

**Nevada System of Higher Education (“NSHE”)
Minutes of
Retirement Plan Advisory Committee Meeting
May 18, 2020**

The Retirement Plan Advisory Committee (“Committee”), the fiduciary committee for the Nevada System of Higher Education Defined Contribution Retirement Plans (“Plans”), met on May 18, 2020 via video conference. Present were voting members: Michelle Kelley (Chair), Jennifer Schultz (Desert Research Institute; “DRI”), Amy Cavanaugh (Truckee Meadows Community College; “TMCC”), Mige Valunte (Business Center North; “BCN”), Brad Summerhill (Faculty Senate Chairs), Bob Whitcomb (Western Nevada College; WNC), Daniel Williams (Retiree), Kent Ervin (University of Nevada, Reno; “UNR”), Zarah Gayrama-Borines (Nevada State College; “NSC”), Liliana “Lily” Magana (Business Center South; “BCS”), Paul Thistle (University of Nevada, Las Vegas; “UNLV”), and Scott Nielsen (Great Basin College; “GBC”), all being voting members of the Committee.

Voting Committee member Jerry Lockhart (College of Southern Nevada; “CSN”) was unable to attend.

Attending the meeting by invitation were Dan Pawlisch, Leon Kung, and Joe Steen of Aon Investments USA (“Aon”); Ray Bellucci, Seamus Ewing, and Bob Murray of TIAA.

Call to Order

The meeting was called to order at 9:00 a.m. by Kelley.

Approval of Minutes from February 14, 2020

The Committee reviewed and approved the minutes from the previous Committee meeting held on February 14, 2020.

TIAA Recordkeeping Fees

Mr. Steen referenced a previously distributed a report titled “Fee Benchmarking, Nevada System of higher Education, May 2020.” He reviewed the contents of the report with the Committee, noting that Aon solicited quotes from three vendors based on the Plans’ current design and demographic data, and established an administrative fee benchmark based on the responses received.

Bellucci, Ewing, and Murray joined the meeting.

Referencing a document titled “Continuing the Partnership, May 18, 2020.,” Bellucci opened the discussion with introductions and Murray reviewed TIAA’s updated proposal to lower the per participant recordkeeping fee component from \$48 to \$44 per participant, effective October 1, 2020 through September 30, 2023. Murray noted that TIAA is still working on availability of a basis point fee with a dollar per participant cap and does not have any clients with such a fee approach at this time. He indicated that TIAA’s proposal is not contingent upon the continued use of TIAA’s Individual Advisory

Services (“IAS”) wealth management services. Murray indicated that TIAA will continue to monitor Financial Counselor participant interactions and management of virtual versus in-person sessions. He will follow up with Kelley regarding statistics and trends. Kelley inquired about the participant transaction fees associated with the Retirement Plan Loans (“RPL”) and asked if TIAA would waive the transaction fees if NSHE implemented these loans on the NSHE retirement plans. Murray replied that TIAA has never waived RPL fees for clients, but he indicated TIAA is willing to discuss Plan fees further with NSHE. Kelley will follow up with Murray.

Bellucci, Ewing, and Murray left the meeting.

Kelley continued the discussion on TIAA’s fees, noting the September 30, 2022 expiration of the current contract and potential for a Request for Proposal process. After thorough discussion and considering Aon’s benchmarking and TIAA’s revised fee proposal, the Committee agreed to recommend an extension of TIAA’s contract to September 30, 2023 and to conduct an RFP process in 2022. The Committee recommended that NSHE conduct both an audit of the TIAA recordkeeping services and a participant survey prior to the release of the request for proposal for recordkeeping services in 2022.

Executive Officer Report

Kelley updated the Committee on the defined contribution retirement plan related provisions of the SECURE Act 2019 and the CARES Act 2020 and discussed TIAA’s implementation of the relevant provisions.

Whitcomb joined the meeting.

The Committee discussed a recently announced voluntary separation program at TIAA. Kelley will follow up with TIAA to determine if any staff servicing the Plans are impacted.

Staff Reports

South

Magana indicated it had been a quiet quarter. However, loan utilization increased from 66 to 77 since the last quarter. Magana noted that she has been working with NSHE’s payroll system to clean up errors from the transition to Workday.

North

Valunte discussed a high level of interest by participants in retirement education sessions. TIAA is doing virtual sessions and participants can sign up with advisors in advance.

Quarterly Investment Review

Pawlisch led a discussion regarding the contents of a previously distributed report titled “Nevada System of Higher Education First Quarter 2020 Discussion Guide (Discussion Guide).” A document titled “Nevada

System of Higher Education First Quarter 2020 Investment Review” was also previously distributed for the Committee’s reference. Pawlisch commented on the current state of the overall economy, the domestic and international equity markets, and the fixed income markets during the first quarter of 2020.

Kung discussed the Plans’ asset allocation, contributions by fund, and participant transfer activity. He noted situations in which there were exceptions to, or comments on, the targeted performance, company structure, or other relevant aspects of the funds offered against the Plans’ Investment Policy Statement. After thorough discussion and review of the materials provided, the Committee agreed that the T. Rowe Price Stable Value Common Trust Fund A be placed on “yellow-level” watch status and the American Century High Income Fund and the DFA U.S. Targeted Value Fund be placed on “red-level” watch list status. In addition, the Committee agreed that the Dodge & Cox Global Stock Fund be maintained on “red-level” watch list status. The Committee requested and Pawlisch agreed that Aon will conduct manager searches for the American Century High Income Fund and the DFA U.S. Targeted Value Fund, for presentation at the November Committee meeting. The Committee agreed to defer Aon’s presentation of the Dodge & Cox Global Stock Fund manager search until the November Committee meeting.

Kung referenced a previously distributed document titled “Nevada System of Higher Education April 30, 2020 Monthly Investment Review.” He provided an update on investment performance in the Plans as of April 30, 2020.

Pawlisch provided a COVID-19 update to the Committee.

Adjournment

There being no further business before the Committee, the meeting adjourned at 11:00 a.m.



Michelle Kelley, Director Retirement Plan Administration

8/14/2020
Date Signed

Reviewed by:



Joe Reynolds, NSHE Chief General Counsel

8-27-20
Date Signed

