The Education Trust Board of New Mexico

THE HONORABLE SUSANA MARTINEZ
GOVERNOR OF NEW MEXICO

DR. BARBARA DAMRON, CABINET SECRETARY
NEW MEXICO HIGHER EDUCATION DEPARTMENT

Meeting Minutes of March 27, 2015

New Mexico Higher Education Dept., 5201 Eagle Rock Rd. Suite 1A Albuquerque, NM

APPROVED
Vera Lyons
Board Secretary
6-4-15

Board Members in Attendance
Dr. Barbara Damron - Chairman
Robert Desiderio - Vice Chairman
Mark Jarmie – Member
Trevor Serrao – Member (by phone)

Other Individuals in Attendance
Theodore Miller - Executive Director ETB
Andrew Jacobsen - Deputy Secretary of HED
David Mathews - HED/ETB Attorney
Helen Atkeson - Partner, Hogan Lovells US LLP
Kay Ceserani - Pension Consulting Alliance
Eric White - Pension Consulting Alliance
Steve Dombrower - OppenheimerFunds
Bill Raynor - OppenheimerFunds
Ken Henry - OppenheimerFunds
Michele Nelson - Court Reporter

AGENDA

1) **CALL TO ORDER**
Chairman Damron called the meeting to order at 1:00 p.m. Board Executive Director Theodore Miller called the roll and announced that four of four Board members were present and that a quorum existed.

2) **PUBLIC COMMENT**
Chairman Damron called for public comment. There was no public comment.

3) **APPROVAL OF AGENDA**
Mr. Mathews and Ms. Atkeson noted that the Board might wish to consider amending the agenda by adding Board votes to the agenda with regard to the amendment of the Program

Management Agreement and the existing Plan Rules, Items 9 and 10 respectively. Chairman Damron called for a motion to approve the agenda as amended. The motion was made by Mr. Jarmie and seconded by Vice-Chairman Desiderio. The motion was approved by unanimous consent.

(Mr. Jarmie joined the meeting at this point.)

4) PROGRAM MANAGER REPORT

Mr. Raynor noted that in the 4th quarter of 2014 The Education Plan had seen about 1% new account growth. This was the first account growth seen in quite some time. Mr. Jarmie asked if the Program Manager tracked demographics for the accounts. Mr. Dombrower said that account owners do provide some information such as address, but that more detailed demographic information was voluntary. This was to encourage people to sign up.

Mr. Raynor noted that account owners by zip code was tracked for New Mexico account owners, but that this effort would expand nationally under the new marketing plan. Mr. Jarmie noted that he will be asking where in New Mexico new account activity is taking place in the future.

Dr. Damron expressed the desire to have information about New Mexico to track the success of efforts to reach underserved populations in the state.

Mr. Raynor stated that the Program Manager was reviewing the design to the website to make it easier for people to complete the process, and to minimize drop off during the process. Dr. Damron questioned whether there should be more ways to access the site, such as through mobile applications and tablets. Mr. Dombrower said that the Program Manager was working own a mobile application.

Dr. Damron continued to express her concern as to how people can get easy access to the plan. Mr. Raynor noted that awareness of the benefits of 529 plans was still low nationwide. Mr. Dombrower stated that the new marketing plan, to be presented at the next Board meeting would show a three-tiered program to build awareness, to drive people to the website, and to make it easier for them to enroll.

Mr. Dombrower noted that there was significant success during the past year with a gifting initiative, especially during the holidays. He attributed this in part to closer cooperation between the marketing team in New York and the customer service team in Denver.

Mr. Raynor noted that the Scholar's Edge plan had not experienced account growth during the year. Accounts were down 3%, although assets were up 9%. In the coming year the Program Manager would be using national zip code information to target advisors who are top producers for 529 business, and to give the highest level of service possible using the Program Manager's advisor representatives in the field.

Dr. Damron noted that she would be happy to address advisors at meetings and conferences, and Mr. Raynor said that this was something the Program Manager would like to see.

