

**MINUTES OF THE
OREGON 529 COLLEGE SAVINGS BOARD
MEETING OF May 21, 2015**

Members Present: Peter Angstadt
Jennifer Cooperman
Larry Large

Network Staff: Michael Parker, Executive Director
John Valley, Outreach Director
Stephanie Swetland, College Savings Specialist
Lynn Nagasako, Legal Counsel

Treasury Staff: Paola Nealon, Investment Officer

Others Present: Kerry Alexander, TIAA-CREF
Tim Findlay, TGF Productions, Inc.
Ryan Harvey, Sellwood Consulting
Kathy Griffin, TIAA-CREF
Kevin Raymond, Sellwood Consulting
Colleen Rooney, MFS Investment Management
Jeremy Thiessen, TIAA-CREF

The meeting was called to order at 1:00 p.m. by Chair Jennifer Cooperman.

Board Member Larry Large moved to approve the February 19, 2015 minutes, seconded by Board Member Peter Angstadt. All approved.

Executive Director Michael Parker informed the Board of pending legislation affecting the Oregon 529 College Savings Network (Network). Senate Bill 777 attaches the state to the Federal ABLE legislation, which allows for the state to set up a 529-like plan for disabled Oregonians. Mr. Parker anticipated that the bill would pass, and explained that it will significantly affect Network staff and the Board because it requires the Network to set up and operate the program. This will require the same process and oversight needed to set up and manage the Network's current 529 plans. Additionally, a new Board member with professional connections to the disabled community in the state will be joining the Board in January 2016. Mr. Parker estimates it will take a minimum of 12-18 months to have the ABLE program in place, as federal and state rules for it haven't even been drafted yet. Mr. Parker answered several questions from the Board regarding the ABLE legislation and what the ABLE program will most likely look like.

The second piece of legislation pertaining to the 529 Network was HB 2747, which Mr. Parker explained would allow the state tax deduction to change from per return to per beneficiary and provide a \$150 fully-refundable tax credit for low-income Oregonians who contribute to an Oregon 529 plan.

Outreach Director John Valley updated the Board on the progress of the Be College Ready Program, which is being piloted with the Hermiston, Grants Pass, McMinnville, North Clackamas and Seaside school districts. A slide about the program's features is part of the Network's electronic record of the meeting.

Annual Marketing Report

Tim Findlay of TGF Productions and Kathy Griffin of TIAA-CREF presented the marketing update for the Oregon College Savings Plan (OCSP), a copy of which is part of the Network's records for this Board

meeting. The various campaigns and programs that had been run in the last year were discussed, including advertising efforts through TV, print, radio and internet, as well as direct mail campaigns. The new Baby Marketing campaign was explained in detail, and the Board was brought up to date on the marketing partnerships with the Oregon Zoo, state libraries and the Civil War partnership, among others. Social media and internet advertising are also being utilized. The Board was also made aware of account owner communications throughout the year and the OCSP website redesign scheduled for the fall of 2015.

Colleen Rooney of MFS presented the MFS marketing initiatives, which are part of the first quarter report, a copy of which is part of the Network's records for this meeting. Ms. Rooney noted that since the MFS 529 College Savings Plan (MFS Plan) is sold through financial intermediaries, their marketing plan has a very different look and feel. The MFS approach is more about establishing a strong brand and raising brand awareness in a very crowded marketplace. Campaigns are run through print, digital, landing pages and TV advertising to help educate financial advisors and investors.

Sellwood Quarterly Review

Ryan Harvey of Sellwood Consulting (Sellwood) presented the first quarter Investment Performance Report, a copy of which is part of the Network's records for this meeting. Mr. Harvey explained what was going on in the global capital markets and stated that the Federal Government has voiced its intention to bring the U.S. stimulus policy to a close, although when is still unclear. The first quarter was favorable for almost all asset categories, with the most positive returns coming out of international markets. Mr. Ryan spoke to the performance of each asset category and indicators that are being watched by the Federal Reserve.

Plan composition and individual portfolio performance in the OCSP and MFS Plan was discussed, with explanations of how market conditions influenced performance. Overall, the portfolios in both plans performed in line with their benchmarks.

Plan Manager Quarterly Reviews

Ms. Rooney of MFS presented the MFS first quarter report, a copy of which is a part of the Network's records for this Board meeting. Ms. Rooney noted that total assets were just under \$1.2 billion. She highlighted contributions and distributions for the quarter, as well as the breakdown of assets and accounts by Oregon county. Total accounts were 75,714, with about half of them in Oregon and the rest out of state. Edward Jones is the top-selling dealer of the MFS Plan.

Kerry Alexander of TFI presented the OCSP first quarter report, a copy of which is part of the Network's records for this Board meeting. Mr. Alexander stated that the assets were at 1.2 billion, with accounts at 82,000. There has been increased growth, but also increased redemptions as people withdraw the funds for college expenses. Mr. Alexander noted that contributions had increased 9.4% over the same period last year, and redemptions had increased by 15.9%. Average account size was \$14,744, up 5.2% from the same time last year. Mr. Alexander highlighted online activity, and also noted that TIAA-CREF has won the Lipper Award for Best Overall Large Fund Company for the last three years in a row.

The meeting was adjourned at 3:27 p.m.