

**Missouri Higher Education Savings Program
Minutes of the MO\$T Quarterly Board Meeting**

Jefferson City, MO
April 22, 2005

Item I: Call to Order

Chairperson Steelman called the meeting to order at 3:00 p.m.

Item II: Roll Call

Board members present via conference call were Sarah Steelman, Thomas Baumgardner, Gregory Fitch, and Gary Taylor (proxy for Greg Steinhoff). Other attendees included Jim Matchefts of the Department of Higher Education; Doug Gaston, Jane Dudeck and Mark Mathers of the State Treasurer's Office; and Judy-Beth Tyler of TIAA-CREF via phone.

Item IV: Resolution Allowing Advertisement of the Advisor Program with the Direct Program

Ms. Tyler provided background information on the Advisor program and explained that a resolution was adopted several years ago prohibiting TIAA-CREF from marketing the Advisor plan. The purpose of the proposed resolution is to repeal those provisions and allow TIAA-CREF to market the Advisor program along with the Direct program.

Mr. Fitch asked whether the resolution would level the playing field for the Advisor program. Ms. Steelman explained that this change would provide more support for the Advisor plan and also allow payroll deductions for participants in the Advisor series. In response to a question from Mr. Taylor, Ms. Steelman explained that these changes were cost-neutral to the State.

Ms. Steelman made a motion to adopt the resolution to repeal Sections 1 and 2 of the previous resolution and replace with the new Sections 1 and 2 of the attachment to the resolution. Mr. Taylor seconded the motion. The motion passed. After this motion passed, Ms. Tyler excused herself from the call.

Items III and V: Selection of Consultant for Assistance with CD Portion of the 529 Plan (Item III) and Direct Program (Item V)

Mr. Mathers explained that Treasurer staff had solicited proposals from various consultants to provide assistance in two areas: (1) to help staff and the CD subcommittee that was appointed pursuant to action by the Board in March work through legal and regulatory issues related to the proposed Certificate of Deposit

(CD) program, and (2) to assist staff in identifying options and issues related to the MOST Direct and Advisor series and provide advice during the preparation of a Request for Proposal (RFP). Mr. Mathers reviewed the proposals and explained that staff recommended the appointment of the joint team of AKF Consulting and Milliman Associates for both consulting assignments. Mr. Mathers further explained that only Phase I of the firms' proposal at a total cost of \$15,000 plus out-of-pocket expenses was recommended at this time due to budget constraints. Phase I did not include preparation of the RFP itself by the consultants. Mr. Mathers explained that the CD Subcommittee had previously met to discuss the need for consulting assistance and had concurred with the recommendation to hire AKF Consulting and Milliman Associates for the CD concept.

There was discussion by the Board regarding possible coordination of the two RFP's, costs, and the impact of using consulting services and coordination issues on the timeline for the Direct/Advisor RFP. Ms. Steelman indicated that the cost of these consulting services would be borne by the State Treasurer's Office budget and that the RFP for the Direct and Advisor series of the MOST program would proceed as scheduled with a target date for selection of a program manager of December 31, 2005.

Mr. Fitch made a motion to approve selection of AKF Consulting and Milliman Associates for Phase I services with the understanding that the appointment of the consultants would not negatively impact the schedule for the issuance of the RFP. Mr. Baumgardner seconded the motion. The motion passed.

Item VI: Adjournment

Mr. Baumgardner moved to adjourn the meeting of the Missouri Higher Education Savings Board. Mr. Fitch seconded the motion. Motion passed.