

UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY
BOARD OF DIRECTORS MEETING
MINUTES

Board of Regents Building, The Gateway
60 South 400 West
Salt Lake City, UT 84101-1248

February 18, 2016

Members Present

Mr. Edward Alter
Commissioner David Buhler
Ms. Lisa-Michele Church
Mr. Arnold Combe
Mr. David Feitz
Mr. Fred Hunsaker
Mr. Robert Marquardt
Dr. Norm Tarbox

Mr. Paul Packard
Ms. Ashley Reyes
Mr. Steve Rogers
Mr. Troy Runnells
Mr. Todd Schneider
Mr. David Schwanke
Ms. Lynne Ward
Mr. Randy Willardsen
Ms. Audry Wood

Staff Present

Mr. Ben Aguayo
Ms. Brenda Cox
Mr. Ronell Crossley
Mr. Greg Dyer
Mr. Richard Ellis
Mr. Dallin Hunter
Ms. Brenda Kimber
Mr. Bob McRae

Others Present

Mr. Jamie Canup
Hirschler Fleischer
Ms. Andrea Feirstein
AKF Consulting
Mr. Kevin Olsen
Assistant Attorney General

Chair Stoddard called the meeting to order at 10:03 a.m. and declared the presence of a quorum. Mr. Jensen, Dr. Nadauld, Mr. Stoddard, and Ms. Valdez were excused.

It was moved by Ms. Church and seconded by Mr. Alter to convene in closed session for the purpose of discussing fiduciary or commercial information as authorized in Utah Code Section 52-4-205. The motion carried unanimously.

It was moved by Mr. Alter and seconded by Ms. Church to reconvene the UHEAA Board in open session. The motion carried unanimously.

The first agenda item discussed was UHEAA Board Report I-A, Minutes of the December 3, 2015 Meeting.

It was moved by Mr. Marquardt and seconded by Dr. Tarbox to approve the minutes of the December 3, 2015, Board of Directors Meeting. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report I-B, Investment Reports. Mr. Schwanke summarized investment activity for the months of October 2015 through December 2015.

It was moved by Mr. Alter and seconded by Mr. Marquardt to approve the Investment Reports. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report I-C, Report of the Audit Committee.

It was moved by Dr. Tarbox and seconded by Mr. Alter to approve the Report of the Audit Committee. The motion carried unanimously.

The next agenda item discussed was UESP Board Report III-A, UESP Executive Director's Report.

It was moved by Mr. Marquardt and seconded by Dr. Tarbox to approve the December 31, 2015, UESP Investment Reports and UESP Administrative and Endowment Funds. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report II-A, UHEAA Community Outreach Update. Mr. Schwanke remarked the main focus for UHEAA Outreach is to remove financial barriers to higher education by providing financial aid information, which is in line with UHEAA's vision statement. He noted this is accomplished largely through Free Application for Federal Student Aid (FAFSA) completion efforts conducted by the six outreach staff that travel throughout the state, with a particular emphasis on rural and underserved populations. He highlighted recent FAFSA boot camp, train-the-trainer events for educators conducted by UHEAA Outreach and indicated staff has now begun to host FAFSA open house events to assist students in filling out the FAFSA. Mr. Schwanke pointed to UHEAA's social media presence and noted positive feedback has been received for the information provided.

The next agenda item discussed was UESP Board Report III-B, UESP Informational Reports. Ms. Ward reviewed the FDIC-insured account interest rate comparison under Tab III-B-1. She referred the Board to column three, the blended rate with Sallie Mae and US Bank. As of December 2015, the rate was .85%. She said it was not huge, but is tax free growth. Ms. Ward reviewed Tab III-B-2, UESP's outreach summary. She highlighted three news and magazine articles, which mention UESP, providing positive, unpaid media reports. She noted in the article, "The Right Way to Invest for College," UESP is the only plan to be called out in this way. Ms. Ward reviewed Tabs III-B-6 and III-B-7, investment option performance as of December 31, 2015, and the Program Description Supplement dated February 1, 2016. She indicated the full Program Description was issued February 2, 2015, and is updated every 12 to 18 months. Ms. Ward mentioned Tab III-B-8, UESP's latest Newsletter, dated January 2016.

Ms. Ward shared a PowerPoint presentation with the Board. She mentioned the Program Description Supplement is provided to keep UESP's information current and fresh. She noted a change in Limited Power of Attorney (LPOA) authorization and indicated those changes would be presented at a future meeting. Ms. Ward indicated the Program Description Supplement also included information about changes related to the Protecting Americans from Tax Hikes (PATH) Act of 2015 which includes computers being considered a qualified higher education expense, re-contribution of refunds being allowed, and the elimination of aggregation requirement for distribution. Ms. Ward mentioned the benchmark change for two Vanguard funds - the Vanguard Developed Markets Index Fund (VDIPX) and the Vanguard Emerging Markets Stock Index Fund (VEMRX).

Ms. Ward provided a legislative update stating that the session is now half way through. She remarked HB216 permits UESP account owners to contribute directly into their custodial accounts without having to come from a bank UGMA/UTMA account first. She indicated the bill is in the House committee this week and Senate committee next week and noted Representative Barlow and Senator Urquhart have been great to work with. Ms. Ward highlighted SCR6, sponsored by Senator Vickers and Representative Stanard, which commemorates UESP's 20th anniversary and helps bring attention to UESP. She noted the bill also provides recognition to the legislature for their support of UESP. Ms. Ward provided an update regarding the name change to the UHEAA Board, which she said was on hold for the time being.

It was moved by Dr. Tarbox and seconded by Ms. Church to adjourn the UHEAA Board of Directors Meeting. The motion carried unanimously.

Chair Stoddard adjourned the meeting at 12:08 p.m.

Executive Director, UHEAA

Date