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**APRIL 16, 2024**

**AGENDA ITEM 3  
INFORMATION ITEM**

**SCHOLARSHARE INVESTMENT BOARD**

*Executive Director's Report*

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***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***

Julio Martinez, Executive Director, ScholarShare Investment Board

Stanley Zeto, Deputy Executive Director, ScholarShare Investment Board

Jose Quiaoit, Manager, ScholarShare Investment Board

Mario Sierras, Manager, ScholarShare Investment Board

**SCHOLARSHARE INVESTMENT BOARD  
EXECUTIVE DIRECTOR'S REPORT**

**APRIL 16, 2024**

<b>SCHOLARSHARE 529 Through March 31, 2024</b>				
<b>Accounts and Assets</b>	<b>2023 Calendar Year</b>	<b>2023 Jan – Mar<sup>2</sup></b>	<b>2024 Jan – Mar<sup>2</sup></b>	
<b>Accounts</b>				
Total New Accounts Opened	52,053	13,605	13,514	
Total Open Accounts <sup>2</sup>	422,327	399,225	430,754	
<b>Assets</b>				
Total New Contributions (in millions) <sup>1</sup>	\$1,136.2	\$293.2	\$345.1	
Total Net Assets (in billions)	\$14.42	\$12.14 <sup>1</sup>	\$15.18	
<b>Redemptions (in millions)</b>	<b>2023 Jan – Mar<sup>2</sup></b>		<b>2024 Jan – Mar<sup>2</sup></b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
Total Qualified Redemptions	\$212.7	90.3%	\$240.4	86.7%
Total Other Redemptions <sup>3</sup>	\$22.9	9.7%	\$36.8	13.3%
<b>Total Redemptions</b>	<b>\$235.6</b>	<b>100.0%</b>	<b>\$277.2</b>	<b>100.0%</b>

<sup>1</sup> Excludes assets for CalKIDS and local CSAs.

<sup>2</sup> Data is as of March 31.

<sup>3</sup> Total includes redemptions due to rollovers, non-qualified distributions, and scholarships.

**Program Updates**

- **529 Performance Rankings**

<b>Savingforcollege.com 529 Performance Rankings for Direct-sold 529 Plans ScholarShare 529</b>		
<b>Performance Period</b>	<b>Q3 2023 (Sept. 30, 2023)</b>	<b>Q4 2023 (Dec. 31, 2023)</b>
One-Year Investment Performance	23 of 55 plans	35 of 55 plans
Three-Year Investment Performance	11 of 53 plans	19 of 52 plans
Five-Year Investment Performance	N/A	N/A

Source: [www.savingforcollege.com](http://www.savingforcollege.com)

- **ScholarShare Investment Board Staff Update**

- *Gloria Pulido* - In late-January 2024, Gloria Pulido joined the ScholarShare Investment Board (SIB or Board) staff, filling a vacant staff services manager I (SSMI) position and is responsible for facilitating ongoing regional outreach and engagement strategies and efforts for SIB and its programs.

