

**Dan Schwartz**  
State Treasurer



STATE OF NEVADA  
OFFICE OF THE STATE TREASURER

**NOTICE OF PUBLIC MEETING**

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

Thursday, July 14, 2016, 10:00 a.m.

**Meeting via videoconference at the following locations:**

Dial in access: 1-888-251-2909 Access Code 7399092

**Grant Sawyer State Office Building**  
Governor's Conference Room -Suite 5100  
555 E. Washington Avenue  
Las Vegas, NV 89101

**State Capitol Building**  
Laxalt Building  
2<sup>nd</sup> Floor Chambers  
401 N Carson Street  
Carson City, NV 89701

All items listed on this agenda are for discussion and action by the Board of Trustees unless otherwise noted. Action may consist of any of the following: approve, deny, condition, hold, or table.

**AGENDA**

1. **Public Comment.** *Comments from the public are invited at this time prior to the commencement of possible action items. The Board is precluded from acting on items raised during Public Comment that are not on the agenda.*

**Consent Agenda**

*Consent Agenda - All matters in this sub-category are considered by the Board of Trustees to be routine and may be acted upon in one motion without discussion. Most agenda items are phrased for a positive action. However, the Board of Trustees may take other actions, such as hold, table, amend, etc.*

**CARSON CITY OFFICE**  
101 N. Carson Street, Suite 4  
Carson City, Nevada 89701-4786  
(775) 684-5600 Telephone  
(775) 684-5623 Fax

**STATE TREASURER PROGRAMS**  
Governor Guinn Millennium Scholarship Program  
Nevada Prepaid Tuition Program  
Unclaimed Property  
College Savings Plans of Nevada  
Nevada College Kick Start Program

**LAS VEGAS OFFICE**  
555 E. Washington Avenue, Suite 4600  
Las Vegas, Nevada 89101-1074  
(702) 486-2025 Telephone  
(702) 486-3246 Fax

2. For possible action: Board review and approval of the minutes of the College Savings Board of Trustees meeting of June 21, 2016.
3. For possible action: Board review and approval of the education and outreach expenditure report for the SSGA Upromise 529 Plan for the quarter ended June 30, 2016 to be recorded as non-cash revenue in the State's accounting system.
4. For possible action: Board review and approval of the auditors selected by each of the Nevada College Savings Plans program managers to conduct annual audits for FY16 for the SSgA Upromise 529 Plan, the Vanguard 529 Plan, Putnam 529 for America, and the USAA 529 Plan,).
5. For possible action: Board review and approval of the audit scope letter dated June 15, 2016 from Eide Bailly that summarizes the significant terms of engagement for the FY16 audit of the Higher Education Tuition Trust Fund (Nevada Prepaid Tuition Program)
6. For possible action: Board review and approval of a supplement to the Putnam 529 for America Offering Statement to notice participants that the Putnam Money Market Fund Investment Option will be replaced with the Putnam Government Money Market Fund Investment Option.
7. For possible action: Board review and approval of a supplement to the SSGA Upromise 529 Plan Plan Description and Participation Agreement to notice participants that the State Street Institutional Liquid Reserves Money Market fund will be replaced with the State Street Institutional Treasury Money Market Fund in all age and risk based portfolios.
8. For possible action: Board consent to a contract between VistaShare and Ascensus College Savings to provide a system to manage Nevada College Kick Start participant data.
9. For possible action: Board receive a report on Women's Money summarizing the four conferences conducted in Fiscal Year 2016.
10. For possible action: Board receive a report from the Financial Guidance Center on its Senior & Veterans conference.in Fiscal Year 2016.

#### **Discussion Agenda**

11. For possible action: Board review and approval of limited incentives related to the Nevada College Kick Start Program for kindergarteners in the 2016-2017.
12. For possible action: Board review and approval of the Fiscal Year 2016 Prepaid Tuition actuarial assumptions.

13. For possible action: Board review and approval of the 2017 Nevada Prepaid Tuition Program pricing schedule.
14. For possible action: Board review and approval of the 5-year plan and budget for the FY 18-19 biennium.

### Comments

15. **Public Comment.** *The Board is precluded from acting on items raised during Public Comment that are not on the agenda*

Prior to the commencement and conclusion of a contested case or a quasi judicial proceeding that may affect the due process rights of an individual the board may refuse to consider public comment. See NRS 233B.126.

Items on the agenda may be taken out of the order presented at the discretion of the Chairman.  
Items may be combined for consideration by the public body.  
Items may be pulled or removed from the agenda at any time.

Notice of this meeting was posted at the following locations in Carson City, Nevada:

State Capitol Building, 1<sup>st</sup> & 2<sup>nd</sup> Floor & Basement, 101 North Carson Street  
Nevada Legislative Building, 401 South Carson Street  
Nevada State Library, 100 Stewart Street  
Blasdel Building, 209 East Musser Street

Notice of this meeting was posted at the following location in Las Vegas, Nevada:

Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4600, Las Vegas, Nevada  
1<sup>st</sup> Floor Capitol Police - (702) 486-2012

Notice of this meeting was posted on the following website:

[www.nevadatreasurer.gov](http://www.nevadatreasurer.gov)  
[www.notice.nv.gov](http://www.notice.nv.gov)

We are pleased to provide members of the public supporting material for the meeting as well as make reasonable accommodations for members of the public who are disabled and would like to attend the meeting. If supporting material or special arrangements for the meeting are required, please notify Sheila Salehian with the Office of the State Treasurer, 555 E Washington, Suite 4600, Las Vegas, NV 89101 or call (702) 486-3955 or fax your request to (702) 486-3246 as soon as possible. Materials will also be available at the Office of the State Treasurer, College Savings, 555 E. Washington Suite 4600, Las Vegas, NV 89101

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 2**  
**July 14, 2016**

**Item:** Review and approve the College Savings Board minutes of June 21, 2016.

**Recommendation:**

**That the Board review and approve the minutes of the June 21, 2016, College Savings Board of Trustees meeting.**

Fiscal:  
None.

Summary:  
The minutes of the Board have been prepared and are complete for review and approval.

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING  
June 21, 2016

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Chairman Dan Schwartz, State Treasurer, called the meeting of the Board of Trustees of the College Savings Plans of Nevada to order at 1:00 p.m., on Tuesday, June 21, 2016. The meeting was held by conference call from the Nevada State Laxalt Building, 401 North Carson Street, 2<sup>nd</sup> Floor Chambers, Carson City, Nevada to the Grant Sawyer Building, 555 East Washington Avenue, Suite 5100, Las Vegas, Nevada. Other attendees participated in person or by conference call.

Board members present:

Chairman Dan Schwartz – Las Vegas  
Ned Martin – Las Vegas  
Bob Seale – Carson City  
Janet Murphy – Carson City  
Jamie Hullman – Carson City

Others present:

Tara Hagan, Chief Deputy Treasurer, Treasurer's Office  
Grant Hewitt, Chief of Staff, Treasurer's Office  
Linda J. English, Senior Deputy Treasurer – South  
Budd Milazzo, Senior Deputy Treasurer – North  
Holly Primka, Treasurer's Office  
Sheila Salehian, Deputy Treasurer for Prepaid Tuition & Financial Literacy  
Shane Chesney, Nevada Attorney General's Office  
James Canup, Hirschler Fleischer  
Eric White, Pension Consulting Alliance  
Greg Walker, Thomas & Thomas  
Megan Bedera, Amplify Relations  
Chris Smith, USAA  
Bob Landry, USAA  
Paul Fulmer, USAA  
Lisa Connor, Ascensus College Savings  
Ardie Hollingsworth, Ascensus College Savings  
Sue Serewicz, Ascensus College Savings  
Tom Hewitt, Vanguard  
Blanca Platt, Treasurer's Office  
Judy Minsk, Putnam Investments

Rick Polsinello, Putnam, Fixed Income Investment Director  
Ken Alberts, GRS  
David Kausch, GRS

Roll was taken, and it was determined a quorum was present. Ms. English indicated the meeting had been properly noticed and the agenda was posted in accordance with the Open Meeting Law in both Carson City and Las Vegas.

1. Public Comment

There was no public comment in Las Vegas or Carson City.

Consent Agenda

2. For possible action – Board review and approval of the minutes of the College Savings Board of Trustees meeting of June 2, 2016.
3. For possible action: Board review and approval of the Ascensus program manager's report encompassing results for Vanguard, USAA, and SSGA Upromise 529 plans for the quarter ended March 31, 2016.
4. For possible action: Board review and approval of the Putnam 529 for America program manager's report for the quarter ended March 31, 2016.
5. For possible action: Board consent to a contract extension of the USAA Private Label Agreement between USAA and Ascensus Broker Dealer, Inc.
6. For possible action: Board review and approval of a supplement to the Vanguard 529 College Savings Plan Program Description to notice participants that Vanguard plans to replace the Vanguard Prime Money Market fund within the Vanguard Short-Term Reserves Account with the Vanguard Federal Money Market Fund.
7. For possible action: Board review and approval of the Prepaid Tuition Investment Monitoring Report prepared by Pension Consulting Alliance, Inc. for the quarter ending March 31, 2016.
8. For possible action: Board review in-state marketing plans for the Vanguard 529 College Savings Plan, USAA College Savings Plan, SSGA Upromise Plan for the RIA channel and Putnam 529 for America.
9. For possible action: Board review and approval the FY17 Education and Outreach plan and budget for the umbrella and SSgA Upromise 529 Plan.

Jamie Hullman asked to pull Agenda Item 7 from the Consent Agenda.

**Ned Martin motioned to approve Consent Agenda items 2, 3, 4, 5, 6, 8, and 9. Bob Seale seconded the motion. Motion passed unanimously.**

Mr. Hullman asked the Pension Consulting Alliance (PCA) Representative, Eric White why the Prepaid Tuition Trust Fund reports were gross of fees and not net of fees. Mr. White explained that in the defined benefit universe it is customary to report gross fees rather than net, as the calculation for the custom separate accounts is extremely detailed and difficult to calculate. However, Mr. White noted that the Prepaid Tuition fund uses low cost institutional mutual funds, which represent over sixty percent of the overall assets are reported net of fees. He noted that the fees for the fund are extremely low and his quick calculation would put the total asset-weighted fees at around 0.30% or thirty basis points.

