

**UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
MINUTES**

**Utah Board of Higher Education Building, The Gateway  
60 South 400 West  
Salt Lake City, UT 84101-1248**

**March 9, 2023**

**Members Present**

Mr. Arthur Newell, Chair  
Ms. Lori Chillingworth  
Mr. Palmer DePaulis  
Mr. John Lunt  
Dr. Stephen Nadauld  
Commissioner Woolstenhulme

Mr. Troy Runnells  
Mr. Jeff Sebok  
Mr. Paul Smith  
Ms. Kerry Stack  
Ms. Mollie Weisman  
Mr. Randy Willardsen  
Ms. Jessica Williamson

**Staff Present**

Mr. John Andrus  
Ms. Camille Anthony  
Ms. Dorothy Bailey  
Mr. Robbie Beckstead  
Mr. Greg Dyer  
Mr. Richard Ellis  
Mr. Peter Lozancich  
Mr. Todd Mortensen  
Ms. Stephanie Norman  
Ms. Kristie Pederson  
Ms. Alison Adams-Perlac  
Ms. Bryn Ramjoue'

**Others Present**

Mr. James Duffy  
CAPTRUST  
Mr. Kevin Olsen  
Assistant Attorney General  
Mr. Michael Sanders  
CAPTRUST  
Ms. Emily Wrightson  
CAPTRUST

Chair Newell called the meeting to order at 10:05 a.m. and declared the presence of a quorum.

The first agenda item discussed was Tab 1.1, Minutes of the December 8, 2022, Meeting.

It was moved by Commissioner Woolstenhulme and seconded by Dr. Nadauld to approve the minutes for the UHEAA Board of Directors meeting held on December 8, 2022. The motion carried unanimously.

The next agenda item discussed was Tab 1.2, Audit Committee Report. Mr. Lunt indicated two internal audits were recommended to stay open, which were my529 Database Security and Integrity Review and my529 Call Center Communication audits. He reported three internal

audits were closed: my529 Business Continuity, my529 Information Security – Third Party Vendor Review and my529 Incoming Mail and Check Processing Review audits.

It was moved by Mr. Lunt and seconded by Ms. Chillingworth to approve the Audit Committee Report as presented. The motion carried unanimously.

The next agenda item discussed was Tab 1.3, UHEAA and my529 Investment Reports. Mr. Runnells reviewed UHEAA Investment Reports for the period of November 2022 through January 2023, and my259 Investment Report for the period of November 2022 through January 2023. Mr. Runnells added the fluctuation in my529 assets was due to market volatility.

It was moved by Dr. Nadauld and seconded by Mr. DePaulis to approve the investment reports as presented. The motion carried unanimously.

The next agenda item discussed was Tab 1.4, Proposed Change to FY 2024 Meeting Schedule. Mr. Newell reviewed the proposed change noting a new meeting date of Thursday, September 28, 2023.

It was moved by Commissioner Woolstenhulme and seconded by Mr. DePaulis to approve the proposed change to the FY 2024 meeting schedule as presented. The motion carried unanimously.

The next agenda item discussed was Tab 1.5, Legislative Update. Mr. Ellis summarized several bills from the 2023 General Legislative session that have a direct impact on my529. Mr. Ellis indicated Senate Bill 194 – Higher Education Funding Amendments passed. He stated the bill primarily restructures the Utah Higher Education Assistance Authority Board into a new board called, Utah Education Savings Board of Trustees (UESB). No substantive changes were made to the board's current powers and duties.

The next agenda item discussed was Tab 1.6, Executive Director's Report. Mr. Ellis provided an update on UHEAA. Regarding the Loan Guaranty transition, Mr. Ellis indicated that it met the March 1, 2023, deadline and noted the transfer to ECMC went well. Mr. Ellis recognized the UHEAA staff for their dedication.

Mr. Ellis provided an update on my529. He noted an updated Program Description was sent to all account owners dated February 15, 2023. Mr. Ellis discussed a provision in the SECURE 2.0 Act ("act"), which allows an account owner to rollover excess 529 funds into a Roth IRA account of the beneficiary with certain limitations. He concluded by stating my529 staff will monitor developments and begin planning system changes required by the act. Mr. Ellis concluded by saying my529 is having a Managers Retreat on April 26, 2023, and invited board members to attend if they chose.

The next agenda item discussed was Tab 1.7, my529 Information Report. Mr. Ellis provided a status on the my529 Strategic Plan and highlighted the Marketing Report. Chair Newell stated his appreciation for adding the underserved communities outreach to the report. Mr. Ellis

reviewed the my529 budget to actuals financial statements and said my529's budget for FY 2023 is on track.