Mr. Henry then addressed the investment performance section of the Program Manager's report. He noted the departure of two portfolio managers from the Global Debt team. These departures affect the Global Strategic Income Fund and the International Bond Fund. Suitable replacements have been found for the departing managers.

Mr. Henry noted that the market benchmarks for the portfolios in the Program were up substantially for the year. Most active managers underperformed the benchmarks, including the managers of the actively managed portfolios in the Program. He stated that the Value Fund underperformed by 97 basis points and the Main Street Fund underperformed by 161 basis points.

Mr. Jarmie asked Mr. Henry to explain what a customized performance benchmark is. Mr. Henry explained that this is a benchmark that applies to asset allocation portfolios that include a number of underlying funds. The benchmark is a composite weighting of the individual benchmarks for each of the underlying funds in the portfolio.

Mr. Jarmie stated that it appeared the asset allocation portfolios over time have underperformed the customized benchmarks. Mr. Jarmie noted that this underperformance was not solely attributable to fees. Even after accounting for fees the portfolios were underperforming.

Dr. Damron asked if the portfolios had been underperforming since inception. Mr. Henry affirmed this understanding.

Mr. White from Pension Consulting Alliance noted that active managers have been underperforming the benchmarks for the last 20 years. The markets for many asset classes have become very efficient, and active managers have found it increasingly difficult to add value. This is the outcome for the industry as a whole, and not just for Oppenheimer.

Dr. Damron and Mr. Jarmie both asked if Oppenheimer's performance was comparable to other active managers. Mr. White said that is was.

Mr. White and Ms. Ceserani then made reference to a portion of their reporting that dealt with the age-based asset allocation portfolios in 529 plans generally. Mr. White noted that the Program's portfolios were at or slightly above the median for the industry.

Mr. Henry then made reference to the index-only portfolios. He pointed out that with all fees included these portfolios also underperform the benchmarks.

Mr. Desiderio then asked for an explanation of the composition of the standard benchmarks. Mr. Henry made reference to the Russell 1000 index as an example. He noted that active managers have different investment styles and that sometimes the styles will result in underperformance or out performance depending on market conditions.

Mr. White noted that active managers are paid a premium fee to identify a group of stocks that will outperform the benchmark. If they choose too-large a group of stocks, they will simply match the benchmark at best, and will always underperform after fees.

Mr. Jarmie asked why the Program is paying active management fees for managers that cannot outperform the benchmark indices.

Mr. White observed that over long periods of time, there are some active managers who can outperform the relevant index. The Program gives investors a choice of active or passive portfolios, so that investors can make their own choices on the matter.

Mr. Desiderio observed that he preferred to look at investment performance relative to other 529 programs, and not just at benchmarks. Mr. Henry noted that the PCA charts were helpful in that regard.

5) INVESTMENT CONSULTANT QUARTERLY REPORT AND WATCHLIST RECOMMENDATION

Ms. Ceserani began the presentation by referring to a summary of PCA's full report. In the interests of time she said she would base her remarks on this summary.

She first discussed the funds on the Watch List. Of the nine funds on the Watch List PCA recommended that three funds be removed from the list – the Vanguard Intermediate Bond Fund, the Oppenheimer International Bond Fund and the Oppenheimer Gold and Special Minerals Fund.

She noted that two additional Watch List funds are being removed from the Program as part of the re-launch of the Program later in the year – the MainStay MAP Fund and the Thornburg International Value Fund. PCA recommended that these funds remain on the Watch List until their removal from the Program.

PCA recommended that three funds on the Watch List remain there -- the Oppenheimer Rising Dividends Fund, the Oppenheimer Discovery Fund and the Oppenheimer Equity Income Fund.

Discussion of the Oppenheimer Value Fund was deferred for discussion until later in the meeting.