**Jamie Hullman motioned to approve the Agenda Item 7. Bob Seale seconded the motion. Motion passed unanimously**

#### Discussion Agenda

10. For possible action: Board to receive an update on "Let's Go to College! Nevada Saves" from Amplify Relations.

Megan Bedera representing Amplify Relations gave a brief presentation on their advertising campaign.

**Treasurer Schwartz** asked if there was a way to revise the campaign to make it inclusive to community colleges, apprenticeships and trade schools.

Linda English replied that the campaign has always had that message but she is happy to put in a stronger emphasis on this point in the program materials.

Grant Hewitt suggested that we work towards identifying events that are more focused on those folks going to career or technical schools.

**Ned Martin** questioned if the monies in 529s could be utilized at trade schools or for apprenticeships.

Linda English explained that an eligible institution is any institution eligible to participate in federal financial aid programs.

Grant Hewitt stated that the campaign can do a better job talking to account holders to explaining the program and better dispel the myths.

**Janet Murphy** questioned if the 16% awareness on the 529 College Savings Programs is a good percentage and questioned the national numbers to better gauge the success of the 16%.

Megan Bedera stated that she did not bring the full study with her but will make sure to provide this information to the Board.

Grant Hewitt replied that staff will create a one page sheet to better explain the baseline to share with the Board.

11. For possible action: Board review and approval of amendments to Nevada Administrative Code 353B for the implementation of Senate Bill 412 which provided for a credit against taxes imposed on certain employers if an employer matches the contribution of an employee to certain college savings plans.

Staff has drafted amendments to Chapter 353B of Nevada Administrative Code (NAC) to establish certain regulations which were set forth in Senate Bill 412. In addition to the changes required under SB 412, Staff has also requested the Board's review and approval of the following amendments to NAC Chapter 353B Nevada Higher Education Prepaid Tuition Program: 1) Amendment to NAC 353B.310 to allow a purchaser to change the qualified beneficiary after benefits have been paid assuming the contract has remaining credit hours. The new qualified beneficiary must adhere to the original contract expiration date or the Board may charge a fee, if it deems necessary. 2) Amendment to 353B.350 to allow for a 10-year monthly payment plan, in addition to the 5-year monthly payment plan, extended monthly option and lump sum payment option.

**Bob Seale** questioned if there was a fiscal note filed on this particular bill.

Tara Hagan replied that there was a fiscal note due to the impact on tax revenue for Nevada. She noted that the fiscal note submitted was minimal at approximately \$230,000 annually in tax credits which offset tax revenue.

**Bob Seale** questioned if there is a limit that employers can contribute as a match to the Nevada College Savings Plans, including the Prepaid Tuition Plan.

Linda English stated that there is no limit to the amount of money that can be contributed as a match by the employer. She noted that the tax credit to the employer is limited to \$500 per employee.

Grant Hewitt stated that the credit can only be claimed when the employee is participating in a Nevada qualified 529 College Savings Program.

**Ned Martin** questioned the length of the contract usage capability, including the timeframe of the six year contracts versus the ten year contracts.

Sheila Salehian noted that contracts with a ten year payout period began early in the program's history and are slowly being phased out. She noted that for purposes of the amendment to the regulations that the current six year payout period will be maintained.

**Janet Murphy** wanted clarification regarding the regulation for the ten-year contracts and questioned if the regulation was increasing the monthly payment to ten-years from the current five-year payment plan.

Sheila Salehian replied that the Program currently has 6 years from the time that a student graduates from high school to use the contract. She stated that the regulation change is requiring adherence to the original contract so depending on when the contract was purchased; it could be ten-years in the case of an older contract or six-years in the case of the more recent contracts. She noted that if a child attends college for a semester and drops out, then the purchaser could transfer the remaining contract to another beneficiary. She stated that the contract length which is provided to the new beneficiary would not exceed the original contract length of either ten or six years.

Tara Hagan clarified that there are two separate issues which are being amended in the regulation. She noted that the amendment to NAC 353B.310 will allow a purchaser to change the qualified beneficiary after benefits have been paid assuming the contract has remaining credit hours which Ms. Salehian noted would be either the ten-year or six-year contract. She stated the amendment to 353B.350 will allow for a 10-year monthly payment plan, in addition to the 5-year monthly payment plan.

**Ned Martin** asked if there was any additional cost associated with either of these recommended amendments.

Sheila Salehian replied that the only additional cost would be if the actuary decided to charge for a 10 year payment schedule.

Ken Alberts, a representative from GRS stated that the firm would not charge a fee.

**Ned Martin motioned to approve the amendments to Nevada Administrative Code 353B. Bob Seale seconded the motion. Motion passed unanimously.**

12. For possible action: Board review and approval of Bill Draft Request which amends Nevada Revised Statute 353B.090 to allow students to use unused Prepaid Tuition contract hours toward graduate credit hours.

Staff noted that at the July 23, 2015, College Savings Board meeting, staff presented a potential amendment to the Nevada Revised Statutes (NRS 353B.090) for the Nevada Prepaid Tuition Plan. The amendment would allow beneficiaries with unused tuition credits which remain on his or her contract to use this credit (at the same undergraduate credit hour rate) toward graduate courses. The intent is that the amount will not exceed the original amount payable under the beneficiary's plan for undergraduate level course at the eligible educational institution.

**Bob Seale** asked why does the Board want to approve this amendment.

Sheila Salehian stated that this enhancement was more of a proactive move to recommend adding value to the program by allowing the use of unused credit hours toward graduate school. She noted that the attached matrix of other state's prepaid tuition plans noted that of the eleven states surveyed, seven states currently allow for unused tuition credits or units to be used for graduate level courses.

**Bob Seale** questioned if this would have any impact on the actuary evaluation.

Sheila Salehian answered that it would not have any impact on the actuary evaluation because the request was to only allow the remaining hours to be paid at the original rate for undergraduate courses regardless of the graduate rate.

**Jamie Hullman motioned to approve the bill draft request to amend Nevada Administrative Code 353B.090. Bob Seale seconded the motion. Motion passed unanimously.**

13. For possible action: Board review and approval of the Nevada College Savings Plans Investment Monitoring Report prepared by Pension Consulting Alliance, Inc. for the quarter ending March 31, 2016. (Eric White – 10 min.)

Eric White, with PCA, presented the Nevada College Savings Plans Investment Monitoring Report to the Board for approval. He reviewed the funds that are currently the Board's "watch-list" and reviewed the performance of the age-based and risk-based portfolios versus the universe of 529 age-based and risk-based funds.

**Jamie Hullman** asked if the performance returns on page 263 and 264 were net of fees.

Mr. White responded that yes, the performance being reported is net of fees.

**Bob Seale motioned to approve the Monitoring Report prepared by PCA. Janet Murphy seconded the motion. Motion passed unanimously.**

14. For possible action: Board review and approval of the annual investment presentation for USAA 529 College Savings Plan.

- a. USAA Presentation (Chris Smith and others –USAA– 20 min.)
- b. PCA's Commentary (Eric White, PCA – 10 min.)
- c. Board review and approval of a supplement to the USAA 529 College Savings Plan Program Description and Participation Agreement to disclose mapping to Governmental Money Market Fund.

Paul Fulmer and Bob Landry with USAA presented the USAA investment outlook and recommendations to the portfolio allocations and investment options within the 529 program. Mr. Landry briefly outlined the recent performance of the USAA portfolio's stating there are three key tenants in its portfolio management which include, getting paid for taking on credit risk, global diversification which has resulted in a higher foreign equity exposure relative to its peers in 592 plans, and the belief in taking a value orientation to equity investments such as focusing on fundamentals, and looking for companies whose stock prices do not reflect what we believe are their intrinsic value.

Mr. Landry discussed the proposed changes and the first is to remove the real return fund, which is 2% of the overall allocation in all age-based portfolios. He noted that the second change is to reduce the emerging market allocation to be closer to the actual current allocation within the global market place and more closely align the allocation to the global benchmark. He stated that the third change is to slightly increase the domestic fixed income allocation. He noted the increase will slightly decrease the interest rate risk but add some credit risk. Mr. Landry mentioned that they are looking at changes to money market fund and are doing research on alternatives.

**Treasurer Schwartz** commented that it is an extremely difficult market and commented that he was in agreement with the changes and recommendations.

**Eric White** commented that PCA is in agreement with the changes USAA proposed and support the decision to remove the Real Return fund for simplification purposes. He stated that the second recommendation to reduce the emerging market allocation is warranted and agrees with the desire to more closely align the percentage with the benchmark. He noted that the reduction will assist in lowering the volatility in the portfolios and help the risk return charts on a go forward basis. He stated that the third change regarding the slight tweaks to the fixed income portfolio, are di minimus and mostly will not materially impact performance.

**Ned Martin motioned to approve the annual investment presentation for USAA 529 College Savings Plan. Bob Seale seconded the motion. Motion passed unanimously.**

15. For possible action: Board review and approval of the FY 2016 actuarial assumptions for the Prepaid Tuition Program. (Ken Alberts & David Kausch, GRS – 10 minutes)

Mr. Ken Alberts with GRS gave a quick overview of the recommended FY 2016 actuarial assumptions for the Prepaid Tuition Program. Mr. Alberts explained that they looked at the assumptions they used last year and compared those to the College Board's historical averages of tuition increases, inflation and performance/return assumptions. He noted that if the Board adopts the proposed assumptions, it should expect to see the pricing increase for 4-year college contracts and slightly increase the 2-year college contract costs in 2017.

**Treasurer Schwartz** commented that the assumed rate of return of 6% is too high and he doesn't think it should be incorporated in the FY16 assumptions for the actuarial analysis..

Ken Alberts replied that when they did their capital market assumption they came up with a reasonable investment return rate between 5% and 7%. He noted that the Board's consultant, PCA provide its assumed rate of return for the 10-year market cycle to be 5.91%; therefore, GRS believes 6.00% is a reasonable long term assumption.

**Ned Martin** questioned if we should look at this in absolute terms of 6% return or are we looking at this as a 3.50% real return.

Ken Alberts replied that Mr. Martin is correct in the 3.50% real return rate assumption.

**Jamie Hullman** questioned if we lower the rate of return would it increase the cost of the contract and requested if the Board should have two different scenarios presented at the next Board meeting.

**Ned Martin** questioned if we lower everything by a percentage across the board, what would the impact be to the model.

Ken Alberts replied that the contract prices would increase slightly beyond the current increases presented today, if the assumptions are lowered.

