

THE BOARD OF TRUSTEES OF THE COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING Wednesday, November 13th, 2024

Location:

Via videoconference at the following locations:

State Capitol Building
1st Floor State Treasurer's Office
101 N. Carson Street, Suite 4
Carson City, NV 89701

Board members present:

Chairman Treasurer Zach Conine
Michael Rankin
Robin Hager
Donna Velez
Lisa Cano Burkhead

Others present:

Nicole Ting, Deputy Attorney General
Kirsten Van Ry, Chief of Staff
Lori Hoover, Chief Deputy Treasurer
Tya Mathis-Coleman, Deputy – College Savings
Troy Watts, Treasurer's Office
Blanca Platt, Treasurer's Office
Leslie Milton, Treasurer's Office
Naomi Nevers, Treasurer's Office
Ariel Luke, Treasurer's Office
Aysun Kilic, Meketa Investment
Kay Ceserani, Meketa Investment
Chris Catanese, Ascensus
Mannik Dhillon, Victory Capital
Scott Kefer, Victory Capital
Jessica Campbell, Victory Capital
Caroline Churchill, Victory Capital
Douglas Polak, JP Morgan

1. Roll Call

Chairman Treasurer Conine called the meeting to order at 10:00 am, and determined a quorum was present.

2. Public Comment.

There was no public comment.

Discussion Agenda

3. For possible action to approve: Board review and approval to contract with the following two (2) firms to provide marketing services.

- a. The Abbi Agency
- b. Estipona Group

Chief of Staff Kirsten Van Ry began the presentation noting this agenda item is the marketing contracts themselves and not necessarily the proposed marketing plans. Those plans are historically presented to the board during the December meeting where they will present the office's marketing plans during next month's meeting. She referenced page 21 of the materials showing the total budgets which is similar to last year's marketing contract. The full amount of spending is included under each contract. This allows the flexibility with the spend. She reviewed in the budget chart, there are 7 rows of expenditure programs. The first two which are highlighted are the programs overseen by this board, whereas the five other programs relate to the Financial Security Division.

Deputy of College Savings Tya Mathis-Coleman was excited to share an update on the division's marketing initiatives over the last year. She specifically focused on April 2024 through November of 2024 and provided a bit of background information. In early 2024, the Abbi Agency and Estipona Group were appointed as the marketing firms for the College Savings Division. Their mission was to elevate the College Savings brand and take them to new heights and achieve greater outreach and engagement and engagement across all their platforms. She began reviewing the organic social over year where they saw improvements in Instagram performance. Since July of 2024 they generated 199,000+ impressions for the NVigate and Treasury brands, which has resulted in 1,474 content engagements, over 800 clicks back to the NVigate website, gained over 866 new followers during that timeframe of July 2024 through November 2024. She reviewed when it comes to paid advertising, the open enrollment for Nevada Prepaid Tuition opened on November 1st, which caused a shift their advertising focus and to prioritize more of their organic content, resulting in a 20% increase in followers on Facebook and enhance potential for more organic outreach for upcoming campaigns. Using their momentum of their successful social media and online presence in 2024, they focused on finally curated content and maximizing social media advertising. They identified high performing topics and platforms with the most traction among current users. She went over the results of various public relations efforts. This year they prioritized inclusivity and worked diligently to broaden their reach across all of Nevada. Several programs were updated and successfully completed, reflecting the commitment to serving a diverse and widespread community. She concluded stating anyone can reach out to the Marketing Coordinator, Troy Watts or herself if any additional questions.

Motion to approve the agenda item from Member Hager. Motion passed unanimously.

- 4. For possible action to approve:** Proposal to make changes to the Vanguard 529 Plan
- c. Minimum account deposit threshold
 - d. Service levels

Chief Van Ry stated that agenda item 4 concerns two proposed changes to the Vanguard Plan. These changes are outlined on page 24 and 25 of the materials. The first item would change the minimum amount required to open an account from \$1,000 to \$500.00 for Nevada residents and it would lower for everyone who's not a Nevada resident from \$3,000 to \$1,000. They believe this change makes the plan more accessible for those saving for higher education by lowering the barrier to entry. The next proposed change is to align existing call center answering times with Vanguard's existing organizational standard. The current call center answering times for the 529 Plan is 85% of calls within 60 seconds, and Vanguard is proposing to increase the answer time to 85% of calls within 300 seconds. She noted staff is in support of this and if approved, these changes will be implemented soon to align with gift giving season. Staff will continue to monitor the impacts of these changes and how they are received from clients once implemented.

Motion to approve the agenda item from Member Velez. Motion passed unanimously.