Mr. Desiderio moved that the Board accept the recommendations of the investment consultant with regard to the Watch List funds. Mr. Serrao seconded the motion. The motion was carried unanimously.

6) OPPENHEIMER VALUE FUND

Laton Spahr of OppenheimerFunds and the investment manager for the Oppenheimer Value Fund began his presentation with some information about his education and background in active portfolio management. He noted that active investment managers have philosophies about building portfolios that do not always work in all market conditions. He noted that the minimum time frame for evaluating an active manager's performance is three years.

Mr. Spahr joined OppenheimerFunds because the firm allowed its managers to utilize the investment philosophies they had each developed. He noted that during his tenure at Columbia Funds his team had outperformed their benchmarks by about 1.1% after fees for a period of thirteen years.

He described what is meant by "active share" as the degree to which an active manager's portfolio differs from the weighting of the holdings in the underlying benchmark index. The Value Fund has a 75% active share. He noted that the Fund had a high active share but with regard to risk factors differed very little from the benchmark index of stocks.

He explained the Fund's recent underperformance as a result of market's fixation on interest rates and bond prices and the value of the US dollar relative to other currencies. He noted that

the Fund performed well in the most recent quarter after more than a year of underperformance.
Mr. Spahr stated that the old team the managed the Value Fund had been completely replaced at Oppenheimer. The new team pursues a strategy of high active share and low tracking error relative to risk in the portfolio.

With the conclusion of Mr. Spahr's remarks, Mr. White of PCA began the investment consultant's analysis of the Value Fund. He noted the long period of underperformance of the Value Fund prior to the arrival of Mr. Spahr's team. He states that the completely different investment philosophy and new members of the team made it acceptable in PCA's view to give the Spahr team a fresh start as to the Watch List participation from the time that the new team took over the Fund – approximately two years ago.

Dr. Damron noted that the fresh start recommendation required that the Board believed in the new management team and also believed that it was legitimate to link Mr. Spahr's past performance to his current performance. Mr. White agreed, but he also noted that the other alternatives were to reduce the assets in the Value Fund or to replace the Fund altogether. Both of these paths also had risks associated with them – such as finding managers who had the ability to outperform and also the additional cost of including non-Oppenheimer funds.

Under questioning by Mr. Jarmie, Mr. White and Ms. Ceserani noted that Mr. Spahr's performance while at Oppenheimer had been below the benchmark index, but slightly above the performance of other active managers.

Under questioning from Mr. Jarmie and Dr. Damron, Mr. White stated that the recommendation to keep the Value Fund had several components. The first was to remove the Fund from the Watch List. The second was to begin a new measurement period for the Fund dating from the time Mr. Spahr's team was put into place. The third component was to measure Mr. Spahr's performance for one more year, for a total of three years of performance.

Mr. Jarmie noted that if at that time the Fund qualified for Watch List the Board would have very little patience for continuing the Fund on the list for an extended period of time.

Mr. Serrao made a motion that the Board adopt the investment consultant's first recommendation to remove the Value Fund from the Watch List and to revisit Mr. Spahr's performance in one year so as to give a full three year period of performance under the new management team. Mr. Desiderio seconded the motion.

The motion was carried unanimously.

The Board took a short recess and reconvened at 3:29 PM.

At this point Ms. Ceserani was asked to explain the change of ownership structure at Pension Consulting Alliance, and the resulting need to assign the consulting contract to the new entity. She noted that the firm was changing from a corporation to a limited liability company to accommodate more easily the transfer of a minority interest in the firm to senior managers.

The firm was requesting that the Board consent to the transfer by signing a prepared letter to that effect from PCA. Mr. Mathews noted that the agenda did not call for Board action at this meeting and the letter called for three signatures and that he believed only the signatures of Dr. Damron and Mr. Miller were necessary. The Board deferred action until the next meeting to give PCA the opportunity to prepare a revised consent letter.

