

College Tuition Savings Plan Advisory Commission
Minutes of Meeting Held: January 12, 1998
Legislative Office Building, Room 204

The ninth meeting of the College Tuition Savings Plan Advisory Commission (the Commission) was called to order at 10:13 a.m. The following Commission members were present which resulted in a quorum:

<u>Member</u>	<u>Represents</u>
Sylvia Larsen	Senator from Concord
Martha Gooze	Public Member from Durham Appointed by the Governor
Mary Milliken	Business Administrator, Representing Regional Community Technical College System
Edward MacKay	Vice Chancellor for Budget and Planning, University System of New Hampshire
Ingrid Lemaire	Director of Public Relations, NH Higher Education Assistance Foundation
O. Alan Thulander	Representative from Frankestown
Georgie A. Thomas	State Treasurer, Treasury Department
Mike Cryans	Public Member from Hanover Appointed by the Governor
Richard A Gustafson	President, New Hampshire College, Representing College and University Council
Andrew R. Peterson	Representative from Peterborough

The following members were absent:

Hannah M. McCarthy	President, Daniel Webster College, Representing Postsecondary Education Commission
Edward Gordon	Senator from Bristol
Charles Connor	Budget Director, Office of Governor, Representing the Governor

The minutes of the December 30, 1997 meeting were reviewed. Ingrid Lemaire motioned to accept the minutes. Mary Milliken seconded the motion. The minutes of December 30, 1997 were approved. The minutes of January 9, 1998 meeting were reviewed. Representative Thulander made the motion to accept the minutes. Martha Gooze seconded the motion. The January 9, 1998 minutes were accepted.

Michael Ablowich of the State Treasurer's Office highlighted the negotiations that had happened since the last meeting. The main issue was the termination clause of the agreements and provisions for servicing those accounts during the transition period. Fidelity originally proposed for the State to "buy out" their contract upon expiration. The buyout would be a five year sliding scale. The first year would be 80% of the last years fees, reduced by 20% each year thereafter. The negotiated provisions included a similar buyout but over a 3 year period starting at 75% and reduced by 25% each year.

The next topic of discussion was the 15 basis points to the State and the current law that required an administrative fee to be charged. The fee was set at \$10.00 which would be collected through the 15 basis point fee to the State. A short discussion ensued regarding the use of the State's 15 basis point fee collected in excess of any administrative costs. It was decided to put this issue on the agenda for the next meeting.

Another discussion ensued on whether the trust document could be titled NH Higher Education Savings Plan Trust, which the members felt was a more appropriate title than the NH College Tuition Savings Plan Trust. Richard Gustafson made a motion that we entitle the trust document: The NH Higher Education Savings Plan Trust. Martha Gooze seconded the motion. The motion passed unanimously.

Georgie Thomas made a motion to make a change in the Declaration of Trust on page number 6. The sentence would read as follows: A portion of such fees and expenses may shall be designated as an initial application fee. Richard Gustafson seconded the motion. The motion passed unanimously. More discussion centered on clear language under the Declaration of Trust within the introductory section to put language in that states a clear link between the commission and the treasurer's office and Fidelity. A motion was made by Georgie Thomas to add that link in the Declaration of Trust. Representative Thulander seconded the motion. The motion passed unanimously.

A motion was made by Ingrid Lemaire to accept the resolution making Fidelity the vendor to administer, market and manage the NH Higher Education Savings Trust. The motion was seconded by Representative Thulander. The motion passed unanimously.

Commission members in attendance signed up for one or more of four subcommittees. The four subcommittees were legal, administration, marketing and investments. Georgie Thomas and Senator Larsen were to be on all subcommittees. Those not in attendance were signed up for the legal committee for which no commission members had signed up. The meeting adjourned at 11:25 a.m. motion and seconded by the commission. The motion passed unanimously.