- *Jose Quiaoit* - In early-March 2024, Jose Quiaoit joined the SIB staff, filling a vacant SSMI position and is responsible for the primary management of SIB’s outreach team as well as other administrative, strategic, and oversight roles and duties.
- *Maci (Rikka) Fisher* - In mid-March 2023, Maci (Rikka) Fisher joined the SIB staff, filling a vacant office technician position that serves as the primary support staff for SIB with various administrative duties and responsibilities.
- ***Morningstar Annual Ratings***  
As a follow-up from discussions that took place during the December 2023 SIB meeting regarding the Plan’s 2023 Morningstar rating announced in early-November 2023, SIB staff has met with Morningstar to gather more details about the rating and analysis, and continues to evaluate the Plan, as well as ongoing ways to address the feedback received as needed to ensure the Plan offers the best offering to its participants. SIB staff plans to provide a strategic outline at the June 2024 Board meeting.
- ***Proxy Vote***  
A joint special meeting of shareholders of Metropolitan West (MetWest) was held on February 15, 2024. With one (1) MetWest fund (Fund) included in the Plan, SIB has proxy voting rights on the proposal addressed at the meeting. In advance of the vote, SIB staff and Meketa, reviewed the proposal and Meketa provided a recommendation that included voting in favor of one proposal applicable to the Fund in the Plan. Following a review of Meketa’s analysis and pursuant to SIB’s Proxy Policy, the Chair, Chair’s designee, and SIB’s Executive Director voted in line with Meketa’s recommendation and on behalf the Board pursuant to Resolution No. 2008-04 adopted by the Board in April 2008. The vote included favoring the proposal on the election of nine (9) trustees to the Board of Trustees of MetWest Funds.
- ***CaKIDS Financial Literacy Initiative***  
As an update, SIB continues to move forward in implementing various components associated with the development and implementation of financial literacy efforts associated with CaKIDS following the \$5 million ongoing appropriation initiated in the 2022-23 State Budget. The initial phase of this initiative includes the procurement of services associated with primary elements that include: website development, financial literacy tools, and development of targeted content (i.e., resources and videos) made available to families. The procurement of these services are in progress and SIB anticipates to executing many of them before of the end of the fiscal year, with remaining efforts to follow. SIB staff plans to provide an update at the next SIB meeting.

**Legislative Update**

- ***Federal Legislation:***

<b><i>Bill No.</i></b>	<b><i>Author</i></b>	<b><i>Purpose of Bill</i></b>	<b><i>Date Introduced</i></b>	<b><i>Current Status</i></b>
H.R. 7162	Beyer	This bill, the 401Kids Savings Account Act of 2024, amends the Internal Revenue Code of 1986 to create children’s lifetime savings accounts in 401Kids Account Programs to be established and maintained a State or agency or instrumentality.	1/31/24	Referred to the House Committee on Ways and Means (1/31/24)

<b>Bill No.</b>	<b>Author</b>	<b>Purpose of Bill</b>	<b>Date Introduced</b>	<b>Current Status</b>
S. 3716	Casey	This bill, the 401Kids Savings Account Act of 2024, amends the Internal Revenue Code of 1986 to create children’s lifetime savings accounts in 401Kids Account Programs to be established and maintained a State or agency or instrumentality.	1/31/24	Read twice and referred to the Senate Committee on Finance (1/31/24)

- **State Legislation:**

<b>Bill No.</b>	<b>Author</b>	<b>Purpose of Bill</b>	<b>Date Introduced</b>	<b>Current Status</b>
AB 2508	McCarty	This bill, commencing with the 2025–26 fiscal year and subject to an appropriation by the Legislature, would (1) require a CalKIDS account, with a one-time deposit of \$500, to be opened for a pupil who is a foster youth and is enrolled in grades 1 to 12, at a school district, public charter school, state special school, or other local educational agency, if an account has not already been established for them, and (2) authorize an additional deposit of \$500 for those foster youth who did not previously receive the deposits for unduplicated pupils in the 2021–22 and 2022–23 fiscal years.	2/13/24	Re-referred to Assembly Committee on Higher Education (4/2/24)
AB 2524	Ward	This bill would exempt from gross income distribution made from a long-term 529 plan during the taxable years beginning on or after January 1, 2024, and before January 1, 2029, that are paid in a direct trustee-to-trustee transfer to a Roth IRA, and would conform state tax law to those changes relating to federal law.	2/13/24	Re-referred to Assembly Committee on Revenue and Taxation (4/2/24)