7) COLLEGE SAVINGS PORTFOLIO UNDERLYING FUNDS

Mr. Henry then began a presentation of the Oppenheimer recommendations for underlying funds in the new portfolio lineup for the re-launch of the Program. He reminded the Board of its prior approval of the new asset allocation portfolios and of the new three-track asset allocation structure. He proposed that these three tracks receive the names "aggressive", "growth" and "balanced". Mr. Dombrower noted that these names are more descriptive of the nature of the portfolios. Ms. Atkeson and Dr. Damron expressed their support for this renaming. Mr. Dombrower went on to request that the names of the Custom Choice Static Portfolios also be changed to "Portfolio 100", Portfolio 80", etc. in line with the percentage of equity investment for each portfolio. The final two such portfolios would retain the previously recommended names "Fixed Income Portfolio" and "Low Duration Fixed Income Portfolio".

Mr. Henry went on to describe the recommended changes to the underlying funds in each portfolio of the Education Plan Blended Portfolios. Oppenheimer recommended adding the Oppenheimer Main Street Small Cap Fund and the Oppenheimer Limited-Term Bond Fund to the asset allocation portfolios. He then proposed a shift of 60% of the assets in the Main Street Mid-Cap Fund to the Main Street Small Cap Fund to add small cap diversification. He further recommended that 50% of the assets of the Oppenheimer Limited Term Government Bond Fund be moved to the Oppenheimer Limited Term Bond Fund. The two funds have similar one-to-three year benchmarks, but the new fund would give some exposure to corporate grade bonds.

Mr. Jarmie and Mr. Desiderio both noted that the proposed Small Cap Fund has a higher expense ratio than the existing Mid Cap Fund. Mr. Henry pointed out the significant outperformance of the fund against its benchmark. Ms. Ceserani said that the Small Cap Fund Performance was in the second percentile of small cap managers for the past one year.

Mr. Henry then noted that the Limited –Term Bond Fund outperformed its benchmark by 107 basis points on a one-year basis, and by 32 basis points on a three-year basis. Five-year performance was 203 basis points ahead of the benchmark.

Mr. Henry then described a proposed change to the underlying funds for the Education Plan Indexed Portfolios. He recommended removing the Vanguard Intermediate Bond Index Fund and replacing it with the Vanguard Short-Term Bond Index Fund. The change reduces the interest rate risk exposure in the index product similar to changes previously made to the blended lineup and the Scholar's Edge lineup. The new benchmark is one-to-five years as opposed to five-to-ten years. Duration is 2.7 years as opposed to 6.5 years.

A discussion ensued as to the reason why Vanguard funds in the index lineup contained not "wrapper" fees. Mr. Henry noted that this was to meet the Board's desire for a low cost index product. Mr. Henry observed that the Education Plan Index Portfolios are priced slightly below the 529 industry averages for such portfolios.

Mr. Henry proceeded to outline the recommended underlying fund changes to the Scholar's Edge Portfolios. Oppenheimer recommended removal of the MainStay MAP Fund and the Thornburg International Value Fund. Oppenheimer recommended addition of the Oppenheimer Global Value Fund, the Main Street Small-Cap Fund, the Oppenheimer Limited Term Bond Fund and the Dreyfus Research Growth Fund.

Mr. Desiderio asked why the Global Value Fund was recommended as a replacement for the Thornburg International Value Fund. My Henry replied that the Thornburg fund had underperformed for a substantial period of time, and that replacing it with a better performing Oppenheimer Fund also contributed to maintenance pf the agreed to 70% of assets requirement for Oppenheimer under the new contract.

Mr. Henry pointed out that the Global Value Fund had experienced underperformance for the prior year, due primarily to the negative effects of a single investment in a stock called Blinkx, but also due to an underweighting in utilities and REITS. Performance improved significantly in the fourth quarter after the Blinkx stock was sold.

Mr. Henry also proposed the same types of name changes for the Scholar's Edge Portfolios as he previously proposed for the Education Plan Portfolios.

