

NOTICE OF PUBLIC MEETING

Arizona Family College Savings Program (AFCSP) Oversight Committee Meeting

Arizona Commission for Postsecondary Education (ACPE)

Thursday, November 16, 2017
3:00 p.m. – 5:00 p.m.

MGKS
6530 N. 16th Street
Phoenix, AZ 85016-1306

Pursuant to A.R.S. §38-431.02, notice is hereby given to the general public and to the members of the Arizona Family College Savings Program Oversight Committee of the Commission for Postsecondary Education ("Committee") that the Oversight Committee will hold a regular meeting open to the public on Thursday, November 16, 2017 at 3:00 p.m. at MGKS, 6530 N. 16th Street, Phoenix, AZ 85016-1306.

Pursuant to A.R.S. § 38-431.03(A) (3), the Committee may vote to hold executive session for purposes of discussion or consultation for legal advice with the attorney of the public body regarding any item on the agenda. This agenda may be amended at any time prior to 24 hours before the Committee meeting (except that items related to ratification may be amended prior to 72 hours before the Committee meeting). Any item on the agenda may be considered at any time out of order at the discretion of the Chairman. The Committee may discuss and take action regarding any item on its agenda.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, by contacting the meeting coordinator at (602) 258-2435 ext. 103. Requests should be made as early as possible to allow time to arrange the accommodation.

AGENDA

Mission: To educate and assist Arizona families to financially prepare for postsecondary education by providing quality college savings choices.

- I. Welcome, Call to Order, and Introduction of Members and Guests**
- II. Review of ACPE Policy for Records of Public Meetings**
- III. Arizona Commission for Postsecondary Education (ACPE) Executive Director Report**
 - A. Update on State Budget
 - B. Update on State Auditor General Performance Audit and Sunset Review
- IV. Arizona Family College Savings Program (AFCSP) Director Report**
 - A. Review of AFCSP Management Report as of September 30, 2017
- V. Information on Provider and Program Changes (15 minutes)**
 - A. Fidelity
 1. Q3 Executive Summary
 2. Proposed Portfolio Enhancements
 - a. Index Funds in Active 529 Portfolios
 - b. Underlying Index Fund Change
 - c. Stand-alone Index Fund Change

- VI. Discussion and Consideration of a Recommendation to the Commission for Approval of a Fidelity Contract Amendment to Allow Index Funds in Actively Managed Portfolios.**
- VII. Discussion and Consideration of a Recommendation to the Commission for Approval of the Fidelity Contract Amendment which Changes the International Index Standalone Fund, Specifically Replacing the Index Fund which Tracks the MSCI EAFE (Developed Foreign Equity Markets) with an Index Fund that Tracks the MSCI ACWI ex US (Developed Foreign + Emerging Markets).**
- VIII. Capital Cities – Investment Consultant Reports (40-45 minutes)**
 - A. Q3 Program Provider Performance Evaluations
 - B. 2017 Program Provider Investment Menu Review
 - C. Waddell & Reed Watchlist Memo Update
 - D. October 2017 Morningstar 529 Reviews
 - E. AFCSP Investment Policy Statement – Annual Review
- IX. Discussion and Recommendation to the Arizona Commission for Postsecondary Education to Approve Updates to the AFCSP Investment Policy Statement.**
- X. Adjourn for Executive Session pursuant to A.R.S. § 38-431.03(A)(2)**

Pursuant to A.R.S. § 38-431.03(A)(2), the Committee will vote to convene in executive session to discuss information that has been deemed confidential by the Auditor General per A.R.S. §41-1279.05(A); discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information that is specifically required to be maintained as confidential by State or Federal law; working papers and other audit files maintained by the auditor general are not public records.

(Expected to last 30 minutes)
- XI. Discussion and Consideration for Approval of Annual Provider Review Process for Calendar Year 2017**
 - A. Review of timeline, reporting requirements, and evaluation form
- XII. Review of 2018 Meeting Schedule**
- XIII. Discussion of Future Agenda Items**
- XIV. Adjournment**

2018 Oversight Committee Meetings:

Date	Day	Time	Location
February 15, 2018	Thursday	3:00 p.m. to 5:00 p.m.	MGKS
March 27, 2018	Tuesday	2:00 p.m. to 5:30 p.m.	Sacks Tierney, PA
May 17, 2018	Thursday	3:00 p.m. to 5:00 p.m.	MGKS
July 19, 2018	Thursday	3:00 p.m. to 5:00 p.m.	TBD
September 27, 2018	Thursday	3:00 p.m. to 5:00 p.m.	TBD
November 15, 2018	Thursday	3:00 p.m. to 5:00 p.m.	TBD

Status of Program Provider Contracts:

PROVIDER	CONTRACT INITIATED	TERMS	CONTRACT RENEWAL/EXPIRATION
College Savings Bank	October 24, 2016	5 years + 1 two-year extension	Expires 10/23/2021
Fidelity Investments	September 15, 2014	6 years + 1 one-year extension	Renewal 9/15/2020
Waddell & Reed	August 15, 2017	4 years + 1 three-year extension	Expires 08/14/2021