**Bob Seale motioned to table until the July meeting and ask for a revised assumptions and impact on pricing. Ned Martin seconded the motion. Motion passed unanimously.**

16. Staff Notes

Sheila Salehian gave highlights and updates.

17. Public Comment

No public comment in Carson City, NV; no public comment in Las Vegas, NV; and no public comment on conference call.

Meeting adjourned at 2:42pm.

Attest:

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Linda English, Secretary to the Board

DRAFT

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 3**  
**July 14, 2016**

**Item: SSGA Upromise 529 Expenditure Report**

**Recommendation:**

**That the Board review and approve an expenditure report for the SSGA Upromise 529 Plan for the quarter ended June 30, 2016, and approve the expenditures for inclusion in the non-cash education and outreach commitment budget as specified in Amendment #3 to the Ascensus Agreement.**

Fiscal:  
None by this action.

Summary:  
Under NRS 353B.370, the Board must approve all education and outreach materials for the Nevada College Savings Program. Prior Board action requires that Ascensus College Savings submit a quarterly invoice to the Board reporting in-kind expenses and that those expenses be recorded in the State's recordkeeping system.

Sue Serewicz of Ascensus College Savings will be available to answer any questions.

**State Fiscal Year 2016, SSGA Upromise 529 Plan Marketing Expenses**

Customer: Office of the Nevada State Treasurer  
 Contact: Sheila Salehian  
 Phone: 702-486-3955

<b>SSGA UPROMISE 529 PLAN MARKETING COMMITMENT SUMMARY</b>			
<b>INITIATIVE</b>	<b>2016 BUDGETED</b>	<b>Q1 ACTUAL</b>	<b>Q2 ACTUAL</b>
<b>Sponsorships</b>	<b>\$211,749.95</b>	<b>\$38,412.50</b>	<b>\$11,808.15</b>
<i>Total Q4</i>	<b>\$71,656.83</b>		
<i>Total Q3</i>	<b>\$64,325.79</b>		
<i>Total Q2</i>	<b>\$11,808.15</b>		
<i>Total Q1</i>	<b>\$38,412.50</b>		
<b>Total Spend</b>	<b>\$186,203.27</b>		
<b>REMAINDER TO SPEND</b>	<b>\$25,546.68</b>		

Please note that any payments made by UII during the quarter pursuant to Amendment No.3 are to be recorded as non-cash revenue commitments, via journal vouchers, in the Program budget account No. 1092, which are made in accordance with the recommendations in the audit of the Program dated May 14, 2007 and your office, and as outlined in the Treasurer's December 10, 2009 letter.



THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 4**  
**July 14, 2016**

**Item: FY 2016 College Savings 529 Plan Auditors**

**Recommendation:**

**That the Board review and approve the Fiscal Year 2016 auditors selected by each of the College Savings Plans to conduct the annual audits as follows:**

**USAA – Ernst & Young**

**Vanguard – PricewaterhouseCoopers**

**Putnam – PricewaterhouseCoopers**

**SSGA Upromise 529 Plan – Thomas & Thomas**

**And direct the Program Managers to ensure each audit to be compatible with the requirements of the Comprehensive Annual Financial Report (CAFR), audits to be consolidated and submitted to the College Savings Board by September 30, 2016**

Fiscal Impact:

None by this action.

Summary:

The agreement with Putnam Investments requires that the Putnam 529 Plan for America provide to the Board an audit no later than 120 days from the end of the fiscal year (ending June 30, 2016). The firm selected must also be approved by the Board.

In addition, Section 5.4 (i) of the Upromise Agreement states that:

“UII will have prepared, at its expense, an annual audit of the financial statements of the Direct Program within 75 days following the end of each Direct Program Year. The audit shall be conducted by an independent certified public accounting firm selected by UII and, if the selected accounting firm is a firm other than PricewaterhouseCoopers, it shall be approved by the Board.”

Thus, all four plans administered by the State (SSgA Upromise 529 Plan, The Vanguard 529 College Savings Plan, USAA College Savings Plan and Putnam 529 for America) must provide an individual audit to the Board. It is recommended that the Board approve the auditors with the direction that all work products be in such a form as to be compatible with the requirements of the Comprehensive Annual Financial Report (CAFR) and submitted for Board approval prior to the deadline set by the Nevada Controller. The program managers through Thomas & Thomas currently provide the Board with regular unaudited consolidated financial statements and can be directed to coordinate the deadline dates and various requirements including consolidation of the audits for the State Treasurer’s Office.



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May 25, 2016

Ms. Linda English  
State Treasurer's Office - South  
555 E. Washington Avenue, Suite 4600  
Las Vegas, NV 89101

Ms. Tricia Brady  
Vice President, Relationship Management  
Ascensus Broker Dealer Services, Inc.  
95 Wells Avenue, Suite 160  
Newton, MA 02459

Ms. Kirsten Register  
Corporate Controller  
USAA  
9800 Fredericksburg Road  
San Antonio, TX 78288

Dear Ladies:

USAA has engaged us to conduct an audit of USAA College Savings Plan's (the Plan) financial statements as of and for the year ended June 30, 2016 in accordance with auditing standards generally accepted in the United States and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, that will be included in the College Savings Plans of Nevada financial statements as of and for the year ended June 30, 2016. Our responsibilities for testing and reporting on internal control and on compliance with laws, regulations and provisions of contracts or grant agreements under those standards are described in the table below.



Ernst & Young LLP  
 Frost Bank Tower  
 Suite 1700  
 100 West Houston Street  
 San Antonio, Texas 78205

Tel: (210) 228-9696  
 Fax: (210) 242-7252  
 ey.com

Service that we will provide	Our responsibility regarding internal control	Our responsibility regarding compliance with laws and regulations and provisions of contracts or grant agreements
Financial statement audit	We will consider the Plan's internal control over financial reporting solely for the purpose of planning our audit and determining the nature, timing and extent of our audit procedures to enable us to express an opinion on the financial statements. This consideration will not be sufficient to enable us to express an opinion on internal control or to identify all significant deficiencies and material weaknesses. We communicate, in writing, any significant deficiencies or material weaknesses that are identified during the audit, including significant deficiencies and material weaknesses that were communicated to management and those charged with governance on previous audits, and have not yet been remediated. Our communication does not provide an opinion on the effectiveness of internal control over financial reporting.	We design our audit to provide reasonable assurance of detecting fraud that is material to the financial statements and illegal acts that have a direct and material effect on the determination of financial statement amounts. Our report does not express an opinion on compliance with laws, regulations and provisions of contracts or grant agreements.
Financial statement audit— <i>Government Auditing Standards</i>	In accordance with <i>Government Auditing Standards</i> , we are required to issue a written report on our consideration of internal control over financial reporting and identify significant deficiencies, indicating those that are material weaknesses. Our reports do not provide assurance on internal control over financial reporting. If a significant deficiency is remediated before our report is issued, and we obtain sufficient, appropriate evidence supporting the remediation of the significant deficiency, then we will report the significant deficiency and the fact that it was remediated before our report was issued.	In accordance with <i>Government Auditing Standards</i> , we design our audit to provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives. We issue a written report on the results of these procedures; however, our report does not express an opinion on compliance or on other matters. We report significant violations of provisions of contracts or grant agreements in our auditor's report. We report violations of provisions of contracts or grant agreements that are less than significant but more than inconsequential in a management letter.

Very truly yours,



May 23, 2016

Linda English  
Deputy Treasurer (South)  
Office of the State Treasurer, Dan Schwartz  
555 E. Washington Avenue, Suite 4600  
Las Vegas, NV 89101-1074

Dear Ms. English:

We are pleased to submit our report summarizing our planned communications for the Putnam 529 for America<sup>SM</sup> College Savings Plan (the "Plan") sponsored by the state of Nevada (the "State"), acting through the Trustees of the College Savings Plans of Nevada and the Nevada College Savings Trust Fund and for which Putnam Management Limited Partnership, Putnam Investment Management, LLC, Putnam Investor Services, Inc. and Putnam Fiduciary Trust Company (collectively, the "Program Manager") collectively act as the Program Manager, for the year ended June 30, 2016.

It is our responsibility to ensure that those charged with governance receive information regarding the scope and results of the audit that may assist it in overseeing the financial reporting and disclosure process for which the Program Manager and the State are respectively responsible. This report is solely for the use of the State and the Program Manager.

We recognize and appreciate that we have full access to you and we will communicate with you whenever we believe there are matters of significant importance that require your immediate attention. If you have any questions about our materials, do not hesitate to contact Michael Sutphin at (617) 530-4685 or michael.s.sutphin@pwc.com or Jacob Rose at (617) 530-7505 or jacob.d.rose@pwc.com.

Very truly yours,

*PricewaterhouseCoopers LLP*

cc: Bill Jacobs, Putnam  
Judy Minsk, Putnam  
Janet Smith, Putnam  
Nicholas Chingris, Putnam  
Caitlin Robinson, Putnam  
Kevin Blatchford, Putnam  
Pattie Weed, Thomas and Thomas



## *Required Communications with the Audit Committee*

Matter to be communicated	Auditor's response
Relationships between PwC (or any affiliates of the Firm) and the Plan (and its affiliates) and other matters that might reasonably be thought to bear on independence	There were no relationships or other matters identified that might reasonably be thought to bear on independence.
Communications plan	<p>We have read the Audit Instruction Letter provided by the State and will perform the audit as outlined in those instructions. Our communications plan will also follow the instructions outlined in the Audit Instruction Letter.</p> <p>The timing of the audit will be consistent with the timing outlined in the Audit Instruction letter with a final date of September 30, 2016.</p>
Significant issues discussed with management prior to appointment or retention	We will discuss any such issues with the State and Program Manager.
Terms of the audit engagement	The terms of the audit engagement, including the objective of the audit and the Program Manager's and our responsibilities, will be set forth in our engagement letter, which will be provided separately.
Obtain information relevant to the audit	We will inquire of the Program Manager and the State about whether they are aware of matters relevant to the audit and about the risks of material misstatement.
Summary audit strategy	<p>We will communicate the planned audit strategy with the Program Manager.</p> <p>Our significant risks that were identified are Valuation of Investments and Management Override of Controls.</p> <p>The timing of our audit will be in accordance with the timeline established in the Audit Instruction Letter provided by the State.</p>



Matter to be communicated	Auditor's response
Perspectives on fraud risks	<p data-bbox="672 331 1320 457">We will inquire of the Program Manager to obtain their views on the risk of fraud and whether they have knowledge of any fraud, alleged fraud, or suspected fraud affecting the Plan.</p> <p data-bbox="672 466 1320 625">We will discuss how the Program Manager exercises oversight of the entity's assessment of the risks of fraud and the entity's antifraud programs and controls (specifically as it relates to the potential for management to override controls).</p>



We will communicate updates on the following matters upon completion of our audit.