Equity asset allocations would be changed for greater diversification by addition of the Global Value Fund and the Small-Cap Fund. The Limited Term Bond Fund would receive 50% of the Limited-Term Government Bond Fund assets initially and going forward.

In addition to these changes Mr. Henry recommended adding a number of individual fund portfolios to the Scholar's Edge Program. These included the MainStay High Yield Corporate Bond Portfolio, the Limited-Term Bond Portfolio, the Global Value Portfolio, the Main Street Small-Cap Portfolio, the Discovery Mid-Cap Growth Portfolio, the International Small Company Portfolio, the Capital Income Portfolio, and the Monetta Young Investor Portfolio.

Mr. Dombrower discussed the Monetta Young Investor Portfolio. He noted that it is a fund that invests in large cap companies, particularly those that are known to young people – such as Apple, Google, Disney, etc. The fund has a quarterly newsletter for young people geared to their age group. The fund is not currently in another 529 plan. Monetta is anxious to market the fund within the advisor community using their own resources.

Ms. Akkeson asked about the notice to existing account owners of fund changes. Mr. Henry stated that account owners would be notified of any changes to their investments. He confirmed that they would have the opportunity to change investments if they desired.

Ms. Ceserani of PCA then gave the investment consultant's views with regard to the underlying fund changes. She stated that PCA had reviewed the Oppenheimer's recommendations and agreed with them.

Ms. Ceserani then went through a Watch List analysis for all new funds and current funds that are to be used in an expanded role in the Program. She noted that the Vanguard Short-Term Bond Fund and the Oppenheimer Main Street Small Cap Fund and Limited-Term Bond Fund all do not qualify for Watch List status. These are the fund additions proposed for the Education Plan Portfolios.

On the Scholar's Edge side there are two fund that tripped the Watch List criteria and three funds that are in the Caution category. She noted that the Global Value Fund qualifies for short-term Watch List status due to a previously discussed quarters of poor performance. Since those quarters the performance has improved.

The Discovery Mid-Cap Growth Fund tripped the short- and medium-term Watch List criteria. It is not in any proposed asset allocation portfolios, but is an individual portfolio option. An advisor must recommend it to an Account Owner.

Dr. Damron asked why the Board should consider funds that currently qualify for Watch List status. Mr. Dombrower stated that they were suggested for purposes of offering more portfolio diversification. Mr. White of PCA stated that the funds would be offered as part of a diversified portfolio recommended by an advisor. This offered the opportunity to create a more customized portfolio. He noted that targeted age funds like the asset allocation portfolios are not customized for individual investors.

Dr. Damron questioned again why two Watch List qualified funds were the recommended ones for the Program. Mr. Henry pointed out the long-term performance history as well as the recent performance improvement for the Global Value Fund.

Mr. Jarmie expressed concern about the Discovery Mid-Cap Fund. Mr. Henry noted that the fund had underperformed its benchmark over the one-, three-, and fie-year periods, but had outperformed its peer group in the three- and five-year periods.

Dr. Damron noted that the Board relied on the expertise of Oppenheimer and of PCA in selecting investments for the Program, but in the end the Board must make a choice.

Mr. Dombrower noted that the Discovery Mid-Cap Fund was an individual fund offering in Scholar's Edge only. It would not be critical to the investment line up to omit the fund.

She asked the opinion of other Board members and of the Executive Director. Mr. Miller noted that the Investment Policy did not prohibit the inclusion of the Discovery Fund. It was in the top-half of its peer group for the 3- and 5-year periods.

Mr. Jarmie noted that the Discovery Mid-Cap Fund could be added to the Program at a later date. Both Mr. Henry and Mr. Dombrower noted that a later addition of the Fund would include a supplement to the offering documents and a revision of the marketing materials.