- 5. For possible action to approve:** Proposal to consolidate the existing Putnam 529 for America Plan into the JP Morgan Future Path 529 Plan, and direct staff as appropriate

Ms. Van Ry noted this agenda item is the follow up regarding a meeting earlier in the year about the Putnam acquisition by Franklin Templeton and the existing exclusivity clause that Franklin Templeton's contract with New Jersey has. During that meeting, the board directed staff to identify a solution to the issue presented by that exclusivity clause. As noted in previous meetings, staff updates and RFQ was published in April and responses were received in May. Following the receipt of those responses, staff, AKF and Meketa met several times to discuss the proposed option and seek additional information from the respondents. Based on the due diligence conducted in the final proposals provided, staff recommends the board approve consolidating the Putnam 529 for American Plan into the JP Morgan Future Path Plan. This would not create a new plan, rather the Putnam assets would be rolled into the existing Future Path 529 Plan and the Putnam customers would become customers of the JP Morgan Future Path Plan. The result would be that the state would offer one advisor sold plans rather than two, which leads to be beneficial.

She noted through negotiations with both JP Morgan and Ascensus, the parties have proposed changes or additions to the existing Future Path Plan of those Putnam assets if taken over by JP Morgan. She reviewed on page 30, the first and second rows of this chart outline the existing fees and sales charges that the Putnam Plan participants pay and what these fees and sale charges would be for those same participants under the Future Path Plan. The third row outlines the existing assets under management breakpoints in the Future Path Plan contract. As part of the negotiations, the state requested a lowering of the fee once certain milestones are met to which Ascensus and JP Morgan both agreed to. She reviewed the fourth row which outlines the existing Putnam Plan Investment options along with the Future Path Plan investment options. If approved, they will bring forth a more in-depth recommendation of how the existing Putnam customers would be transitioned into the Future Path investment options. The fifth row relates to the marketing commitments in each contract. Currently for the contract with Putnam provides \$50,000 in marketing for the plan each year. Similarly, under the existing contract with JP Morgan, JP Morgan

provides \$250,000 in marketing each year for the Future Path Plan if approved. JP Morgan has agreed to increase their annual marketing commitment by \$100,000 in the first year and \$50,000 in each subsequent year. Finally, the sixth row outlines the existing scholarship programs offered by each plan. Currently, Putnam provides account owners a one-time contribution of \$100 if certain conditions are met under eligibility requirements. This scholarship is automatic, and account owners do not need to apply for this under the Silver State Matching Grant program, which is offered to participants. Those who meet certain criteria which are outlined in the chart receive it. There is an application process for this program. They believe that \$74,000 or the \$75,000 income is a little low, so they'd like to increase it just to make it more accessible to more families in Nevada and the parties have agreed to provide an additional \$50,000 per year in the instance that there is more demand for the scholarship than there are dollars available. She reviewed if approved by the Board, a contract amendment to the Future Path Tri-Party agreement along with the plans for conversion, customer communications and investment mapping timelines would be brought forth at a subsequent meeting.

Motion to approve the agenda item from Member Burkhead. Motion passed unanimously.

- 6. For possible action to approve:** Proposal to amend the Victory Capital Agreement, and direct staff as appropriate.

Ms. Van Ry noted that Agenda item 6 is also a follow up regarding our meeting earlier this year regarding the expiration of the Victory Capital Agreement on December 31st of this year. During the September meeting, the board directed staff to move forward on negotiations with Victory regarding a contract extension. Outlined on page 34 of the materials are proposed changes to the plan as a result of the extension of the agreement. These changes are fairly straightforward but want to make note for the record as far as timing of the new contract, the parties have agreed that the termination date will coincide with the existing termination date of the Ascensus contract. From a process standpoint, she noted they believe that matching these dates is easier from an outcome perspective. On the management fees portion, Victory has agreed to lower the fees paid by participants to seven basis points over the next two years. They are currently at 10 and Victory has agreed to lower it to 7, which they are happy that they agreed to that. The first fee reduction would happen at the end of this year and the second one would happen at the end of next year. Victory has also agreed to amend the payment made to the state. They will then rebrand the plan to the Victory Capital 529 Education Savings Plan rather than the USAA Plan. She stated their goal is to get final language for the amendment to the board at the December meeting for the board's review and potential approval. At a future meeting, they would update the board as to the progress of the changes in the communications made to participants regarding the name change and the rebranding efforts.

Mannick Dhillon with Victory Capital added that they are excited to be able to go down the path of working together for the next years. He shared that their commitment to the military remains strong and steadfast and are happy to work with the state on reducing those participant level fees as well.

Motion to approve the agenda item from Member Hager. Motion passed unanimously.

7. **For discussion and for possible action:** Proposal to temporarily extend the termination of the Victory Capital Agreement from December 31, 2024, to March 31, 2025.

Ms. Van Ry presented this agenda item and noted it relates to the Victory contract. They call this the parachute amendment, in that it's there in case they do need it. As she noted in the previous item, the contract with Victory is up on December 31st of this year. They are confident that they can get those changes done and in writing prior to the December board meeting but in case there is an unforeseen circumstance, they want to be safe and effectively give a couple more months to get that amendment done and present it to the board for final review and approval. This extends the existing contract out 90 days in case they need that extra time. She lastly noted there is an update to the entity name for Victory that they need to do to ensure it aligns with their entity name with a slight amendment to the version in the meeting materials.

Motion to approve the agenda item from Member Hager. Motion passed unanimously.

8. **Public Comment.**

There was no public comment.

9. **ADJOURNMENT.**

Meeting adjourned at 10:20am.