Fraud	We will discuss with the Audit Committee identified potential or known fraud related to the Plan.
Illegal acts	We will discuss with the Program Manager and State any identified potential illegal acts related to the Plan, if applicable.
Accounting policies and practices, critical accounting estimates and significant unusual transactions	<p>We will communicate to the Program Manager and State:</p> <ul style="list-style-type: none"> <li>■ Significant accounting policies and practices, including: <ul style="list-style-type: none"> <li>– The initial selection of and changes in significant accounting policies and practices or their application in the current period</li> <li>– The effect on financial statements or disclosures of significant accounting policies in controversial or emerging areas or areas for which there is a lack of authoritative guidance or consensus or diversity in practice</li> </ul> </li> <li>■ Critical accounting estimates, including: <ul style="list-style-type: none"> <li>– A description of the process management used to identify and develop critical accounting estimates</li> <li>– Management's significant assumptions used in critical accounting estimates that have a high degree of subjectivity</li> <li>– Any significant changes management made to the processes used to develop critical accounting estimates or significant assumptions, a description of management's reasons for the changes, and the effects of the changes on the financial statements</li> </ul> </li> <li>■ Significant unusual transactions, including: <ul style="list-style-type: none"> <li>– Significant transactions that are outside the normal course of business for the Plan or that otherwise appear to be unusual due to their timing, size, or nature</li> <li>– The policies and practices management used to account for significant unusual transactions</li> </ul> </li> </ul>
Quality of the Plan's financial reporting	<p>We will communicate to the Program Manager and State our views about qualitative aspects of the Plan's significant accounting policies and practices, including situations in which we identified bias in management's judgments about the amounts and disclosures in the financial statements. In addition, we will communicate:</p> <ul style="list-style-type: none"> <li>■ The appropriateness of the significant accounting policies to the particular circumstances of the Plan</li> <li>■ The results of our evaluation of the differences between (i) estimates best supported by the audit evidence and (ii) estimates included in the financial statements, which are individually reasonable, that indicate a possible bias on the part of the Plan's management</li> </ul>



	<ul style="list-style-type: none"> <li>■ The basis for our conclusions regarding the reasonableness of the critical accounting estimates</li> <li>■ The results of our evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement, and content of the financial statements (including the accompanying notes)</li> <li>■ The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures (for example, disclosures related to revenue recognition, going concern, subsequent events, and contingency issues)</li> <li>■ The potential effect on the financial statements of significant exposures and risks, and uncertainties, such as pending litigation, that are disclosed in the financial statements</li> </ul>
Alternative accounting treatments	We will discuss with the Program Manager and State alternative treatments permissible under generally accepted accounting principles under Governmental Accounting Standards Board policies for accounting policies and practices related to material items, including recognition, measurement and presentation and disclosure.
Changes to the planned audit strategy	We will discuss with the Program Manager and State significant changes to the planned audit strategy or the significant risks initially identified and the reasons for such changes.
Identified misstatements	<p>We will communicate any uncorrected misstatements accumulated by us during the audit, including disclosures. As applicable, we will discuss with Program Manager and State the basis for the determination that the uncorrected misstatements were immaterial, including the qualitative factors considered and the potential impacts to future-period financial statements.</p> <p>We will discuss with the Program Manager and State corrected misstatements, other than those that are clearly trivial, related to accounts and disclosures that might not have been detected except through the auditing procedures performed. We will discuss the implications that such corrected misstatements might have on the Plan's financial reporting process.</p>



Material uncertainties related to events and conditions (specifically going concern)	We will communicate to the Program Manager and State the conditions and events that we identified that indicate that there is substantial doubt about the Plan's ability to continue as a going concern, if applicable.
Other information in documents containing audited/reviewed financial statements	Our responsibility with respect to other information in documents containing audited financial statements is to read the information and consider whether the information or the manner of its presentation is materially inconsistent with information appearing in the basic financial statements.
Disagreements with management	We will discuss with the Program Manager and State disagreements with management.
Consultation with other accountants	We will discuss with the Program Manager and State consultations management has had with other accountants about significant accounting or auditing matters. We will also communicate our views about such matters, if applicable.
Difficulties encountered during the audit	We will discuss with the Program Manager and State significant difficulties encountered during the audit.
Management representations	We will provide a copy of management's representation letter.
Departure from standard report	We will provide a copy of our final audit report.
Other matters	We will discuss with the Program Manager and State other matters arising from the audit that are significant to the oversight of the Plan's financial reporting process.
Assessing our performance and the client's	<p>We will review our relationship with the Program Manager and State, covering our performance and theirs and evaluate whether the two-way communication has been adequate for the purpose of the audit.</p> <p>We will discuss the outcome of delivering upon the commitments.</p>

May 19, 2016

Linda J. English  
Deputy Treasurer for College Savings  
Office of State Treasurer Dan Schwartz  
555 East Washington Avenue, Suite 4600  
Las Vegas, Nevada 89101-1074

Dear Ms. English:

Thomas & Thomas LLP appreciates the opportunity to serve as independent auditors for the **SSgA Upromise 529 Plan** (the Plan).

Enclosed you will find a separate letter that contains communications required under professional standards regarding the scope and nature of our audit services. Please distribute this letter to Treasurer Dan Schwartz and members of the Board of Trustees of the College Savings Plans of Nevada. Another letter will be provided at a later date communicating the results of our audit.

To facilitate our audit procedures, please provide the following to us by *August 5, 2016*:

- Schedule detailing the SSgA Plan state administrative fee received each month during the period from June 1, 2015 through July 2016. We will perform detailed audit procedures to determine that the amount received by the state is consistent with our expectations based on net position and the appropriate basis points specified in the Plan Description.
- Detail of amounts funded by account under the Kick Start Program for the period from July 1, 2015 through June 30, 2016.

You may email this information to me at [pweed@thomasthomasllp.com](mailto:pweed@thomasthomasllp.com) or to Greg Walker at [gwalker@thomasthomasllp.com](mailto:gwalker@thomasthomasllp.com). Thank you for your assistance with these requests.

If you have any questions regarding the content of the audit planning communication letter or any specific concerns you would like for us to address during the audit, please do not hesitate to contact me or Greg at (501) 375-2025.

Sincerely,



Pattie Weed, Audit Partner  
Thomas & Thomas LLP

cc: Sue Serewitz, Ascensus Broker Dealer Services, Inc.  
David Flanagan, Ascensus Broker Dealer Services, Inc.

Dan Schwartz, Nevada State Treasurer  
Members of the Board of Trustees  
of the College Savings Plans of Nevada

We are engaged to audit the basic financial statements of the **SSgA Upromise 529 Plan** (the Plan), which comprise the statement of fiduciary net position, the statement of changes in fiduciary net position and the related notes to those financial statements for the year ended June 30, 2016. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

**Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards***

As stated in our engagement letter executed with Ascensus Broker Dealer Services, Inc. dated April 5, 2016, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve the Office of the State Treasurer, the Board of Trustees of the College Savings Plans of Nevada or Ascensus Broker Dealer Services, Inc. and its affiliates of any responsibilities with respect to the Plan.

As part of our audit, we will consider the internal control of the Plan. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Plan's compliance with certain provisions of laws, regulations and contracts. However, providing an opinion on compliance with those provisions is not an objective of our audit.

**Other Information Accompanying the Financial Statements**

Generally accepted accounting principles provide that management's discussion and analysis (MD&A) be presented as required supplementary information (RSI) to supplement the basic financial statements of the Plan. Our responsibility with respect to the information in MD&A is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the information presented in MD&A will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the information presented in MD&A.

We have been engaged to report on the Plan's schedule of fiduciary net position by portfolio and schedule of changes in fiduciary net position by portfolio, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Dan Schwartz, Nevada State Treasurer  
Members of the Board of Trustees  
of the College Savings Plans of Nevada  
Page Two

**Planned Scope, Timing of the Audit, and Other**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Plan and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. Material misstatements may result from errors, fraudulent financial reporting, misappropriation of assets or violations of laws or governmental regulations that are attributable to the Plan or to acts by management or employees of Ascensus Broker Dealer Services, Inc., its affiliates or other third-party service providers acting on behalf of the Plan. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit procedures in July 2016 and to issue our reports no later than September 30, 2016. Pattie Weed is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of employees of the Office of the Nevada State Treasurer, members of the Board of Trustees of the College Savings Plans of Nevada and Ascensus Broker Dealer Services, Inc. and its affiliates and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Thomas & Thomas LLP*

Certified Public Accountants

May 19, 2016  
Little Rock, Arkansas

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# ***Vanguard 529 College Savings Plan***

## **Nevada College Savings Trust Fund**

*2016 Audit Plan*

*June 30, 2016*





State of Nevada  
Office of the State Treasurer  
Dan Schwartz  
State Treasurer

June 10, 2016

Dear Mr. Schwartz:

We are pleased to submit our report summarizing the audit approach for the Vanguard 529 College Savings Plan (the "Plan"), comprised of nineteen constituent portfolios (each a "Portfolio" and collectively, the "Portfolios") of the Nevada College Savings Trust Fund for the year ended June 30, 2016. This report is intended to assist you in understanding our service objectives, the nature of the services we provide to the Plan and our audit process. At the conclusion of the audit, we will report to you the significant results of our work.

It is our responsibility to ensure that those charged with governance receive information regarding the scope and results of the audit that may assist in overseeing the financial reporting and disclosure process for which The Vanguard Group, Inc. ("Vanguard") and the State of Nevada are respectively responsible. This report is solely for the use of the State of Nevada and management of Vanguard.

We recognize and appreciate that we have full access to you and we will communicate with you whenever we believe there are matters of significant importance that require your immediate attention. If you have any questions about our materials, do not hesitate to contact Kristin Vrabel at (267) 330-2360 or Andrew Apfelbaum at (267) 330-1786.