Dr. Damron asked Ms. Ceserani to finish PCA's discussion on the proposed funds. Ms. Ceserani noted that there were three other funds whose performance currently would place them on Caution status under the Investment Policy. She also noted that the Oppenheimer Capital Income Fund and the Oppenheimer Main Street SamllOCap Fund would currently trigger a derivatives review, since they were both in excess of the 110% limit under the Investment Policy. Upon inquiry to Oppenheimer, PCA determined that the limit was exceeded solely because of the use of TBA securities. As PCA noted in previous meetings, this was not a cause for concern.

Ms. Ceserani concluded PCA's presentation by recommending that the Board adopt Oppenheimer's proposed changes to the underlying funds in the Program.

Dr. Damron then asked Oppenheimer to discuss several matters that it wished to bring to the Board's attention. They were: 1) a recommendation regarding the launch date for the revisions to the Program; 2) a recommendation regarding the establishment of a zero state administrative fee share class; 3) a recommendation regarding the investment structure of the Main Street Small-Cap strategy; and 4) a recommendation regarding the retention or replacement of the Institutional Money Market Fund.

Mr. Dombrower first addressed the Main Street Small-Cap strategy. Previously Oppenheimer had raised the possibility that the Main Street Small-Cap strategy be established as a separate account rather than as an investment in the mutual fund. This was because the investment would initially comprise approximately 30% of the mutual fund's assets. This degree of ownership had discomforted the Board in the past with a MainStay fund that put pressure on the Board to vote on an important proxy matter.

After further consideration of the matter Mr. Dombrower recommended that the Board adopt the mutual fund structure for the investment. Oppenheimer believes that the fund will rapidly grow its way out of this problem due to its performance. He added that a separate account would also incur custody costs, and the Board would also have to prepare and file an unknown amount of paperwork relative to the voting of foreign proxies on securities in the account as well as any foreign tax reclaims.

Mr. Miller asked if the Board had to act alone in the previous MainStay proxy issue. Mr. Henry said this was the case. Mr. Miller noted that now the Board had the advice of an Investment Consultant as to proxy matters.

Ms. Atkeson asked Mr. Dombrower specifically as to his recommendation. Mr. Dombrower replied that originally Oppenheimer had proposed a separate account structure, but was now reversing that advice and recommending that the Board adopt the mutual fund format.

Mr. Dombrower then addressed the second recommendation as to a New Mexico only zero state administrative fee class. He noted that Oppenheimer had worked out a satisfactory method of rebating the fee to New Mexico Account Owners. Mr. Miller added that, in discussion with the Board's independent auditor, it had been determined that the rebate process was acceptable as long as acceptable records were kept to satisfy audit requirements.

Mr. Dombrower noted that the new share class would require the addition of a large number of new portfolios to the Program, with increased costs for custody and audit fees. In addition existing New Mexico Account Owners would have to be converted to the new share class. It would also remove any benefit that Account Owners might perceive from a rebate of fees.

Mr. Miller noted that retaining the current arrangement would also permit the Board to reinstate the fee if needed for Program purposes.

With regard to the fourth recommendation, Mr. Dombrower said that Oppenheimer had originally recommended replacing the Institutional Money Market Fund with the Ultra Short Duration Fund. This recommendation was made in light of proposed money market fund regulation that could impair the liquidity of such funds and could require a floating share price in certain circumstances.

He reported that the cash management team at Oppenheimer had decided to convert the Institutional Money Market Fund to a 100% government money market fund. The new regulations appear to exempt such funds from the liquidity requirements and the floating share price applicable to ordinary money market funds. Mr. Henry noted that in his earlier presentation he had not recommended any change to the money market fund because of its conversion to a 100% money market fund.

With regard to the first recommendation, Mr. Dombrower noted that there had been nearly a two month delay with regard to the execution of the new contract while the DFA issue was resolved. This delay caused Oppenheimer to hold back on the re-launch development until it knew it had a contract. As a result Oppenheimer proposed that the re-launch be delayed, without setting a specific date, until the project plan was fully developed. At that point the Board would be given a firm launch date. Mr. Dombrower estimated that they would be able to provide an update on the launch date by mid-April.