### **Marketing and Outreach Highlights for Fourth Quarter 2023**

- **Partnerships**

<i>Employer Partnerships</i>	13 new Workplace Savings Program (WSP) partners were on-boarded and included three (3) additional public agency employers: City of Citrus Heights, San Miguel Community Services District and Oro Loma Sanitary District.
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<p><i>General Partnerships</i></p>	<p>119 new General Partnerships were added and included such partners as: CA Charter Schools Association, Volunteers of America Los Angeles, CA Resource Services for Independent Living, UC Davis Outreach and Community Engagement Unit, Giving Opportunities to Kids (GOT Kids), Fresno Women’s Chamber of Commerce, Mono County Office of Education (COE), Mission City Federal Credit Union, San Diego and Imperial County Cal-SOAP, Wu Yee Children’s Services, Fierce Advocates, Fresno City College, Vallejo Education and Business Alliance, Los Angeles Retired County Employees, Central Valley Community Foundation, Nevada COE, Rural County Representatives of CA, Learn4Life College Access Program, Humboldt County Cal-SOAP North Coast, Siskiyou Family Community Resource Center, A Place Called Home, Inyo County Superintendent of Schools, The Academy of Financial Education, Koreatown Youth and Community Center, Haven Neighborhood Services, Contra Costa County Retired Employees Association, Los Angeles COE Foster Program.</p>
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- **Statewide Outreach and Education**

<p><i>Partnership Meetings</i></p>	<p>SIB staff participated in 108 introductory meetings with new and prospective partners, which included:</p> <ul style="list-style-type: none"> <li>• Cities and Counties: Nevada County Superintendents of Schools, Humboldt County Cal-SOAP, Mono County Office of Education (COE), Los Angeles COE</li> <li>• Community-based Organizations: Yes Siskiyou, Search to Involve Pilipino Americans (SIPA), Promise Scholars, Verdugo Job Center, Siskiyou Family Community Resource Center, A Place Called Home, CASA Organization (Fresno/Madera County Offices), Central Valley Community Foundation, 10,000 Degrees, Community Intervention Organization, City Year Sacramento</li> <li>• Education-based organizations: Loyola Marymount University, La Habra Unified School District (USD), University of Southern CA Financial Aid Office, Bakersfield USD, Garden Grove USD, Clovis Community College, Accrediting Commission for Community and Junior Colleges, Tuoro University California, Environmental Charter Schools, Academy of Financial Education</li> </ul>
<p><i>Webinars, Presentations, and Events</i></p>	<p>ScholarShare 529 participated in 149 events, with nearly 19,000 estimated total attendees. These included regularly scheduled consumer webinars, monthly workplace savings employer webinars, dedicated webinars for employees, presentations to organizations and their audiences, and conferences or benefits fairs.</p> <p>Many of these events were in collaboration with a number of diverse partners that include: County of Sacramento, CA Institute of Technology &amp; Jet Propulsion Laboratory, Coachella Valley Water District, 10,000 Degrees, City of Carlsbad, Oro Loma Sanitary District, CA Student Aid Commission, Montebello USD, CalPERS, Franchise Tax Board, Donald S. Jordan Intermediate School, Rosa Parks K-8 School, California State University Sacramento, City of Placentia, San Diego State University, Yorba Linda Water District, City of Anaheim, University of the Pacific, Partnership Health Plan of CA</p>

<i>Targeted E-Blasts</i>	<p>Emails were distributed on 10 occasions. Topics included:</p> <ul style="list-style-type: none"> <li>• CalKIDS – Register Now; One Year Anniversary; 250K Registrations; Thank You</li> <li>• National Savings Day</li> <li>• Holiday Offer</li> <li>• Holiday Card</li> </ul>
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• **Webinars, Presentations, and Events**