Very truly yours,

A handwritten signature in black ink that reads "Kristin Vrabel". The signature is written in a cursive, flowing style.

Kristin Vrabel

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THIS REPORT AND THE INFORMATION THAT IT CONTAINS ARE SOLELY FOR THE BENEFIT AND RESTRICTED USE OF THE STATE OF NEVADA AND MANAGEMENT OF VANGUARD AND ARE NOT INTENDED TO BE USED OR RELIED UPON BY ANY OTHER PARTY.

## ***Executive Summary***

This document outlines our audit strategy and approach for the 2016 audit of the Plan and is provided to give the State of Nevada and Vanguard the opportunity to review, discuss and comment on our plan.

This document provides:

- Our service deliverables and responsibilities.
- Required communications.
- Key elements of the audit strategy and communications framework.
- An overview of our top-down, risk-based audit approach.
- Assessment of the key risks in your business and our audit responses.
- Updates on the PwC client service team.

Given the complexity of the Plan activities, some modification of the scope of our plan may be required as we execute our audit. We will advise the State of Nevada and Vanguard of any significant changes.

## ***Our Audit Responsibilities***

Our responsibility is to express an opinion on the financial statements of the Portfolios' held by the 529 Plan based on our audit. We conduct our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that the auditor obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the financial statements, nor is it designed to detect abuse, as that term is defined in Government Auditing Standards. An audit includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, the auditor is responsible for ensuring that those charged with governance are aware of any reportable conditions that come to his or her attention. Our tests will not be sufficient to enable us to provide assurance on the Plan's compliance with provisions of laws, regulations, and contracts.

## ***Management's Responsibilities***

As part of the audit process, management is responsible for the following:

- The Portfolios' financial statements;
- Establishing and maintaining effective internal control over financial reporting;
- Identifying and ensuring that the Portfolios comply with the laws and regulations applicable to its activities;
- Making all financial records and related information available to the auditor;
- Providing the auditor with a letter that confirms certain representations made during the audit;

Adjusting the financial statements to correct material misstatements and affirming to the auditor in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor during the current engagement pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

## Required Communications

Matter to be communicated	Auditor's response
Relationships between PwC (or any affiliates of the Firm) and the Company (and its affiliates) and other matters that might reasonably be thought to bear on independence	There were no relationships or other matters identified that might reasonably be thought to bear on independence.
Communications plan	Our communications plan, which is included within the Key Elements of the Audit Strategy section, provides an overview of the form, timing and expected general content of communications designed to comply with the standards and rules of the AICPA and Government Auditing Standards.
Significant issues discussed with management prior to appointment or retention	There were no significant issues discussed with management in connection with the retention of PwC.
Terms of the audit engagement	The terms of the audit engagement, including the objective of the audit and management's and our responsibilities, are set forth in our engagement letter.
Obtain information relevant to the audit	We will inquire with those charged with governance about whether they are aware of matters relevant to the audit and about the risks of material misstatement.
Summary audit strategy	We will communicate the planned audit strategy, including the timing of the audit and the significant risks identified. Matters included in the overall audit strategy include, among other matters, involvement of specialists and the extent of use of the work of internal audit. Refer to Risk and Response Summary section for a summary of our overall audit strategy.
Perspectives on fraud risks	<p>We will inquire of those charged with governance to obtain their views on the risk of fraud and whether they have knowledge of any fraud, alleged fraud, or suspected fraud affecting the entity.</p> <p>We will discuss how those charged with governance exercises oversight of the entity's assessment of the risks of fraud and the entity's antifraud programs and controls (specifically as it relates to the potential for management to override controls).</p>

## ***PwC Top-Down, Risk-Based Audit Approach***

Our Audit Strategy is based on:

- The use of a top-down, risk-based approach to planning and conducting the audit; and
- The application of well-reasoned professional judgment.

In developing our audit strategy, we start by updating our understanding of the Portfolios' business and risks, which drive our assessment of materiality and the identification of audit risks, including significant risks (audit risks that require special audit consideration).

We place reliance, where appropriate, on the Fund Accounting and Custody controls testing over the functions that have been outsourced to The Vanguard Group, Inc. Furthermore, we place reliance on the Ascensus College Savings, Inc. SOC 1 report, as they relate to the transfer agent functions performed at Ascensus. In order to maximize efficiencies in assessing the internal controls of the Plan, we continue to rely on the results of these control examinations and tailored our audit procedures accordingly.

Our top-down, risk-based approach drives the identification of significant accounts through the consideration of materiality and the inherent risk associated with each account, combined with an emphasis on risk evaluation and recognition of cumulative audit knowledge derived from our experience. It also is the basis for our determination of the most effective and efficient process of obtaining audit evidence.

Our audit strategy is designed to achieve the effective and efficient accumulation of audit evidence to support the issuance of our opinion on the financial statements.

## *Key Elements of the Audit Strategy*

	Planning and audit management	Execution and audit management	Completion and audit management
Phase and Description	<ul style="list-style-type: none"> <li>■ Mobilize engagement team.</li> <li>■ Set engagement terms, objectives and conditions.</li> <li>■ Commence partner-led planning process.</li> <li>■ Develop audit strategy and detailed audit plan.</li> </ul>	<ul style="list-style-type: none"> <li>■ Manage the audit plan and timing.</li> <li>■ Execute planned procedures.</li> <li>■ Supervise and review work on a real-time basis.</li> <li>■ Continuous monitoring of performance and progress.</li> </ul>	<ul style="list-style-type: none"> <li>■ Other audit procedures.</li> <li>■ Financial reporting.</li> <li>■ Clearance.</li> <li>■ Debriefing and assessing performance.</li> </ul>
Communication with those charged with governance and management	<ul style="list-style-type: none"> <li>■ Your expectations and our service objectives.</li> <li>■ Business conditions, issues, identified risks and response.</li> <li>■ Presentation of audit strategy and scope.</li> <li>■ Agreement of engagement terms.</li> <li>■ Audit and quality management.</li> <li>■ Communications framework.</li> </ul>	<ul style="list-style-type: none"> <li>■ Required communications.</li> <li>■ Update on audit status.</li> <li>■ Internal control and other findings.</li> <li>■ Update on accounting, regulatory, governance and industry matters.</li> </ul>	<ul style="list-style-type: none"> <li>■ Update on audit status.</li> <li>■ Report on findings upon audit completion.                             <ul style="list-style-type: none"> <li>– Adjusted and unadjusted differences.</li> <li>– Internal control.</li> <li>– Disclosures.</li> <li>– Required communications.</li> <li>– Independence.</li> </ul> </li> <li>■ Management representation letter.</li> </ul>
Timing	June - July 2016	July - September 2016	September 2016



## ***Risk and Response Summary***

(continued)

Audit area		Risk factors	Audit approach
			keeper, in accordance with signed agreements.
Participant contributions and withdrawals	<span style="border: 1px solid black; padding: 2px;">N</span>	<ul style="list-style-type: none"> <li>■ Outstanding units at year-end are incorrect and participant activity is not received nor accounted for in the correct valuation period.</li> </ul>	<ul style="list-style-type: none"> <li>■ Gain an understanding of the internal controls and review the Ascensus SOC 1 Report to gain comfort over the operating effectiveness of key controls relating to authorization, accuracy, completeness and timely posting of participant transactions.</li> <li>■ Confirm participant activity for the year and Portfolio units held at year-end with the Participant Recordkeeper (Ascensus) and agree that information to Vanguard’s records.</li> <li>■ Review material “top-side” journal entries related to capital activity to identify any unusual adjustments that could impact the NAV.</li> </ul>
Financial statements	<span style="border: 1px solid black; padding: 2px;">S</span>	<ul style="list-style-type: none"> <li>■ Management Override of Controls (the following transactions may be indicative of fraud or error): Non-routine transactions, judgmental matters,</li> </ul>	<ul style="list-style-type: none"> <li>■ Gain an understanding of the internal control structure and determine that key controls have been implemented.</li> </ul>

## ***Risk and Response Summary***

(continued)

Audit area		Risk factors	Audit approach
	<div style="border: 1px solid black; padding: 2px; display: inline-block;">N</div>	manual journal entries, and other adjustments. ■ The financial statements could include material misstatements resulting from the financial statement preparation process.	<ul style="list-style-type: none"> <li>■ Conduct inquiries with various members of management regarding fraud.</li> <li>■ Evaluate controls around manual journal entries to ensure the proper segregation of duties.</li> <li>■ Test material manual journal entries, including “top side” adjustments made to the financial statements.</li> <li>■ Agree financial statement balances and footnote disclosures to supporting information.</li> <li>■ Test the financial statements for internal consistency and mathematical accuracy.</li> <li>■ Complete our Automated Disclosure Checklist to review that the necessary regulatory disclosures are included within the financial statements.</li> </ul>

Note: Management override of controls is considered a significant risk on all PwC engagements due to the pervasiveness of this risk to the financial statements of an entity.

## *Materiality*

We consider both quantitative and qualitative factors in our assessment of materiality. We also assess the metrics used by the users of the financial statements in determining the appropriate base for calculating materiality.

