



**MINUTES FROM THE MEETING OF THE  
PLANS MANAGEMENT BOARD  
March 2, 2021**

A meeting of the Plans Management Board (the “Board”) was held on March 2, 2021, convening at 10:00 a.m. Pursuant to Governor Carney’s Emergency Orders relating to the Covid-19 pandemic, the meeting was held telephonically, without a physical location. Members of the public were able to participate using the provided dial-in information.

Board Members Represented or in Attendance:

Ms. Donna Vieira, Board Chair

Mr. Alan Colberg, Chair, Investment Committee (“IC”)

Mr. Pete Kennedy, Chair, Audit and Governance Committee (“AGC”)

The Honorable Colleen C. Davis, State Treasurer

The Honorable Trinidad Navarro, Insurance Commissioner

Mr. Richard Geisenberger, Secretary of Finance

Ms. Kimberly Klein, Associate Secretary, Operations Support, Department of Education (on behalf of Ms. Susan Bunting, Secretary of Education)

Mr. Joel Coppadge, III, Public Member

Ms. Leighann Hinkle, State Employee

Mr. Gerald Gallagher, State Employee

Board Members Not Represented or in Attendance:

Mr. Cerron Cade, Director of the Office of Management and Budget

Others in Attendance:

Mr. Sean McNeeley, Director of Bond Finance, Department of Finance

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice

Ms. Liza Davis, Deputy State Treasurer, Office of the State Treasurer (“OST”)

Mr. John Meyer, Director of Contributions and Plans Management, OST

Mr. Dan Madrid, Chief Operating Officer, OST

Mr. Dan Kimmel, Promotion and Outreach Manager, OST

Mr. Mike Green, Investments and Operations Manager, OST

Ms. Deborah Bradl, Executive Assistant, OST

Mr. Earle Allen, Partner, Cammack Retirement Group (“Cammack”)

Mr. Roger Morrisette, Director, Retirement and College Leadership, Fidelity Investments

Mr. Justin Rozzero, College Savings Plan Relationship Manager, Fidelity Investments

Ms. Kellie Desrosiers, Vice President, Strategic Relationship Management, Voya

Ms. Sarala Katta, Regional Vice President, Mid-Atlantic Region, Voya

Ms. Christine Haas, Senior Policy Advisor, Delaware Department of Insurance  
Ms. Vivian Tsai, Head of Relationship Management, TIAA-CREF Tuition Financing  
Ms. Rebecca Kinder

### **CALLED TO ORDER**

The meeting was called to order at 10:00 a.m.

### **APPROVAL OF MINUTES**

**A MOTION was made by Ms. Vieira and seconded by Mr. Colberg to approve the minutes from the Board meeting on December 8, 2020.**

**MOTION ADOPTED UNANIMOUSLY**

### **PRESENTATIONS**

#### *Quarterly Business Metrics Report Deferred Compensation Plans – Voya Financial*

Voya presented the quarterly update on business metrics, plan information, and the 2020 communications strategy. In presenting the participant snapshot, Ms. Desrosiers stated that the average balance per participant has increased to \$43,714 and noted a slight decrease in the average monthly contribution amount (from \$178 in 2019 to \$154). Ms. Desrosiers reviewed enrollment activity for 2020 and noted there were 145 new enrollments in December 2020, which is an increase of 43 enrollments compared to December 2019. Enrollments for the fourth quarter grew by 21 percent over the same period in 2019, but the 2020 annual enrollment (1,337) fell short of the 2019 total (1,426). Mr. Geisenberger commented that a slow-down in State hiring may have contributed to lower enrollment. Ms. Desrosiers stated that 2020 account consolidation efforts resulted in \$7.9 million of transfers into the plans. Next, Ms. Desrosiers reviewed the Cares Act update. She stated there was a total of 525 Coronavirus-related distributions (“CRDs”) from the plans totaling \$5.5 million. The ability to take CRDs expired on December 31, 2020. The Board inquired if Voya would be educating participants on opportunities to recontribute CRD amounts back into the plan. Ms. Desrosiers said that she would coordinate an effort with OST.

Ms. Desrosiers stated that the communication strategy will continue into 2021 with targeted campaigns to drive enrollments through emails and personalized messaging, and, continued focus on consolidation.

Ms. Katta informed the Board that advisors continue to engage with local employees. Group and one-to-one meetings are occurring, as virtual meetings. In 2020, advisors conducted 728 appointments with employees. Voya continues outreach with schools, legislatures, and state agencies. OST email blasts continue to be very effective and have resulted in an increase of calls and appointments. Ms. Vieira asked about Voya’s focus moving into 2021 and stated that it would be helpful to have key performance indicators. Ms. Desrosiers addressed Voya’s key 2021 priorities, including increasing contributions and further collaboration with OST. Mr. Meyer reported that a set of key performance indicators will be presented to the Board at a future meeting.

#### *Quarterly Business Metrics Report College Investment Plan – Fidelity*

Mr. Morrissette presented the 529 plan business metrics for the fourth quarter of 2020. Mr. Morrissette noted that new accounts for the plan were up 3 percent for the quarter, compared to the same period in 2019, and that the industry was up 6 percent for the fourth quarter of 2020. Mr. Morrissette explained that new account growth in the fourth quarter of 2019 was significant, with 23 percent growth over the

same period in 2018. New accounts in 2020 were up 23 percent over 2019. There was a 19 percent increase in new accounts opened by Delaware residents in the fourth quarter versus the same period in 2019. Mr. Morrissette stated that 69 percent of new accounts were opened by existing Fidelity customers. He further stated that 50 percent of new accounts were opened for children under 5 years of age. Mr. Morrissette stated that the majority of assets within the plan are held for individuals who are either approaching 18 or older than 18. Total contributions for the year were up 2 percent over 2019 with new account contributions up 14 percent over the same period in 2019. Overall assets under management were up 6 percent for the quarter (to \$728 million), trailing the industry which increased 10 percent during the same period.

