
DECEMBER 16, 2024

**AGENDA ITEM 3
INFORMATION ITEM**

SCHOLARSHARE INVESTMENT BOARD

Executive Director's Report

Background

The Executive Director's Report includes an overview of the following items:

- ScholarShare 529 accounts and assets,
- Program updates,
- Legislative updates,
- Marketing and outreach highlights, and
- Contracts.

Presenters

Cassandra DiBenedetto, Executive Director, ScholarShare Investment Board

Stanley Zeto, Deputy Executive Director, ScholarShare Investment Board

Jose Quiaoit, Manager, ScholarShare Investment Board

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Executive Director's Report

December 16, 2024

ScholarShare 529 Accounts and Assets

Accounts and Assets ¹	2023 Calendar Year	2023 Year-to-Date	2024 Year-to-Date
Accounts			
Total New Accounts Opened	52,053	46,820	44,249
Total Open Accounts	422,327	418,956	449,706
Assets			
Total New Contributions (in \$ millions) ²	\$1,136.2	\$985.5	\$1,172.8
Total Assets Under Management (AUM) (in \$ billions)	\$14.42	\$13.88	\$16.84
Distributions			
Total Qualified Distributions (in \$ millions)	\$934.7	\$779.8	\$851.9
Total Other Distributions ³ (in \$ millions)	\$102.0	\$94.0	\$116.5
Total Distributions (in \$ millions)	\$1,036.7	\$873.8	\$968.4
¹ Data is as of November 30. ² Excludes assets for CalKIDS and local CSAs. ³ Total includes redemptions due to rollovers, non-qualified distributions, and scholarships.			

Year-Over-Year (YOY) Observations

- 5.5% decrease in new accounts opened YOY
- 19% increase in new contributions YOY; 4th year in a row exceeding \$1 billion annually
- 21.3 % increase in AUMs YOY
- 9.2% increase in qualified distributions YOY

Program Updates

- 529 Performance Rankings

Savingforcollege.com 529 Performance Rankings for Direct-sold 529 Plans		
California ScholarShare 529		
Investment Performance Period	Q2 2024 (June 30, 2024)	Q3 2024 (Sept. 30, 2024)
One-Year	20 of 54 plans	17 of 55 plans
Three-Year	11 of 49 plans	16 of 50 plans
Five-Year	N/A	N/A

Source: Savingforcollege.com

- Morningstar 2024 Ratings

- SIB staff and Meketa met with Morningstar in September 2024
- Total of 59 plans rated with updated methodology
- ScholarShare 529 earned a Silver medal rating for 2024, an upgrade from Bronze in 2023, and ranked as one of the top 19 plans nationwide
- Notable mention of Plan's proactive and robust governance, high-quality menu of investment options and low fees

Program and Legislative Updates

- Proxy Vote

- PIMCO Shareholder meeting held on Dec. 6, 2024
- SIB has proxy voting rights for proposal addressed at meeting for two PIMCO funds offered in the Plan
- Meketa reviewed proposal to elect 10 trustees to Board of Trustees of PIMCO and recommended voting favor of proposal
- SIB Chair and Executive Director voted in favor of proposal to elect all 10 trustees on behalf of the Board pursuant to SIB's Proxy Policy and Board-approved Resolution No. 2008-04

- Federal Legislation: H.R. 9984 (Perez)

- Introduced on Oct. 11, 2024
- Bill would amend Internal Revenue Code of 1986 to permit qualified business trade expense, such as expenses for specific business property used, to be treated as qualified higher education expenses for purposes of 529 accounts
- Referred to House Committee on Ways and Means (Oct. 11, 2024)

Marketing and Outreach Highlights (Q3 2024)

