

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

September 26, 2013

**Members Present**

Mr. Edward Alter  
Commissioner Dave Buhler  
Mr. David Feitz  
Mr. Fred Hunsaker, Vice Chair  
Mr. Marlin Jensen  
Mr. Robert Marquardt  
Dr. Gregory Stauffer  
Dr. Norm Tarbox

**Staff Present**

Mr. John Andrus  
Mr. Mike Atkinson  
Ms. Dorothy Bailey  
Ms. Brenda Cox  
Mr. Ronell Crossley  
Mr. Greg Dyer  
Mr. Brian Elcock  
Ms. Jenn Howard  
Mr. Alex Janak  
Ms. Diane Johnson  
Mr. Clive Killpack

Mr. Andrew Madsen  
Mr. Troy Runnells  
Mr. David Schwanke  
Ms. Carly Seely  
Ms. Lynne Ward

**Others Present**

Mr. Michael Curry  
Vanguard Mutual Funds  
Mr. Victor Deane  
Vanguard Mutual Funds  
Ms. Kathy Edgett  
Vanguard Mutual Funds  
Mr. Mark Gochnour  
Dimensional Fund Advisors  
Mr. Kevin Olsen  
Assistant Attorney General  
Mr. Spencer Pratt  
Legislative Fiscal Analyst  
Mr. Matt Snider  
Dimensional Fund Advisors

Mr. Hunsaker called the meeting to order at 10:05 a.m. and declared the presence of a quorum. Mr. Campbell, Mr. Combe, Dr. Nadauld, Dr. Stauffer, and Mr. Stoddard were excused.

Mr. Hunsaker recognized the service on the Board of Ms. Sweeten.

It was moved by Dr. Tarbox and seconded by Mr. Marquardt to approve the Resolution of Appreciation for Maria Sweeten. The motion carried unanimously.

Ms. Ward introduced Greg Dyer, UESP's new Chief Compliance Officer.

It was moved by Dr. Tarbox and seconded by Mr. Marquardt to move into a 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 Dr. Tarbox and seconded by Mr. Marquardt to reconvene the UHEAA Board in open session. The motion carried unanimously.

Mr. Alter was excused from the remainder of the meeting. Dr. Stauffer joined the meeting.

The first agenda item discussed was UHEAA Board Report I-A, Minutes of the June 27, 2013 Meeting.

It was moved by Mr. Marquardt and seconded by Dr. Tarbox to approve the minutes of the June 27, 2013 Board of Directors Meeting. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report I-B, Annual Open Meeting Law Training. Mr. Olsen summarized changes in the Open and Public Meetings Act and noted S.B. 77 now requires Public Bodies to post minutes and audio recordings of meetings on the Utah Public Notice Website. He described the purpose of the statute, permissible reasons for closing a meeting, and the definition of a Public Body as defined in the law. Mr. Olsen discussed the documentation requirements for closed meetings. He indicated penalties in the law put emphasis on closed meetings. He noted the Board is not allowed to take action in closed session.

The next agenda item discussed was UHEAA Board Report I-C, Investment Reports. Mr. Schwanke summarized money management investment activity for the months of May 2013 to July 2013.

It was moved by Dr. Tarbox and seconded by Mr. Jensen to approve the Investment Reports. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report I-D, Report of the Audit Committee. Dr. Tarbox reported all audits completed in the last quarter were clean. He indicated information security and business continuity efforts were strong.

It was moved by Mr. Marquardt and seconded by Mr. Jensen to accept the Report of the Audit Committee. The motion carried unanimously.

The next agenda item discussed was UHEAA Board Report I-E, Proposed 2014 Meeting Schedule. Mr. Feitz reviewed the proposed 2014 meeting schedule. He noted the change in timing for the budget meeting.

It was moved by Dr. Tarbox and seconded by Mr. Marquardt to approve the 2014 UHEAA Board of Directors meeting schedule. The motion carried unanimously.

The next agenda item discussed was UESP Board Report II-A, UESP Executive Director's Report. Ms. Ward requested a motion to approve the August 31, 2013 Investment Report.

It was moved by Mr. Marquardt and seconded by Mr. Jensen to approve the August 31, 2013 Investment Report. The motion carried unanimously.

Ms. Ward requested a second motion to approve the addition of two funds to the UESP investment options.

It was moved by Mr. Marquardt and seconded by Dr. Tarbox to approve the addition of two funds to the UESP investment options. The motion carried unanimously.

The next agenda item discussed was UESP Board Report II-B, UESP Informational Report. Ms. Ward indicated this tab includes the typical informational reports she presents each meeting, and she would be happy to answer any questions. Vice Chair Hunsaker asked if there were any questions. There were no questions.

Ms. Ward highlighted the FDIC-insured savings account rates comparison found under Tab II-B-1. She remarked UESP plans to issue two Requests for Proposal (RFPs) on Monday, September 30, 2013, for the FDIC-Insured Savings Account and the Treasury Management Services. She noted UHEAA will issue its own RFP for Treasury Management Services. She indicated the bids are due October 25, 2013 and UESP hopes to have the contracts in place by the first of December, for execution the first part of February for the savings account and the first part of March for the treasury management services.

The next agenda item discussed was UHEAA Board Report III-A, New Student Loan Interest Rate. Mr. Feitz indicated this material was reviewed with the Board of Regents at their September meeting. He reported the new student loan interest rates, which took effect July 1, 2013, allow undergraduate students to borrow at 3.86% this academic year.

The next agenda item discussed was UHEAA Board Report III-B, UHEAA Grants. Mr. Feitz commented on UHEAA's longstanding history of sharing its revenues to provide UHEAA Grants. He noted the program has distributed nearly \$11 million in grants to needy students since its inception.

The next agenda item discussed was UHEAA Board Report III-C, Guaranty Agency: Voluntary Flexible Agreement. Mr. Davis remarked UHEAA submitted a request in August to enter into a Voluntary Flexible Agreement with the Department, which would allow UHEAA to assume the portfolio of struggling guaranty agencies under a new structure established by the Department. He indicated the Department intends to select two or three guaranty agencies to participate. He commented the agreement would provide an additional revenue stream and increased economies of scale for the Guarantor. He noted the timeframe for the Department's decision has not been announced.

The next agenda items discussed were UHEAA Board Report III-D, UHEAA Cost-Saving Initiatives, and UHEAA Board Report III-E, UHEAA Community Outreach Update. Mr. Feitz remarked UHEAA has made significant efforts to implement cost saving initiatives. He referred the Board to the materials provided in their packets for more information about those cost saving initiatives and UHEAA's recent outreach activity.

Mr. Hunsaker adjourned the meeting at 12:44 p.m.

---

Executive Director, UHEAA

---

Date