#	Date	Organization / Event	Type
1	10/02/23	CA Society for Human Resource Management (SHRM)	Employer
2	10/03/23	City of Placentia	Employer
3	10/04/23	County of Sacramento	Employer
4	10/04/23	County of Sacramento	Employer
5	10/04/23	San Diego State University	Employer
6	10/05/23	Western Municipal Water District	Employer
7	10/05/23	AdminSure Inc.	Employer
8	10/06/23	San Diego SHRM	Employer
9	10/10/23	Yorba Linda Water District	Employer
10	10/10/23	California Institute of Technology & Jet Propulsion Laboratory	Employer
11	10/11/23	California Institute of Technology & Jet Propulsion Laboratory	Employer
12	10/11/23	California Institute of Technology & Jet Propulsion Laboratory	Employer
13	10/11/23	ScholarShare 529 Consumer Webinar	Consumer
14	10/12/23	City of Anaheim	Employer
15	10/17/23	Coachella Valley Water District	Employer
16	10/17/23	Coachella Valley Water District	Employer
17	10/17/23	Coachella Valley Water District	Employer
18	10/17/23	Coachella Valley Water District	Employer
19	10/18/23	City of Fort Worth	Employer
20	10/18/23	Long Beach City Employees Federal Credit Union	Employer
21	10/18/23	Coachella Valley Water District	Employer
22	10/18/23	Coachella Valley Water District	Employer
23	10/18/23	Coachella Valley Water District	Employer
24	10/18/23	Coachella Valley Water District	Employer
25	10/19/23	City of Jurupa Valley	Employer
26	10/19/23	CA SHRM	Employer
27	10/20/23	10000 Degrees	Employer
28	10/20/23	10000 Degrees	Employer
29	10/20/23	10000 Degrees	Employer
30	10/24/23	Long Beach City Employees Federal Credit Union	Employer
31	10/25/23	The Claremont Colleges	Employer
32	10/25/23	City of Oceanside	Employer
33	10/25/23	AdminSure Inc.	Employer

#	Date	Organization / Event	Type
34	10/25/23	ScholarShare 529 Consumer Webinar	Consumer
35	10/26/23	TIAA Benefits Fair	Employer
36	10/26/23	University of the Pacific	Employer
37	10/26/23	Sony Interactive Entertainment	Employer
38	10/26/23	Partnership Health Plan of California	Employer
39	10/26/23	City of Carlsbad	Employer
40	10/26/23	City of Carlsbad	Employer
41	10/26/23	City of Carlsbad	Employer
42	10/26/23	San Francisco Financial Planning Association	Consumer
43	10/31/23	City of Citrus Heights	Employer
44	11/02/23	San Antonio Regional Hospital	Employer
45	11/02/23	Azusa Pacific University	Employer
46	11/02/23	City of Escondido	Employer
47	11/03/23	San Antonio Regional Hospital	Employer
48	11/06/23	The Huntington Library	Employer
49	11/06/23	City of Carlsbad	Employer
50	11/06/23	City of Carlsbad	Employer
51	11/06/23	City of Carlsbad	Employer
52	11/07/23	Adverum	Employer
53	11/07/23	First 5 LA	Employer
54	11/07/23	Santa Clara University	Employer
55	11/08/23	Project Access	Employer
56	11/08/23	NetGear	Employer
57	11/08/23	PriMed Management Consulting Services, Inc.	Employer
58	11/08/23	San Diego County Water Authority	Employer
59	11/09/23	MiCROTEC Inc	Employer
60	11/12/23	Town of Truckee	Employer
61	11/15/23	Long Beach City Employees Federal Credit Union	Employer
62	11/15/23	ScholarShare 529 HR Webinar	Employer
63	11/15/23	ScholarShare 529 Consumer Webinar	Consumer
64	11/16/23	The Huntington Library	Employer
65	11/20/23	Town of Truckee	Employer
66	11/29/23	Cavignac	Employer
67	11/29/23	ScholarShare 529 Consumer Webinar	Consumer
68	12/01/23	CoderPad	Employer
69	12/04/23	Aviation Capital Group LLC (ACG)	Employer
70	12/06/23	Employee WPS Webinars	Consumer
71	12/07/23	ScholarShare 529 HR Webinar	Employer
72	12/07/23	ScholarShare 529 HR Webinar	Employer
73	12/08/23	Global/Promotions WPS Webinars	Employer
74	12/08/23	Oro Loma Sanitary District	Employer