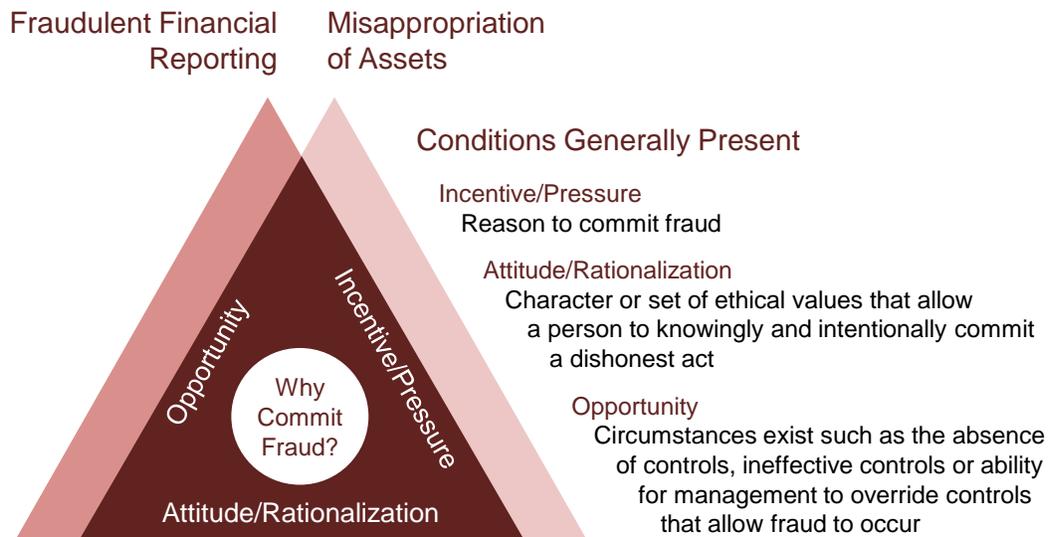
We identify and assess the risk of material misstatement at:

- The overall financial statement level, and
- In relation to classes of transactions, account balances and disclosures.
- We will use a materiality threshold at the overall financial statement level of 2.5% of fiduciary net assets. The overall materiality is used to plan the nature, timing, and extent of our audit procedures.
- When assessing the risks of material misstatements and designing audit procedures to respond to the assessed risks, we allow for the possibility that some misstatements of lesser amounts than overall materiality could, in the aggregate, result in a material misstatement of the financial statements. We also provide an allowance for detection risk, i.e., the risk that our audit procedures will fail to detect a material misstatement. Consequently, to be satisfied that we have sufficient audit evidence that the financial statements are not materially misstated, we determine performance materiality. Performance materiality is calculated as 90% of overall materiality (or 2.25% of fiduciary net assets).
- A difference above the de-minimis level of 10% of overall materiality (or 0.25% of fiduciary net assets), if not adjusted on the financial statements, will be posted as a Summary of Uncorrected Misstatements (SUM) in the management representation letter. The materiality threshold utilized for assertions made in the management representation letter is the same as the SUM posting limit.

## Perspectives on Fraud Risk and Responsibilities

We have a responsibility to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. In order to fulfill that responsibility, as part of our audit, we are required to gain an understanding of the risk of material misstatement due to fraud and perform certain procedures to respond to the fraud risks identified:

### Types of Fraud



#### Attributes Contributing to Increased Fraud Risk

- Size, complexity and ownership attributes of the Funds
- Type, significance, likelihood and pervasiveness of the risk

In addition to our responsibilities to understand and respond to the risks of material misstatement due to fraud, management and those responsible for the oversight of the financial reporting process have certain responsibilities related to fraud. The oversight responsibilities of Vanguard, the State of Nevada, and the PwC's responsibilities are outlined below:

### **Vanguard's Responsibilities Include**

- Design and implement programs and controls to prevent, deter, and detect fraud (antifraud programs).
- Ensure Vanguard's culture and environment promote honesty and ethical behavior.
- Perform a risk assessment that specifically includes the risk of fraud, addressing incentives and pressures, opportunities, and attitudes/rationalizations.
- Assess management override of controls and communicate with those charged with governance.

### **The State of Nevada's Considerations Include**

- Evaluate management's identification of fraud risks, implementation of antifraud measures, and creation of appropriate "tone at the top."
- Ensure that senior management of Vanguard (especially the CEO) implements appropriate fraud deterrence and prevention measures to better protect investors, employees and other stakeholders.
- Investigate any alleged or suspected wrongdoing brought to its attention.
- Challenge management in the areas of non-routine, related party and intercompany transactions.

### **PwC's Responsibilities**

- Plan and perform the audit to provide reasonable assurance that the financial statements are free of material misstatement, whether caused by error or fraud.
- Evaluate whether the programs and controls that address identified risks of material misstatements due to fraud have been suitably designed and placed into operation.
- Evaluate management's process for assessing the effectiveness of antifraud programs and controls.
- Evaluate fraud on any magnitude on the part of senior management and the impact on the control environment.

## **In order to Fulfill Our Responsibilities Related to Fraud, We Plan to Perform the Following Audit Procedures**

- Inquiries of management and others related to knowledge of fraud or suspected fraud, the fraud risk assessment process, and how fraud risks are addressed by Vanguard and the State of Nevada.
- Disaggregated analytical procedures, primarily over revenue.
- Incorporate an element of unpredictability in the selection of the nature, timing, and extent of audit procedures to be performed.
- Identify and select journal entries and other adjustments for testing.

## ***Client Service Team – Contact Information***

We have developed the following contact listing in order to enhance your access to the key members of our audit team.

Name/ E-Mail Address	Audit Role	Office Number
Kristin Vrabel Kristin.L.Vrabel@pwc.com	Engagement Partner	(267) 330-2360
Andrew Apfelbaum Andrew.M.Apfelbaum@pwc.com	Manager	(267) 330-1786

The engagement team members work in the PwC Philadelphia, Pennsylvania office. See below for the address of the office:

PricewaterhouseCoopers, LLP  
Two Commerce Square, Suite 1800  
2001 Market Street  
Philadelphia, PA 19103



THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 5**  
**July 14, 2016**

**Item: Engagement Letter from Eide Bailly LLP on Prepaid  
Tuition Audit**

**Recommendation:**

**That the Board receive the letter from Eide Bailly LLP that summarizes the significant terms of engagement for the Nevada Prepaid Tuition Audit.**

Fiscal Impact:

The cost of the Fiscal Year 2016 audit is included in the budget for the Prepaid Tuition Plan.

**Summary:** Eide Bailly, LLP is contracted to complete the FY 2016 audit of the Nevada Prepaid Tuition Program. An engagement letter dated June 17, 2016 from Eide Bailly, is attached. This constitutes the official notification to the Board members in summarizing the significant terms of engagement.

Dan Carter of Eide Bailly will be available to answer any questions.



CPAs & BUSINESS ADVISORS

June 17, 2016

Mr. Dan Schwartz, State Treasurer  
State of Nevada  
101 N. Carson St, Ste 4  
Carson City, Nevada 89701

Dear Mr. Schwartz,

We are pleased to confirm our understanding of the services we are to provide the State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund (Trust Fund) for the year ended June 30, 2016. We will audit the financial statements of the Trust Fund, an enterprise fund of the State of Nevada, including the related notes to the financial statements, as of and for the year ended June 30, 2016.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Trust Fund's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Trust Fund's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Trust Fund and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Trust Fund's financial statements. Our report will be addressed to the Board of Trustees of the Trust Fund. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

[www.eidebailly.com](http://www.eidebailly.com)

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We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Trust Fund is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

## **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

## **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Trust Fund's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

## **Other Services**

We will also assist in preparing the financial statements and related notes of the Trust Fund in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

## **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

## **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Trust Fund; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Eide Bailly LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulatory agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in June 2016 and to issue our draft reports no later than the date specified by the State of Nevada Controller's office; however final reports will be issued subsequent to the issuance of the State comprehensive annual financial report (CAFR) as we rely on information from the CAFR for the Trust Fund's footnote disclosures. Dan Carter is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$17,030. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date.

*Government Auditing Standards* require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

## **DISPUTE RESOLUTION**

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason ("Dispute"). Specifically, we agree to first mediate.

### ***Mediation***

All Disputes between us shall first be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA").

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person in Reno, Nevada.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Either party may commence suit on a Dispute after the mediator declares an impasse.

## **INDEMNITY**

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements and/or tax return that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly LLP, its partners, affiliates, officers and employees (collectively "Eide Bailly"), against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys' fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

**ASSIGNMENTS PROHIBITED**

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

We appreciate the opportunity to be of service to the Trust Fund and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

**EIDE BAILLY LLP**



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*Dan Carter*, Partner

ACCEPTED BY *State of Nevada, Office of the State Treasurer, Higher Education Tuition Trust Fund*

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Dan Schwartz, State Treasurer

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Date

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 6**  
**July 14, 2016**

**Item:** Board review and approve the recommendation to approve the Putnam Government Money Market Fund Investment Option Fund as the replacement for the Putnam Money Market Fund Investment Option.

**Recommendation:**

**That the Board review and approve the recommendation to approve the Putnam Government Money Market Fund Investment Option Fund as the replacement for the Putnam Money Market Fund Investment Option and approve the necessary supplement for the Putnam 529 Plan for America Offering Statement.**

**Fiscal:**

None to the Board.

**Summary:**

During the financial crisis of 2007–2008, one of the largest money market funds (the Reserve Primary Fund) “broke the buck,” meaning its net asset value (NAV) dropped below \$1.00 per share. This event prompted significant redemptions from institutional prime money market funds, putting them under severe stress and leading the U.S. Treasury to create a temporary guarantee program for money market funds.

Since then, the Securities and Exchange Commission (SEC) has implemented a number of regulatory changes designed to enhance

the stability and resilience of all money market funds. In 2010, the SEC issued its first set of new rules for the funds. These rules included tighter restrictions on portfolio holdings, enhanced liquidity and credit quality requirements, and greater transparency.

The SEC's amendments also include new rules about liquidity fees and gates (temporary suspension of redemptions) allowing a fund to address significant redemptions on a fund. If deemed appropriate, fees and gates could be imposed on funds whose portfolios fail to meet certain liquidity thresholds. Staff, in consultation with Pension Consulting Alliance (PCA), has concerns with maintaining money market funds in age-based or risk-based portfolios which may be required to impose restrictions on redemptions. This potential liquidity restriction could be detrimental to 529 beneficiaries.

Staff and PCA are recommending all 529 partners remove primary money market funds from 529 investments and replace these funds with governmental money market funds. The SEC amendments, including the liquidity fees and gates, are exempt in 'governmental money market funds'. A government money market fund is required to invest at least 99.5% of its total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash.

Judy Minsk from Putnam and Tara Hagan, Chief Deputy Treasurer, will be available to comment on the recommendations.

**AMENDMENT #5 TO CONTRACT**

Between the State of Nevada  
Acting By and Through Its

THE STATE OF NEVADA  
BOARD OF TRUSTEES  
OF THE COLLEGE SAVINGS PLANS OF NEVADA  
Acting By and Through its Administrator,  
THE STATE TREASURER

AND  
PUTNAM INVESTMENT MANAGEMENT, LLC,  
PUTNAM RETAIL MANAGEMENT LIMITED PARTNERSHIP,  
PUTNAM INVESTOR SERVICES, INC.,  
AND PUTNAM FIDUCIARY TRUST COMPANY

1. AMENDMENTS. For and in consideration of mutual promises and/or their valuable consideration, all provisions of the original contract, August 12, 2010\_attached hereto as Exhibit A, remain in full force and effect with the exception of the following:

A. The purpose of this amendment is to amend Attachment I: Investment Management, Marketing and Administrative Services Agreement.