## **COMMITTEE REPORTS, DISCUSSIONS AND ACTION ITEMS**

### *Recommendation Regarding 2021 Committee Goals*

Mr. Meyer updated the Board on the 2021 goals that were approved by the committees. The AGC will focus on the governance manual, and additional policies for FOIA, record retention and vendor management, and the proposed resignation policy. The AGC will also review Resolution 2018-1, the 529 plan trust document and agreements that may result from the recordkeeper searches. The plan audit reports will be reviewed and the Board plans to have participation in the RFP process for the Auditor's selection of an external audit firm. The IC intends to review the investment policy statements for both programs, the target date fund provider, and the managed account and self-directed brokerage service providers. Finally, the IC will look at environmental, social and governance factors, engage in the recordkeeper search processes for both the 529 plan and the retirement plans, and participate in the annual interview with Morningstar.

**A MOTION was made by Mr. Colberg and seconded by Mr. Kennedy to approve the committees 2021 goals.**

**MOTION ADOPTED UNANIMOUSLY**

### *Recommendation Regarding Resignation Policy*

Mr. Meyer presented the resignation policy to the Board. The policy is recommended by the AGC and has been reviewed by the Deputy Attorney General.

**A MOTION was made by Treasurer Davis and seconded by Mr. Navarro to approve the resignation policy as recommended by the AGC.**

**MOTION ADOPTED UNANIMOUSLY**

### *Recommendation Regarding Assignment of Investment Consultant Agreement*

Mr. Meyer informed the Board about Cammack's merger with CAPTRUST and indicated that the IC supported the assignment of Cammack's consulting agreement.

**A MOTION was made by Mr. Colberg and seconded by Mr. Kennedy to approve the assignment of Cammack's consulting agreement to CAPTRUST.**

**MOTION ADOPTED UNANIMOUSLY**

### *Discussion and Action Regarding the College Investment Plan RFP*

Mr. Meyer reviewed the status of the 529 plan RFP with the Board. He indicated that OST received four proposal submissions, and that the evaluation team's work is ongoing. A special meeting of the Board may be required to address recommendations by the evaluation team.

### *2021 Education Schedule*

Mr. Meyer reviewed the 2021 education schedule with the Board. FOIA and Code of Conduct training will occur at the June 2021 Board meeting. Fiduciary training will occur in late 2021 or early 2022.

### *2021 Plans Budget and Investment of Administrative Funds*

Mr. Meyer presented the 2021 budget to the Board. He noted that, for the first time, assets under management surpassed \$1 billion for the deferred compensation plans on the Voya platform, which does not include 403b legacy vendor assets of \$296.7 million (as of December 31, 2021). Mr. Meyer outlined revenue sources and expenses as they relate to the operations of the plans. He also discussed the monies in the administrative expense accounts. The Board reviewed potential costs for the upcoming year and discussed potential uses for the legacy fee balances in the 529 trust, including potential incentive programs and promotional uses. The Board desires to revisit the use of the funds after the RFP process is completed for the 529 plan recordkeeper. The Board discussed options for investing administrative funds to achieve a return.

**A MOTION was made by Ms. Vieira and seconded by Mr. Colberg to approve the 2021 Plans Administrative Budget.**

**MOTION ADOPTED UNANIMOUSLY**

**A MOTION was made by Mr. Coppadge and seconded by Mr. Kennedy to direct the IC and OST to identify and implement an investment strategy for 529 plan administrative funds in excess of prudent reserve amounts.**

**MOTION ADOPTED UNANIMOUSLY**

### *Policy and Legislative Outlooks for 2021-OST*

Treasurer Davis provided a legislative update to the Board. She stated that ABLE and 529 plan tax deduction legislation is still being considered by members of the General Assembly. Mr. Geisenberger indicated that the fiscal note may be a challenge to obtaining legislative support for such legislation.

### *ABLE Report*

Mr. Madrid presented the ABLE report. Mr. Madrid stated that there are 114 funded accounts with \$1.2 million in assets as of February 2021. He further stated that OST has been collaborating with the Mary Campbell Center to talk to those who could benefit from the ABLE program, as well as some grassroots organizations. Finally, Mr. Madrid indicated that the consortium is nearing 18,000 accounts with assets of \$150 million. Senator Casey is re-introducing the ABLE Age-Adjustment Act and federal regulations have been completed. The program contract with Ascensus expires at the end of the year. The National Alliance should be able to share the outcome of the RFP at the end of March 2021.

### **PUBLIC COMMENT**

No members of the public present for comment.

### **NEXT MEETING**

The next meeting of the AGC is scheduled for May 11, 2021.

The next meeting of the IC is scheduled for May 18, 2021.

The next meeting of the Board is scheduled for June 8, 2021.

**ADJOURNMENT**

**A MOTION was made by Ms. Vieira and seconded by Treasurer Davis to adjourn the meeting of the Board at 11:43 a.m.**

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,

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Donna Vieira  
Chair for the Plans Management Board

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