#	Date	Organization / Event	Type
75	12/08/23	Global/Promotions WPS Webinars	Employer
76	12/08/23	Oro Loma Sanitary District	Employer
77	12/11/23	Amador County	Employer
78	12/11/23	CA SHRM	Employer
79	12/12/23	County of Ventura	Employer
80	12/12/23	Global/Promotions WPS Webinars	Employer
81	12/13/23	Hackman Capital Partners	Employer
82	12/13/23	Global/Promotions WPS Webinars	Employer
83	12/13/23	Buffini & Company	Employer
84	12/13/23	ScholarShare 529 Consumer Webinar	Consumer
85	12/13/23	San Diego SHRM	Employer
86	12/14/23	County of Ventura	Employer
87	10/03/23	California State University, Sacramento	Employer
88	10/03/23	CA Student Aid Commission (CSAC) Annual Statewide Financial Aid Workshop	Consumer
89	10/04/23	CSAC College Access Professional Development Day	Consumer
90	10/04/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
91	10/06/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
92	10/06/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
93	10/07/23	Saddleback Valley Unified School District	Employer
94	10/10/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
95	10/10/23	College of the Desert TRiO ETS	Consumer
96	10/11/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
97	10/11/23	CalKIDS Anniversary Event at Rosa Parks K-8 School	Consumer
98	10/12/23	Tehama County Benefit Fair	Employer
99	10/12/23	California Federation of Teachers	Employer
100	10/12/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
101	10/14/23	East Bay Solano County Consortium/Cal-SOAP	Consumer
102	10/17/23	Sacramento County Benefit Fair	Employer
103	10/17/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
104	10/18/23	County of Sacramento	Employer
105	10/18/23	Las Palmas Elementary School	Consumer
106	10/18/23	Compton Unified School District	Consumer
107	10/18/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
108	10/19/23	CalKIDS General Webinar	Consumer
109	10/20/23	CSAC Annual Statewide Financial Aid Workshop	Consumer
110	10/20/23	Sacramento City Unified School District	Consumer
111	10/20/23	The California Association of School Counselors, Inc. Conference	Consumer
112	10/21/23	Assemblymember Mike Fong's College & Career Fair	Consumer
113	10/25/23	Cal-SOAP San Diego/Imperial County Consortium College Fair	Consumer
114	10/25/23	CA Department of Financial Protection & Innovation	Employer



#	Date	Organization / Event	Type
115	10/26/23	Search to Involve Pilipino Americans (SIPA)	Consumer
116	10/26/23	Banning High School	Consumer
117	11/01/23	Montebello Unified School District	Consumer
118	11/01/23	College Access Program for Learn4Life	Consumer
119	11/01/23	Association of California School Administrators	Consumer
120	11/02/23	Northern California College Promise Coalition	Consumer
121	11/06/23	CA Community Colleges Chancellor's Office (CCCCO) 2023 New Financial Aid Director's Training	Consumer
122	11/06/23	Cambridge Elementary School	Consumer
123	11/06/23	California County Superintendents	Consumer
124	11/07/23	College Affordability Summit	Consumer
125	11/15/23	Capitol Institute	Employer
126	11/15/23	Sacramento Metro Air Quality Management District	Employer
127	11/16/23	The Children's Movement Fresno	Consumer
128	11/18/23	Sacramento Firefighter Youth Academy	Consumer
129	11/29/23	Newport-Mesa Unified School District	Consumer
130	11/30/23	Nevada County Office of Education	Employer
131	12/05/23	City of West Sacramento Home Run Program	Consumer
132	12/05/23	CalPERS Benefits Education Event	Employer
133	12/05/23	CA Dept. of Transportation Bay Area	Employer
134	12/05/23	CA Dept. of Health Care Services & DMV	Employer
135	12/05/23	UC Davis Early Academic Outreach Program	Consumer
136	12/06/23	CalPERS & CA State Lottery	Employer
137	12/09/23	UC Davis Early Academic Outreach Program	Consumer
138	12/11/23	Santa Cruz County Office of Education	Employer
139	12/12/23	Franchise Tax Board	Employer
140	12/12/23	Donald S. Jordan Intermediate School	Consumer
141	12/12/23	Montebello Unified School District	Consumer
142	12/14/23	Oakdale Elementary School	Consumer
143	12/15/23	Montebello Unified School District	Consumer
144	12/18/23	Rosa Parks K-8 School	Consumer
145	12/19/23	Rosa Parks K-8 School	Consumer
146	12/20/23	Rosa Parks K-8 School	Consumer
147	12/21/23	Rosa Parks K-8 School	Consumer
148	12/22/23	Rosa Parks K-8 School	Consumer
149	12/28/23	Speaker of the Assembly Robert Rivas	Consumer