**Current Contract Language:**

5. INCORPORATED DOCUMENTS: The parties shall agree that the Scope of Work shall be specifically described. This contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT I: Investment, Management, Marketing and Administrative Services Agreement  
ATTACHMENT II: Solicitation Criteria

**Amended Contract Language:**

5. INCORPORATED DOCUMENTS: The parties shall agree that the Scope of Work shall be specifically described. This contract incorporates the following attachment, as amended, in descending order of constructive precedence:

ATTACHMENT I: Investment, Management, Marketing and Administrative Services Agreement

IN WITNESS WHEREOF, the parties hereto have caused this amendment to the original contract to be signed and intend to be legally bound thereby.

_____	_____	_____
Independent Contractor's Signature	Date	Independent's Contractor's Title
_____	_____	_____
Signature	Date	Title
_____	_____	_____

Signature

Date

Title

\_\_\_\_\_  
Signature - Board of Examiners

APPROVED BY BOARD OF EXAMINERS

On \_\_\_\_\_

\_\_\_\_\_  
Approved as to form by:

(Date)

\_\_\_\_\_  
Deputy Attorney General for Attorney General

On \_\_\_\_\_

(Date)

# ATTACHMENT I

## AMENDMENT NO. 5 TO

### INVESTMENT MANAGEMENT, MARKETING AND ADMINISTRATIVE SERVICES AGREEMENT

#### AMONG

THE STATE OF NEVADA  
BOARD OF TRUSTEES  
OF THE COLLEGE SAVINGS PLANS OF NEVADA  
Acting By and Through its Administrator,  
THE STATE TREASURER

AND

PUTNAM INVESTMENT MANAGEMENT, LLC,  
PUTNAM RETAIL MANAGEMENT LIMITED PARTNERSHIP,  
PUTNAM INVESTOR SERVICES, INC.,  
AND PUTNAM FIDUCIARY TRUST COMPANY

This Amendment No. 5 dated as of July 14, 2016 (the "Amendment") amends the Investment Management, Marketing and Administrative Services Agreement made and entered into the 12<sup>th</sup> day of August, 2010, as amended September 12, 2014, March 25, 2015, July 23, 2015 and June 2, 2016 (as amended hereby and as it may be hereafter amended in accordance with its terms, the "Agreement") among The State of Nevada Board of Trustees of the College Savings Plans of Nevada acting by and through its Administrator, The State Treasurer (the "Board") and Putnam Investment Management, LLC ("PIM"), Putnam Retail Management Limited Partnership ("PRM"), Putnam Investor Services, Inc. ("PSERV") and Putnam Fiduciary Trust Company ("PFTC" and, together with PIM, PRM and PSERV, "Putnam").

All defined terms not otherwise defined in this Amendment shall have the meanings set forth in the Agreement.

The amendment set forth in this Amendment shall be effective as of September 1, 2016 (the "Effective Date").

1. As of the Effective Date, Schedule C to the Agreement is replaced with Schedule C attached as Exhibit A to this Amendment.
2. Except as expressly amended by this Amendment, all provisions of the Agreement shall continue in full force and effect.

[Remainder of the page left intentionally blank.]

In Witness Whereof, the parties have executed this Amendment as of the date set forth above:

BOARD OF TRUSTEES OF  
THE COLLEGE SAVINGS PLANS OF NEVADA

By \_\_\_\_\_

\_\_\_\_\_  
(Please print or type full name and title)

PUTNAM INVESTMENT MANAGEMENT, LLC

By \_\_\_\_\_

\_\_\_\_\_  
(Please print or type full name and title)

PUTNAM RETAIL MANAGEMENT LIMITED PARTNERSHIP

By \_\_\_\_\_

\_\_\_\_\_  
(Please print or type full name and title)

PUTNAM INVESTOR SERVICES, INC.

By \_\_\_\_\_

\_\_\_\_\_  
(Please print or type full name and title)

PUTNAM FIDUCIARY TRUST COMPANY

By \_\_\_\_\_

\_\_\_\_\_  
(Please print or type full name and title)

EXHIBIT A

Schedule C

**The State of Nevada, acting through the Board of Trustees of  
the College Savings Plans of Nevada  
and  
The Nevada College Savings Trust Fund  
Investment Guidelines**

Effective as of September 1, 2016

The State of Nevada, acting through the Board of Trustees of the College Savings Plans of Nevada (the “**Board**”) and the Nevada College Savings Trust Fund (the “**Trust**”) was created under Chapter 353B of the Nevada Revised Statutes, as amended (the “**Act**”). The Trust and the college savings programs administered by the Trust are designed to comply with the requirements for treatment as a college savings program under Section 529 (“**Section 529**”) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and any regulations and other guidance issued thereunder. The Putnam 529 for America Plan (the “**Plan**”) is a college savings program administered by the Trust for which Putnam Investment Management, LLC (the “**Investment Manager**”) and its affiliates have been selected to develop the Plan’s Portfolios, market the Plan, assist in the distribution of the Plan and perform other management and administrative functions.

The Board will allocate assets contributed to the Plan by a Plan participant among the listed available options (each, an “**Investment Option**”) in accordance with the Plan participant’s election. The Board will act in a fiduciary capacity with respect to the administration of the Plan. Plan investments shall be selected and managed in accordance with the Act. Consistent with the above, the Board will determine from time to time suitable investment parameters for the Plan designed to provide Plan participants the opportunity to control risk through investment diversification. In accordance with these requirements, it is the intention of the Plan to provide Plan participants with a reasonable opportunity to choose among investment alternatives which have different risk and return characteristics.

The assets associated with each of the Investment Options will be invested in a portfolio of the Trust (the “**Plan Portfolio**”), the underlying investments of which include: (1) mutual funds sponsored by Putnam Investments (“**Putnam Mutual Funds**”); (2) mutual funds or exchange traded funds sponsored by entities other than Putnam Investments (“**Other Mutual Funds**”); and (3) portfolios of equity, fixed income and/or short-term securities selected by the Investment Manager (“**Asset Allocation Portfolios**”).

## **I. INVESTMENT OPTIONS**

While the investment parameters for each of the Investment Options offered under the Plan are approved by the Board, Plan participants bear the risk of investment results derived from the Investment Options they choose. The appropriate Investment Option for each Plan participant is a function of multiple factors, including age, income, length of time before money is used and tolerance for investment risk.

The administration of the Plan by the Board and the offering of investments as well as the dissemination of information about the Investment Options should not be relied upon as a guarantee to Plan participants. The Board expects each Plan participant to seek appropriate advice as he or she deems necessary.

### **A. Age-Based Option**

The Aggressive Age-Based Asset Allocation Option, the Moderate Age-Based Asset Allocation Option and the Conservative Age-Based Asset Allocation Option established under the Investment Guidelines in effect prior to September of 2014 the (“Prior Guidelines”) shall continue to be invested in accordance with the Prior Guidelines until the dates set forth herein.

The Aggressive Age-Based Asset Allocation Option established under the Prior Guidelines shall be consolidated into the Moderate Age-Based Asset Allocation Option established under the Prior Guidelines on or about September of 2014 (and upon such consolidation, the Moderate Age-Based Asset Allocation Option shall be renamed the Age-Based Asset Allocation Option, referred to herein as the “Age-Based Option”. The Conservative Age-Based Asset Allocation Option established under the Prior Guidelines shall be terminated on or about September of 2014 and the assets invested therein upon such termination transferred into other portfolios as follows: (i) Assets relating to each Account invested in the Conservative Age-Based – Newborn option and to each Account invested in each consecutively numbered option thereafter through and including the Conservative Age-Based – Age 15 option will be transferred: 45% of the Goal-Based Asset Allocation Option – Balanced Option and 55% to the Putnam Money Market Fund Investment Option and (ii) Assets relating to each Account invested in the Conservative Age-Based – Age 16 option and to each Account invested in each option for Account beneficiaries of a higher age under the Conservative Age-Based Asset Allocation Option will be transferred 100% to the Putnam Money Market Fund Investment Option.

Under the Age-Based Option, contributions are placed into the portfolio corresponding to the number of years to expected enrollment, and later reassigned to more conservative

portfolios as the beneficiary designated by the Plan participant (the “**Beneficiary**”) approaches college age. The Age-Based Option utilizes one or more of the following five Asset Allocation Portfolios as the underlying investment vehicles.

- **Putnam 529 GAA All Equity Portfolio**

Consists of investments in U.S. and international stocks and is designed for investors seeking long-term growth with moderate risk. This Asset Allocation Portfolio’s strategic equity weighting is 100% with no amount allocated to fixed income investments. In addition to common stock, this Asset Allocation Portfolio may include other types of investments, such as preferred stocks, convertible securities, hybrid securities and structured bonds and notes. This Asset Allocation Portfolio may also invest in derivatives on currency, stocks and stock indices for hedging and non-hedging purposes.

To maintain liquidity, this Asset Allocation Portfolio may include investments in money market investments, including investments in the Putnam 529 Money Market Portfolio described below, money market funds or short-term instruments, including without limitation commercial paper, certificates of deposit, discount notes and repurchase agreements (collectively, “**Liquidity Maintenance Investments**”).

- **Putnam 529 GAA Growth Portfolio**

This Asset Allocation Portfolio consists of investments in U.S. and international stocks and bonds and is designed for investors seeking long-term growth with moderate risk. This Asset Allocation Portfolio’s strategic equity weighting ranges from 70% to 90% with a target allocation of 80%, with the balance invested in a range of fixed income investments. In addition to the main investment strategies described above, this Asset Allocation Portfolio may include other types of investments, such as preferred stocks, convertible securities, hybrid securities and structured bonds and notes (including debt instruments with terms determined by reference to a particular commodity or to all or portions of a commodities index) and bank loans. This Asset Allocation Portfolio may also include investments in derivatives on currency, stocks and bonds and indices of stocks and bonds as mentioned above for hedging and non-hedging purposes. This Asset Allocation Portfolio may also include derivatives and debt instruments with terms determined by reference to a particular commodity or to all or portions of a commodities index.

To maintain liquidity, this Asset Allocation Portfolio may include investments in Liquidity Maintenance Investments.