Ms. Atkeson then referred back to an issue regarding non-Oppenheimer mutual funds. She asked if the outside funds had agreed to provide the requested 10b-5 disclosures to the Board. Mr. Henry confirmed that the funds had agreed to do so.

Dr. Damron called for a motion to accept the Program Manager's recommendations with regard to the underlying fund changes to the Program. Mr. Jarmie moved that all changes be accepted except with regard to the Oppenheimer Global Value Fund and the Oppenheimer Discovery Mid-Cap Fund. Mr. Serrao seconded the motion.

Mr. Henry then noted that the Global Value Fund was an integral part of the age-based and custom choice portfolios in Scholar's Edge.

Dr. Damron asked Mr. Henry if he was suggesting that it might be more prudent to keep the Global Value Fund. Mr. Henry answered in the affirmative.

Mr. Jarmie suggested that his motion be amended. Ms. Atkeson agreed that it could. Mr. Mathews noted that the seconding of the original motion would have to be withdrawn. Mr. Serrao withdrew his second of the original motion.

Mr. Jarmie said he accepted the recommendation of the investment consultant and the assurances of Oppenheimer, and he would add the Oppenheimer Global Value Fund to the list of approved funds.

Dr. Damron asked him if this meant specifically the exclusion of the Discovery Mid-Cap Fund. Mr. Jarmie answered in the affirmative.

Dr. Damron asked if there was a second. Mr. Serrao seconded the motion. The motion was approved unanimously.

Dr. Damron then called for a motion on the recommendation to delay the launch date. Mr. Serrao so moved. Mr. Jarmie seconded the motion. The motion was approved unanimously.

Dr. Damron then called for a motion with regard to the Program Manager's recommendation not to proceed with the proposed New Mexico share class. Mr. Jarmie so moved. Mr. Serrao seconded the motion. The vote to not proceed was unanimous.

Mr. Serrao asked whether it was necessary to vote on the structure of the Oppenheimer Small-Cap strategy since the Board had already approved the mutual fund in its first vote. Mr. Mathews agreed that a vote was not necessary. Mr. Henry noted that the same rational applied to the money market fund recommendation. Ms. Atkeson agreed.

In lieu of the late hour, Agenda Items 8, 9, 10, and 12 were deferred until a later meeting.

8) INVESTMENT POLICY STATEMENT AND MONITORING GUIDELINES

9) OUTSIDE COUNSEL REPORT

10) EDUCATION TRUST BOARD AND COLLEGE SAVINGS PLANS RULES

11) RESOLUTION AUTHORIZING INVESTMENT OF MONIES IN LOCAL SHORT-TERM INVESTMENT FUND

Mr. Miller noted that the Board's program administration fund was invested in the Local Government Investment Pool maintained by the state treasurer's office. In light of the change in Board Chair and Executive Director, a new signature authority must be granted by Board resolution. Those granted new signature authority would be Dr. Damron and Mr. Miller. Mr. Mathews already had signature authority.

Dr. Damron called for a motion to approve the resolution. Mr. Jarmie so moved. Mr. Serrao seconded the motion. There was a roll call vote on the resolution as advised by Mr. Mathews. Mr. Jarmie vote aye. Mr. Serrao voted aye and Dr. Damron voted aye.

12) EXECUTIVE DIRECTOR'S REPORT

13) ADJOURNMENT.

Mr. Miller noted that the next meeting of the Board was scheduled for April 24 in Albuquerque from 1:00 PM – 5:00 PM.

Before calling for a motion to adjourn, Dr. Damron noted the departure of Mr. Serrao from the Board. She thanked him for his service and called for a round of applause in appreciation.

Dr. Damron called for a motion to adjourn. Mr. Serrao so moved. Mr. Jarmie seconded. The vote to adjourn was unanimous.

The meeting concluded at 4:15 PM.