

**Missouri Higher Education Savings Program  
Minutes of the MOST Board Meeting**

Capitol Building – Hearing Room 6  
Jefferson City, Missouri  
December 16, 2009

**Item I: Call to Order**

Treasurer Clint Zweifel called the meeting to order at 1:00 p.m. He thanked the board for their service over the past year. He also gave special recognition to board member Commissioner Robert Stein for his years of service and dedication to Missouri higher education. Dr. Stein will be retiring July 1, 2010 from the Missouri Department of Higher Education. Treasurer Zweifel introduced to the board Andy Maschhoff, the new Director of Investments for the Office of State Treasurer.

**Item II: Roll Call**

MOST Board Members present were Treasurer Clint Zweifel, Commissioner Robert Stein, Deputy Commissioner Walter Pearson (proxy for Commissioner Kelvin Simmons), Mr. Thomas Baumgardner, Ms. Judy Gerhke (proxy for Director David Kerr), and Mr. John Klebba.

State Treasurer's Office (STO) staffs present were: Deputy Treasurer Mark Mathers, Andy Maschhoff, Jon Galloway, Brandon Fuhr and Debbie Schertzer.

Upromise/Vanguard staff present were: Stewart Duffield, Patricia Brady, Miriam Broaddus, Suzanne Fetky, Kevin Green, and Janet Kottman.

**Item III: Approval of Minutes**

Dr. Stein moved to approve the minutes from the previous Board meeting held on September 23, 2009. Mr. Baumgardner seconded the motion, and the motion passed unanimously.

**Item IV: Follow up Items**

Miriam Broaddus addressed 3 follow-up items related to the marketing plan: specific costs, social media and Kansas City events.

**Item V: Draft 2010 Marketing Plan**

Mr. Galloway presented a brief overview of the Direct Plan Marketing Plan 2010 objectives. Ms. Broaddus explained how historical data was used to set the goals. Ms. Brady reminded the board that October, November and December are the peak months when 80-90% of the plan sales occur. Ms. Brady gave a brief overview of the Advisor Plan Marketing Plan 2010 objectives noting the goal to increase plan sales from nearly \$20MM to the range of \$25 - \$30MM. Dr. Stein made the suggestion of creating 5 to 10 year long-term plans. He also suggested contacting Jewell Scott or David Welte of the Civic Council of Kansas City. Discussion ensued regarding marketing, data

collection and media events. Treasurer Zweifel moved to accept the 2010 Marketing Plan, Dr. Stein seconded the motion and the motion passed unanimously.

Treasurer Zweifel excused himself from the meeting to attend another appointment; therefore Mr. Mathers presided over the remaining portion of the meeting.

#### **Item VI: DST Platform/Advisor Plan Customer Service Conversion**

Derek ? explained the plan conversion stating it would increase efficiency, control and enhance client services with no new cost to the account owners. Dr. Stein asked about the fiscal implications. Mr. Baumgartner moved to approve the DST Platform/Advisor Plan customer service conversion, Rep. Faith seconded the motion. The motion was approved unanimously.

#### **Item VII: Direct Plan Underlying Fund Changes**

Mr. Duffield gave a brief overview of the Direct Plan underlying fund changes. A new benchmark (the Barclays U.S. Aggregate Float Adjusted Bond Index) was approved for use by the Board of the underlying Vanguard Total Bond Market Index Fund used in the MOST Direct Plan. There is expected to be very little change to the Fund as a result of this new benchmark. Also, the Board of the underlying Vanguard Institutional Developed Markets Index Fund approved a merger into the Vanguard Developed Markets Index Fund. The merger is essentially combining two very similar Funds. No action was required by the MOST Board for these two items.

#### **Item VIII: Audited Financial Statements**

A brief report was given to outline the results of the most recent audit of the Direct Plan and Advisor Plan. Both final reports found no material or significant findings. Dr. Stein thanked the staff for a clean audit report.

#### **Item IX: Quarterly MOST Report**

Mr. Duffield gave a brief report noting some account closings due to payouts of college tuition. Dr. Stein asked how we compare to other plans across the nation and more specifically who are we most similar to and what's the average age of MOST beneficiaries versus other states? Mr. Mathers mentioned a college savings network but some states are better than others about sharing data. Ms. Brady mentioned the Department of Treasury is asking for data and indicated that data from different states may not be comparable. UPromise is working to collect profile data from clients. Mr. Duffield noted p. 32 of the report that Missouri followed the all plan average. It was also noted that rollovers out increased this year.

#### **Item X: Quarterly WATCH Report**

Mr. Mathers noted a strong third quarter and said will have more information next quarter. Discussion ensued regarding legislation to change contribution cap. Rep. Faith suggested legislators need to be informed about 529 plans and suggested information by district would be helpful. It was also suggested that the Video on Demand be sent to Legislators as a way to educate them on the Plan. Mr. Pearson suggested making a map that demonstrates the number of plan accounts in each district. Mr. Fuhr informed the board that Senator Delbert Scott will pre-file the bill and he'll send an email informing them of the bill number and co-sponsors.

Thomas Baumgardner moved to adjourn. The motion was seconded by Walter Pearson. The meeting was adjourned.