

College Tuition Savings Plan Advisory Commission
Minutes of Meeting Held: May 1, 1998
State House, Room 103

The fourteenth meeting of the College Tuition Savings Plan Advisory Commission (the Commission) was called to order at 1:35 p.m. The following Commission members were present which resulted in a quorum:

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

The following members were absent:

Edward Gordon Ingrid Lemaire	Senator from Bristol Director of Public Relations, NH Higher Education Assistance Foundation
Hannah M. McCarthy	President, Daniel Webster College, Representing Postsecondary Education Commission
Andrew R. Peterson	Representative from Peterborough

The Commission reviewed the minutes of the April 13, 1998 meeting. Georgie Thomas motioned to accept the minutes. Mary Milliken seconded the motion. The minutes were accepted.

Nada Wheelock of Fidelity Investments talked about the favorable reaction they received from the focus groups they had conducted. The focus groups liked the fact that they could save

by automatic withdrawal from their checking account and they liked the flexibility of the program. One of their concerns was that the 15 % penalty might be too high if the family needed to withdraw the funds for an emergency. The NASD will review the marketing brochure, the cover letter, and the poster. The NASD also will be sent the fact kit and participation agreement as background information only. Nada Wheelock wanted the Commission to review the materials to be sent to the NASD. Nada said they would make sure the ages shown and careers chosen were consistent on all marketing materials. After the Commission discussed changes to this information Richard Gustafson made a motion to accept the marketing materials with the changes discussed to be presented to the NASD. Martha Gooze seconded the motion. The motion passed unanimously by the Commission.

David Pearlman of Fidelity Investments reviewed the legal issues to be accomplished and a best case and worst case estimated completion date. See the attached schedule listed as exhibit A. He highlighted the fact that they expect to hear some results from a conference call to be held on May 5th. He would contact Commission members by Wednesday morning with the results of that conference call.

Theresa Conway of Fidelity Investments went over meeting times. A legal subcommittee conference call is proposed for the 8th of May at 1:30 and a full Commission conference call on May 18th at 9:00 a.m. Bill Ardinger of Rath, Young and Pignatelli for Fidelity Investments went over the draft administrative rules. The plan can be launched without the finalized rules but they must be introduced into the rulemaking process.

Ed MacKay went over the results of the last investment subcommittee meeting. He explained how the asset allocation strategy related to the performance review and how that strategy was to be communicated to the participants. He also discussed review criteria for the management of the portfolios and putting a fund on a watchlist for removal if it did not perform as expected. Theresa Conway handed a copy of the investment performance review process (see exhibit B). Georgie Thomas motioned to accept the Investment review process. Martha Gooze seconded the motion. The motion passed unanimously.

After no new business was announced. Senator Larsen asked for a motion to adjourn. Martha Gooze made the motion. Charlie Connor seconded the motion. The motion passed unanimously and the meeting was adjourned at 3:23 p.m.