The next agenda item discussed was Tab 2, Report from CAPTRUST. Chair Newell introduced the CAPTRUST consultants: James Duffy, Michael Sanders and Emily Wrightson, and turned the time over to them. Ms. Wrightson gave an overview of the content in the Investment Program Analysis Quarterly Review for Q4, 2022. Mr. Sanders presented the Enrollment Date analysis, noting the U.S. markets performed well during Q4, 2022, with positive returns across all styles and market caps. He noted bonds had their worst year of absolute returns in over 20 years.

Mr. Sanders noted that my529 Investment Advisory Committee ("IAC") is exploring ways to improve returns for account owners invested in the Target Enrollment Date such as the inclusion of a +/- 5% tactical trading range. This would allow the program to approve shifts within asset class exposure when market opportunities present themselves. Mr. Sanders added that this tactic would not be deployed often, but to allow opportunities for discussions and flexibility, if needed.

The board discussed potential ways to protect account owners' funds when they are in the Enrolled investment option including moving money into stable value or offering an insurance product. Dr. Nadauld asked CAPTRUST to provide ideas on how to protect account owners' funds.

Ms. Wrightson highlighted the performance of the PIMCO Interest Income Fund, noting it is aligned with its benchmark. Ms. Wrightson reviewed the underlying investments scorecard. Mr. Duffy indicated DFA Five-Year Global Bond and DFA US Large Cap funds are on the watch list. Mr. Duffy concluded by stating CAPTRUST will continue to monitor the funds on the watch list.

The board discussed its philosophy for how to best leverage the analysis provided by CAPTRUST and when funds on the watch list should be recommended for removal. Mr. Ellis clarified that a fund tends to be on the watch list for at least a year before a change is recommended. Mr. Lunt stated he is comfortable with CAPTRUST's approach because it protects from behavioral mistakes. Mr. Sanders said when funds are evaluated, it is important to consider if the funds still have a strong strategy and fit the needs of the account owners and advisors.

The next agenda item discussed was Tab 3, Report from my529 Functional Departments. Mr. Ellis said my529 is unique compared to other 529 plans because it operates all facets of the program in-house rather than contract with a program manager and investment manager. Mr. Ellis indicated the purpose of this report is to better understand the roles of each department.



The next agenda item discussed was Tab 3.1, Accounting, Business Intelligence and Fraud Prevention. Mr. Nilsen highlighted the responsibilities of each department. Dr. Nadauld asked if my529 self-insures. Mr. Ellis responded that my529 is covered under State Risk Management and sometimes will self-insure.

The next agenda item discussed was Tab 3.2, Finance. Mr. Mortensen presented on the responsibilities of the Finance department, which includes overseeing the investment options, monitoring daily trades and investment performance and relationship management with fund partners and the IAC.

The next agenda item discussed was Tab 3.3, Operations. Mr. Andrus noted the Call Center's two main functions are to process transactions and assist account owners. Dr. Nadauld asked how often the Call Center receives calls from upset account owners. Mr. Andrus responded that it is rare.

The next agenda item discussed was Tab 3.4, Children Savings Accounts, Financial Advisors, Marketing and Outreach. Ms. Ramjoue' reviewed the different types of marketing and outreach to prospects, account owners, and financial advisors. Ms. Ramjoue' highlighted my529's work and partnership with underserved communities. Chair Newell stated B2B is a great opportunity for growth. Ms. Ramjoue' added she has allocated money for a B2B marketing campaign.

The next agenda item discussed was Tab 3.5, Publications. Mr. Lozancich highlighted the materials the Publications department creates and maintains, which are all the print and digital materials for my529 including the website, the Program Description, brochures and forms.

The next agenda item discussed was Tab 3.6, Information Technology Development. Mr. Sebok discussed the different functions within the department and how the department supports my529.

The next agenda item discussed was Tab 3.7, Compliance. Mr. Dyer presented the responsibilities of the Compliance department, which includes all legal, regulatory and compliance issues.

The next agenda item discussed was Tab 3.8, Internal Audit. Mr. Willardsen reviewed Internal Audit's goals, which are to identify risk and ensure controls are in place.

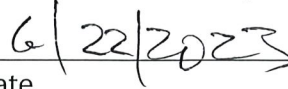
The next agenda item was Tab 4, Public Comment. Chair Newell noted there was no requests for public comment.

It was moved by Dr. Nadauld and seconded by Mr. DePaulis to adjourn the meeting. The motion carried unanimously.

Chair Newell adjourned the meeting at 12:27 p.m.



Executive Director, my529 and UHEAA



Date

