

# The Education Trust Board of New Mexico

THE HONORABLE MICHELLE LUJAN GRISHAM  
GOVERNOR OF NEW MEXICO

DR. KATE O'NEILL, CABINET SECRETARY  
NEW MEXICO HIGHER EDUCATION DEPARTMENT



BOARD MEMBERS  
SANDRA LIGGETT, CHAIR  
ROBERT J. DESIDERIO, VICE-CHAIR  
DR. JOSE Z. GARCIA  
DAVID JANSEN  
MARK JARMIE

EXECUTIVE DIRECTOR  
THEODORE MILLER

**APPROVED**  
*Board Secretary  
Vera Lyons 8/1/19*

**Meeting Minutes of June 18, 2019**

1516 Paseo de Peralta, Santa Fe, New Mexico 87501

## Board Members in Attendance

Sandra Liggett -- Chairwoman  
Robert Desiderio -- Vice-Chair (by telephone)  
Dr. Jose Garcia -- Member (by telephone)  
Mark Jarmie -- Member (by telephone)

## Other Individuals in Attendance

Theodore Miller -- Executive Director ETB  
Vera Lyons -- Secretary  
Helen Atkeson -- Hogan Lovells (by telephone)  
Kurt Sommer -- Sommer, Udall (by telephone)

### **1) CALL TO ORDER**

Ms. Liggett called the meeting to order at 10:00 AM. The role was called and four out of five Board members were present. A quorum existed.

### **2) APPROVAL OF AGENDA**

Ms. Liggett turned to the agenda and asked if there was any discussion. There being no discussion she called for a motion to approve the agenda. Vice-Chair Desiderio so moved. Mr. Jarmie seconded the motion. All present voted to approve the agenda as presented to the meeting.

### **3) PUBLIC COMMENT**

Ms. Liggett asked if there were any public comments. There were no public comments.

### **4) FY2019 and FY2020 BUDGET MATTERS**

Ms. Liggett then asked Mr. Miller to address budget matters. Mr. Miller noted that the FY2019 budget was under consideration because of the heavy expenditures for legal fees in connection with the removal of

OppenheimerFunds and the negotiations with Ascensus. The board had approved an additional \$60,000 for legal expenses at the May meeting, but there was a need for approval of an additional \$60,000 to ensure that legal needs were covered through the end of the fiscal year. He observed that DFA had given its written approval to amend the HoganLovells contract after the usual May cutoff date for FY2019 contract amendments. Vice-Chair Desiderio moved to approve the amendment of the HoganLovells contract for FY2019 to add an additional \$60,000 to the compensation amount. The motion was seconded by Mr. Jarmie. The vote to approve the motion was unanimous.

Mr. Miller then turned to the FY2020 budget that was approved at the May meeting. He noted that he had told the board at that meeting that the budget was subject to some uncertainty due to the ongoing contract negotiations with the new program manager. He noted that the amount of dollars available for marketing had increased substantially in the meantime. OppenheimerFunds had confirmed that it would provide the full contractual commitment of \$500,000 for FY2020. In addition Ascensus confirmed an additional \$600,000 for FY2020. Additionally there were funds allocated to marketing for FY2020 that would not be spent by OppenheimerFunds in FY2020. Together these amounted to nearly \$1.3 million. This was about a \$300,000 increase over the earlier budget estimate. With the addition of rollover amounts from the previous fiscal year the amount of marketing expense for FY2020 was increased to \$1.4 million from the original \$1.1 million.

Mr. Miller also noted an error on the current presentation. The provision for legal services for FY2020 was increased by \$150,000, not \$100,000 as stated in the presentation.

Mr. Jarmie asked about the increase in Outreach, Research and PR services. Mr. Miller observed that this was part of the original budget presentation in May. The change in program manager required the outreach function be financed directly by ETB rather than through the marketing firm previously hired by OppenheimerFunds.

Ms. Liggett asked for a motion to approve the FY2020 budget as presented to the board. Dr. Garcia so moved. Mr. Jarmie seconded the motion. The vote to approve the motion was unanimous.

## **5) CLOSED SESSION PURSUANT TO NMSA 10-15-1(H)(6) AND (7) TO DISCUSS CONTRACT AND LEGAL MATTERS**

Ms. Liggett called for a motion to go into closed session. Dr. Garcia so moved. Mr. Jarmie seconded the motion. The board members were then separately polled on the motion. The vote to go into closed session was unanimous.

## **6) CONTRACT MATTERS**

Ms. Liggett asked for a motion to return to open session. Dr. Garcia so moved. Mr. Desiderio seconded the motion. The board members were then separately polled on the motion. The vote was unanimous to return to open session. Ms. Liggett noted that only matters permitted under NMSA 10-15-1(H)(6) were discussed and no action was taken in the closed session.

Ms. Liggett asked for a motion to give the executive director authority to execute the 529 Program Management Agreement among the board, Ascensus College Recordkeeping Services, and Ascensus

Investment advisors, substantially in the form presented to the meeting. Dr. Garcia so moved. Vice Chair Desiderio seconded the motion. The motion was approved unanimously.

Ms. Liggett then asked for a motion to give the executive director authority to execute the Guaranty between the board and Ascensus Group, LLC substantially in the form presented to the meeting. Dr. Garcia so moved. Mr. Desiderio seconded the motion. The vote to approve the motion was unanimous.

## **7) ADJOURNMENT**

Ms. Liggett called for a motion to adjourn. Vice-Chair Desiderio so moved. The motion was seconded by Mr. Jarmie. The vote to adjourn was unanimous. The meeting adjourned at 11:00 AM.