Partnerships

- **Employer Partnerships**
 - 30 new Workplace Savings Program (WSP) partners on-boarded
 - Sacramento Housing and Redevelopment Association (SHRA), Islands Restaurants, The California Endowment, Archdiocese of Los Angeles, La Sierra University, Planning and Landscape Architecture)
 - Includes 12 public agency employer partners (nine (9) cities, one (1) county, and two (2) special districts)
 - City of Santa Clara, San Bernardino County, Beach Cities Health District, Sac Sewer, City of South Pasadena, City of Pleasant Hill
- **General Partnerships**
 - 219 new general partnerships added
 - Ventura County Credit Union, Solano County Office of Education (COE), Marin Promise Partnership, Yuba City Unified School District (USD), Boys and Girls Club of Carson, Operation Cares, City of Chico, Nexus Youth Family Services, California County Superintendents, Lassen County Office of Education, Feather River College, Amador County USD, Orange County Clerk Recorder's Office, College is Real, Kern County Office of Superintendents, LA Best Babies Network, Bakersfield College

Marketing and Outreach Highlights (Q3 2024)

Statewide Outreach and Education

- Partnerships Meetings
 - 199 introductory meetings with new and prospective partners
 - Cities and Counties: Santa Cruz County Office of Education (COE), Butte COE, Center for Employment Opportunities, Plumas County of Public Health, Orange County Clerk Recorder's Office
 - Community-based Organizations: Bridge The Gap-Vallejo Scholars, Community Action Partnership of Kern (CAPK), Hope the Mission, Stockton Collegiate, KIPP Navigate SJ
 - Education-based Organizations: UC Merced, CSU Bakersfield, Sierra College, Huckleberry Youth Programs, Anacapa Adult Transition Program
- Webinars, Presentations, and Events
 - SIB staff and TIAA-CREF Tuition Financing, Inc. education consultants participated in 184 ~~103~~ events, reaching nearly 37,000 ~~9,600~~ attendees
 - Includes scheduled consumer and WSP webinars, dedicated webinars for employees, presentations to organizations, speaking opportunities, and resource booths at conferences and benefits fairs
 - Bay Area Community Resources, College of the Redwoods, County of Sacramento, City of La Quinta, Tesla, San Jose State University, Western Riverside Council of Government

Marketing and Outreach Highlights (Q3 2024)

Email Communications

- Emails were distributed on 17 occasions with topics that included:
 - Workplace Savings Program
 - College Countdown
 - Online Webinars
 - CalKIDS – Impact Report, 450,000 Claims, Back to School Campaign, Distributions, Incoming 1st Graders, Webinars

Campaigns

- ScholarShare 529 Summer Incentive Offer
 - Limited time offer ran from June 1 – August 31, 2024
 - Offered \$25 bonus for families who open new ScholarShare 529 account
 - Activities that include online and video (OTT) advertising and search, social media, direct mail, email, media relations, online webinars, and statewide outreach efforts
 - Resulted in 2,840 new accounts opened with offer code

Marketing and Outreach Highlights (Q3 2024)

Campaigns

- **CalKIDS Back-to-School Campaign**
 - Campaign ran from July 1 – mid-October 2024
 - Targeted campaign to engage parents, school counselors, and eligible high school and college CalKIDS participants
 - Activities include paid media (display, audio/video, social media) with targeted creative and messaging, direct mail, e-communications, presentations and webinars, statewide outreach to school districts and colleges
 - Resulted in 94,313 student claims
- **ScholarShare 529 Holiday Offer (current)**
 - Limited time holiday offer running from Dec. 4-13, 2024
 - Offers \$50 Target gift card for families who open new ScholarShare 529 account
 - Activities that include online and video (OTT) advertising and search, social media, direct mail, email, media relations, online webinars, and statewide outreach efforts
 - Results TBD

Contracts

- Contracts
 - From October-November 2024, no contracts signed under delegation authority
- Request for Proposals
 - Request for proposals for audit services re-issued in October 2024 with proposals due in November 2024
 - Four (4) responsive proposals received and evaluated
 - Notice of Intent to Award posted on Nov. 18, 2024
 - Contract awarded to highest scoring proposer: Gilbert CPAs
- Marketing and Outreach Purchase Orders
 - From October-November 2024, no marketing purchase orders were processed

ScholarShare Investment Board 2025 Meeting Calendar

- Tentative 2025 Meeting Dates
 - Thursday, March 20, 2025 at 10:00am
 - Thursday, June 19, 2025 at 10:00am
 - Thursday, September 18, 2025 at 10:00am
 - Thursday, December 11, 2025 at 10:00am
- Final 2025 SIB meeting calendar to be distributed in January 2025