- **Holiday Offer**

In December 2023, ScholarShare 529 launched its annual holiday gift card offer, offering families a \$50 Target gift card to incentivize them to start saving by opening and contributing to a new ScholarShare 529 account. The offer, which ran from December 6-15, resulted in more than 2,300 new accounts opened during the 10-day promotion period. The offer was supported by traditional marketing channels, such as online, social media, direct mail, email, media relations, online webinars, and statewide outreach efforts.

## **Contracts**

- **Contracts Signed Under Delegation Authority**

From December 2023 through March 2024, there was one (1) contract and (1) amendment to an existing contract signed and executed under the Executive Director’s delegation authority as listed below.

<b>Contractor</b>	<b>Service</b>	<b>Total Amount</b>	<b>Start Date</b>	<b>End Date</b>
Interpreters Unlimited, Inc.	Translation Services for CalKIDS	\$150,000.00	1/29/24	12/31/25
VistaShare LLC	Recordkeeping Platform for CalKIDS (Amendment)	\$1,668,585.00	4/14/22	4/13/25

- **Request for Proposals**

As a follow-up from the Board’s approval at the October 2023 SIB meeting, the request for proposals (RFP) for marketing services for CalKIDS was released in early-February 2024, with proposals due in March 2024. An update on this RFP will be provided at the next Board meeting.

- **Marketing and Outreach Purchase Orders**

From December 2023 through March 2024, there were 11 processed marketing purchase orders (POs) totaling approximately \$15,133.49. These POs include the annual Zoom subscription, as well as partnerships, purchases, and/or participation at events with organizations that include the California Society for Municipal Finance Officers, Steps to College, California Teachers Association, CalGovHR, Public Sector Human Resources Association-Southern California Chapter (PSHRA-SC), and The California Association of School Counselors, Inc.

## **SCHOLARSHARE INVESTMENT BOARD 2024 MEETING CALENDAR**

### **Agenda Item Discussions**

#### **Tuesday, June 25, 2024 (1:30 p.m.)**

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- Minutes from April 16, 2024 Meeting
- Executive Director's Report
- Update on California Kids Investment and Development Savings Program
- Review and Analysis of Investment Performance for ScholarShare 529
- Marketing Update for ScholarShare 529 and California Kids Investment and Development Savings Program
- Review of Administrative Performance for ScholarShare 529

#### **Thursday, September 19, 2024 (1:30 p.m.)**

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- Minutes from June 25, 2024 Meeting
- Executive Director's Report
- Update on California Kids Investment and Development Savings Program
- Review and Analysis of Investment Performance for ScholarShare 529
- Marketing Update for ScholarShare 529 and California Kids Investment and Development Savings Program
- Review of Administrative Performance for ScholarShare 529

#### **Tuesday, December 10, 2024 (1:30 p.m.)**

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- Minutes from September 19, 2024 Meeting
- Executive Director's Report
- Update on California Kids Investment and Development Savings Program
- Review of ScholarShare Statement of Investment Policy
- Review of ScholarShare Monitoring Procedures and Criteria
- Review of 2025 Asset Allocation Recommendations for ScholarShare 529
- Review and Analysis of Investment Performance for ScholarShare 529
- Marketing Update and 2023 Marketing Plan for ScholarShare 529 and California Kids Investment and Development Savings Program
- Review of Administrative Performance for ScholarShare 529

These meeting agendas are tentative and may be updated throughout the year.

Staff requests that Board members enter the meeting dates into their 2024 calendar. The meetings will be held in Room 102 of the State Treasurer's Office at 901 P Street in Sacramento, California, unless noted otherwise. Board members should plan to attend the meeting in person. If this is not possible and Board members must participate by teleconference, they must inform staff 14 calendar days prior to the scheduled meeting date and provide a teleconference location that is open to the public. This location must have a speakerphone available, and the Board member must be present at the location for the entire length of the meeting.