partners, a 96% increase in the social media outreach, and there are currently 12 mentoring groups in Southern Nevada and 3 will be starting in Northern Nevada. In the inquiry regarding awareness for the need for college savings and career advancement, there was a 9% increase in response rates.

Ms. Robison-Billups stated that February 8, 2014 is the expected date for the first Latina Women's Money Conference. September 1<sup>st</sup> is when the Latina mentoring groups will start. The English speaking conferences are set for March and April of 2014.

Treasurer Marshall stated that the National Association of State Treasurers (NAST) has a goal to drive Financial Literacy in the community. The NAST office applauds the Financial Literacy efforts of community partners such as the International Association of Working Mothers. Treasurer Marshall recognized and awarded Ms. Robison-Billups with the NAST Pinnacle Award, thanking Gina for her leadership and dedication to educating Nevada families about the importance of understanding and managing their money.

9. Public Comment

There was no public comment in Las Vegas or Carson City.

As there was no further business, Chairman Marshall adjourned the Board meeting at 10:57 a.m.

Attest:



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Sheila Salehian, Secretary to the Board