

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING
February 27, 2014

Chairman Kate Marshall, State Treasurer, called the meeting of the Board of Trustees of the College Savings Plans of Nevada to order at 10:01 a.m., on Thursday, February 27, 2014. The meeting was held by video conferencing 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 teleconference call.

Present at the meeting were:

Board Members

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

Others Present

Sheila Salehian, Senior Deputy Treasurer, Treasurer's Office
Mark Mathers, Chief Deputy Treasurer, Treasurer's Office
Steve George, Chief of Staff, Treasurer's Office
Linda English, Deputy Treasurer, Treasurer's Office

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 was no public comment in Carson City or Las Vegas.

Consent Agenda

2. For possible action – Board review and approval of the minutes of the College Savings Board of Trustees meeting of January 30, 2014.

3. For possible action – Board review and approval of the Upromise program manager’s report encompassing results for Vanguard, USAA, and SSgA Upromise 529 plans for the quarter ended December 31, 2013.
4. For possible action – Board review and approval of the Putnam 529 for America advisor sold program manager’s report for the quarter ended December 31, 2013.
5. For possible action – Board review and approval of the Thomas & Thomas unaudited financial statements of the Nevada College Savings Plans compiled for the quarter ended December 31, 2013.
6. For possible action – Board review and approval of the performance report from Chicago Equity Partners, investment manager for the fixed income portfolio of the Nevada Higher Education Trust Fund (Prepaid Tuition Program), for the quarter ended December 31, 2013.
7. For possible action – Board review and approval of the Prepaid Tuition Investment Monitoring Report prepared by Callan Associates for the quarter ended December 31, 2013.
8. For possible action – Board review and approval of the SSgA marketing expenditures for the SSgA Upromise 529 Plan for the quarter ending December 31, 2013, and approve the expenditures for inclusion in the non-cash marketing commitment budget as specified in Amendment #3 to the Upromise Agreement.
9. For possible action – Board review and approval of the SSgA Upromise 529 Plan program supplement.
10. For possible action – Board review and approval of the SSgA Upromise 529 Plan RIA Marketing Plan update.
11. Receipt of staff report on glide-path discussions with Vanguard for the Vanguard 529 Plan.

12. For possible action: Board review and approval of the Trust delegation assignment.

Mr. Ned Martin asked for legal counsel to give the Board a quick synopsis of the Trust delegation assignment.

Mr. Shane Chesney stated the Trust document was put into place last Board meeting. In the Trust document it names the Board as the actual Trust administrator as well as the trustee of the Trust. The Trust allows the Board to delegate it's duties as trust administrator to another person. This document is relieving the Board of the duties as trust administrator and delegating them to the Treasurer.

Mr. Ned Martin asked if there was a time limit on the delegation. Mr. Shane Chesney stated it is an open delegation until the Trustees change the delegation or the delegate is no longer the Treasurer.

Mr. Ned Martin asked if the delegation was to the Treasurer or to the Treasurer's Office. Mr. Shane Chesney stated it was a delegation to Treasurer Marshall in her capacity as Treasurer.

Ms. Linda English stated the Trust document that outlined the parameters of how the trust would be administered. Mr. Shane Chesney identified the actual day to day trust administrator is typically the Treasurer.

Mr. Ned Martin asked if the trustees become the administrator after Treasurer Marshall is no longer Treasurer. Mr. Shane Chesney stated that was correct.

Mr. Ned Martin made a motion to approve the delegation for the Trust administrator. Ms. Crystal Abba seconded the motion. Motion passed unanimously.

13. For possible action – Board review and approval for staff to begin contract negotiations with Kafoury, Armstrong, and Co. to perform the annual audit of the Prepaid Tuition Trust Fund financial statements for fiscal years 2014-2017.

Agenda Item 12 was taken out of the Consent Agenda and into Individual Consideration. Ms. Crystal Abba made a motion to approve Agenda Items 2 through 13 with an exception for Agenda Item 12. Mr. Ned Martin seconded the motion. Motion passed unanimously.

Discussion Agenda

14. For possible action – Board review and approval of the Vanguard program supplement lowering the minimum account balance for Nevadans to \$1,000.

Mr. Stew Duffield stated for Nevada residents the minimum account balance is now \$1,000 to open a Vanguard 529 account.

Treasurer Marshall asked when the \$1,000 account balance will go into effect. Mr. Stew Duffield stated Vanguard will notify the public on April 1st. Treasurer Marshall asked if there is a way Vanguard could notify Vanguard customers in Nevada who do not have a Vanguard 529 plan that there is a new opportunity. Mr. Stew Duffield stated the idea is being discussed by Vanguard to develop an offer on the internet for existing Vanguard account holders in Nevada.

Treasurer Marshall asked if it would be possible to figure out a way for the Board to market this opportunity to Nevadans in general. Mr. Stew Duffield stated that is a good idea and that he would look into it.

Mr. Mark Mathers stated the disclosure is to go to the account owners.

Mr. Ned Martin made a motion to approve the Vanguard supplement. Ms. Crystal Abba seconded the motion. Motion passed unanimously.

Mr. Steve George stated the State very much appreciates Vanguard staff. The State and Vanguard had a great meeting on this issue in the recent on site visit to the East Coast.

15. For possible action – Board review and approval of the Nevada College Savings Plans Investment Monitoring Report prepared by Pension Consulting Alliance, Inc. for the quarter ended December 31, 2013.

Mr. Eric White stated all three of the USA funds as well as the SSgA Upromise funds all show improvement. PCA recommends that they stay on the Watch list. The Putman Absolute Return 100 Fund qualifies for the Watch List but PCA is not recommending the fund be put on the list. The Putman Return 300, 500, and 700 are removed from Watch status.

Treasurer Marshall stated there needs to be some time for people to have comfort this issue will be resolved for the fund that PCA recommends being removed from the program. Mr. Eric White stated PCA's recommendation is to work closely with Staff and Putnam to replace the fund as soon as possible.

Treasurer Marshall asked Ms. Judy Minsk if Putnam will have a new fund for the Board. Ms. Judy Minsk stated Putnam was willing to meet with Staff to make a recommendation on a new fund.

Mr. Ned Martin made a motion to approve PCA Investment Monitoring Report and its recommendations. Ms. Crystal Abba seconded the motion. Motion passed.

Comments

16. Staff Notes: Updates on the rollout of the College Kick Start program statewide and on the 2014 Prepaid Tuition enrollment numbers.

Treasurer Marshall stated she was on a News show in Northern Nevada. Over a dozen people called and asked questions. There is a lot of excitement for these programs.

Sheila Salehian stated there are 874 Prepaid Contracts which is well ahead of where the program was at with enrollment the prior year.

17. 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 10:33 a.m.

Attest:



Sheila Salehian, Secretary to the Board