- **Putnam 529 GAA Balanced Portfolio**

This Asset Allocation Portfolio consists of diversified investments in stocks and bonds in global markets and is designed for investors seeking a combination of growth and current income. This Asset Allocation Portfolio's strategic equity allocation ranges from 50% to 70% with a target allocation of 60%, with the balance invested in bonds and money market instruments. In addition to the main investment strategies described above, the portfolio may include other types of investments, such as investments in preferred stocks, convertible securities, hybrid securities and structured bonds and notes (including debt instruments with terms determined by reference to a particular commodity or to all or portions of a commodities index) and bank loans. This Asset Allocation Portfolio may also include investments in derivatives on currency, stocks and bonds and indices of stocks and bonds as mentioned above for hedging and non-hedging purposes. This Asset Allocation Portfolio may also include derivatives and debt instruments with terms determined by reference to a particular commodity or to all or portions of a commodities index.

To maintain liquidity, this Asset Allocation Portfolio may include investments in Liquidity Maintenance Investments.

- **Putnam 529 GAA Conservative Portfolio**

This Asset Allocation Portfolio consists of globally diversified investments with an emphasis on bonds over stocks and is designed for investors who want to protect the value of their investment while receiving regular income and protection against inflation. The strategic fixed-income (including money market instruments) allocation ranges from 60% to 80% with a target allocation of 70%, with the balance invested in stocks and money market instruments. In addition to the main investment strategies described above, other types of investments may be included, such as preferred stocks, convertible securities, hybrid securities and structured bonds and notes (including debt instruments with terms determined by reference to a particular commodity or to all or portions of a commodities index). This Asset Allocation Portfolio may also include investments in derivatives on currency, stocks and bonds and indices of stocks and bonds as mentioned above for hedging and non-hedging purposes. This Asset Allocation Portfolio may also include derivatives and debt instruments with terms determined by reference to a particular commodity or to all or portions of a commodities index.

To maintain liquidity, this Asset Allocation Portfolio may include investments in Liquidity Maintenance Investments.

- **Putnam 529 Money Market Portfolio**

Consists mainly of money market instruments that are high quality and have short-term maturity.

The Plan contributions allocated to the Age-based Asset Allocation Investment Option will be invested in Plan portfolios (each an “**Age Band Portfolio**”) invested in one or more of the above Asset Allocation Portfolios, with a designated mix of investments which is appropriate for the Beneficiary age of the applicable Age Band Portfolio. The asset allocation of each Asset Allocation Portfolio will be actively managed, and the Investment Manager may adjust the weighting in the underlying investments within the limits set forth below. The allocation of any Age Band Portfolio’s assets among investments shall reflect the time horizons of each portfolio’s Beneficiary population (i.e., the length of time between a child’s age and anticipated college enrollment date) as well as the risk tolerances for the different age groups.

**Target Asset Allocations for the Age-Based Asset Allocation Portfolio**

The Policy Target Asset Allocations for the Age-Based Asset Allocation Portfolios are as follows:

	0	1	2	3	4	5	6	7	8	9	10
<b>Underlying fund</b>											
GAA All Equity	25%	22%	16%	9%	0%	0%	0%	0%	0%	0%	0%
GAA Growth	75	78	82	88	95	83	70	56	40	30	21
GAA Balanced	0	1	2	3	5	16	29	42	57	62	67
GAA Conservative	0	0	0	0	0	0	0	0	0	3	6
Money Market	0	0	0	0	0	1	1	2	3	5	6
<b>Total</b>	<b>100%</b>										
Equity	85%	84%	83%	81%	79%	76%	73%	70%	66%	62%	58%
Fixed income/cash	15	16	17	19	21	24	27	30	34	38	42
<b>Total</b>	<b>100%</b>										

	11	12	13	14	15	16	17	18	19	20	21+
<b>Underlying fund</b>											
GAA All Equity	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
GAA	10	0	0	0	0	0	0	0	0	0	0

Growth											
GAA Balanced	73	72	58	44	32	23	14	7	4	1	0
GAA Conservative	9	15	22	28	31	33	33	33	27	21	15
Money Market	8	13	20	28	37	45	53	60	69	78	85
<b>Total</b>	<b>100%</b>										
Equity	54%	48%	41%	35%	29%	24%	18%	14%	10%	7%	5%
Fixed income/cash	46	52	59	65	71	76	82	86	90	93	95
<b>Total</b>	<b>100%</b>										

\*Totals may vary from aggregate of individual investment limits due to rounding.

\*\* Allocations to Equity and Fixed Income are for illustrative purposes only. Each of the Asset Allocation Portfolios may, from time to time, to maintain its liquidity, invest in Liquidity Maintenance Investments.

\*\*\* Age 21+ includes Age 21 and a separate portfolio (the "Graduate" portfolio) for all older ages.

The target allocations set forth in the chart above represent weightings for January of the applicable year. Under the current Investment Guidelines, on a quarterly basis, the target allocations for any Age Band Portfolio will gradually move towards the target allocation for the next Age Band Portfolio (each such quarterly change, a "Reallocation").

In addition to variations from the above targeted allocations resulting from Reallocations, the actual allocations may vary from the above target allocations, and from revised target allocations resulting from Reallocations, due to changes in the relative market value of the applicable Asset Allocation Portfolio investments (a "Market Value Change"). Under the Investment Guidelines, rebalancing of an Age Band Portfolio ("Rebalancing") is required whenever Market Value Change causes a variation from the applicable target allocation of more than 5% in either direction. Rebalancing will occur as needed and may be more frequent than on a quarterly basis.

Such variations from the target allocations shall not, except for Reallocations, without the Board's approval, result from an affirmative decision by the Investment Manager.

## **B. Goal-Based Options**

Goal-Based Options involve asset allocation portfolios that are designed to maintain particular asset allocations within specified parameters. Therefore, unlike the Age-Based Option, the asset allocation for each Goal-Based Option does not adjust as the Beneficiary ages. The Goal-Based Options utilize the same five Asset Allocation Portfolios described in Section I.A as the underlying investments. Three Goal-Based Options are available: Growth, Aggressive Growth and Balanced.

### **1. Growth Asset Allocation Investment Option**

Assets invested under the Growth Asset Allocation Investment Option will be allocated among the following Asset Allocation Portfolios in the following percentages:

<u>Fund</u>	<u>Target Allocation</u>
Putnam 529 GAA All Equity Portfolio	25%
Putnam 529 GAA Growth Portfolio	75%
Putnam 529 GAA Balanced Portfolio	0%
Putnam 529 GAA Conservative Portfolio	0%
Putnam 529 Money Market Portfolio	0%
Total	100%

The above allocations may vary from the target allocation during the periods between rebalancing (which will occur no less frequently than on a quarterly basis) as a result of changes in relative market value of the applicable Asset Allocation Portfolio investments (i.e., such variations from target allocation shall not, without the Board's approval, result from an affirmative decision by the Investment Manager to change the allocation to the Asset Allocation Portfolio from the above targets.) Notwithstanding the foregoing, the amount allocated to Asset Allocation Portfolios above may not vary from the percentage set forth in the chart above by more than 5% in either direction. In addition to the allocations above, amounts may be allocated to the Putnam 529 Money Market Portfolio to facilitate the processing of transactions.

### **2. Aggressive Growth Asset Allocation Investment Option**

Assets invested under the Aggressive Growth Asset Allocation Investment Option will be allocated among the following Asset Allocation Portfolios in the following percentages:

<u>Fund</u>	<u>Target Allocation</u>
Putnam 529 GAA All Equity Portfolio	100%
Putnam 529 GAA Growth Portfolio	0%
Putnam 529 GAA Balanced Portfolio	0%
Putnam 529 GAA Conservative Portfolio	0%
Putnam 529 Money Market Portfolio	0%
Total	100%

The above allocations may vary from the target allocation during the periods between rebalancing (which will occur no less frequently than on a quarterly basis) as a result of changes in relative market value of the applicable Asset Allocation Portfolio investments (i.e., such variations from target allocation shall not, without the Board’s approval, result from an affirmative decision by the Investment Manager to change the allocation to the Asset Allocation Portfolio from the above targets.) Notwithstanding the foregoing, the amount allocated to Asset Allocation Portfolios above may not vary from the percentage set forth in the chart above by more than 5% in either direction. In addition to the allocations above, amounts may be allocated to Putnam 529 Money Market Portfolio to facilitate the processing of transactions.

### **3. Balanced Asset Allocation Investment Option**

Assets invested under the Balanced Asset Allocation Investment Option will be allocated among the following Asset Allocation Portfolios in the following percentages:

<u>Fund</u>	<u>Target Allocation</u>
Putnam 529 GAA All Equity Portfolio	0%
Putnam 529 GAA Growth Portfolio	20%
Putnam 529 GAA Balanced Portfolio	74%
Putnam 529 GAA Conservative Portfolio	0%
Putnam 529 Money Market Portfolio	6%
<b>Total</b>	<b>100%*</b>

\*Totals may vary from aggregate of individual investment limits due to rounding.

The above allocations may vary from the target allocation during the periods between rebalancing (which will occur no less frequently than on a quarterly basis) as a result of changes in relative market value of the applicable Asset Allocation Portfolio investments (i.e., such variations from target allocation shall not, without the Board’s approval, result from an affirmative decision by the Investment Manager to change the allocation to the Asset Allocation Portfolio from the above targets.) Notwithstanding the foregoing, the amount allocated to Asset Allocation Portfolios above may not vary from the percentage set forth in the chart above by more than 5% in either direction. In addition to the allocations above, amounts may be allocated to the Putnam 529 Money Market Portfolio to facilitate the processing of transactions.

### **C. Use of Derivative Instruments**

Where the Board permits the use of derivatives instruments, Putnam shall be permitted, in connection with the exercise of its power and authority hereunder, as agent of the Board, to post securities, cash or other property of the applicable fund or other investment vehicle as margin or collateral with any counterparty, clearing broker or clearing or settlement agent in connection with transactions in derivatives contracts entered into on behalf of the applicable fund or other investment vehicle in accordance with these Investment Guidelines, which securities, cash or other property shall be subject to a general lien and security interest to secure the performance of the applicable fund or other investment vehicle under such derivatives contracts. In connection with the preceding sentence, the Board agrees that it will not cause or allow any such fund or other

investment vehicle to be or become subject to liens, security interests, mortgages or encumbrances of any kind.

#### **D. Individual Fund Investment Options**

The Plan also shall include the following Individual Fund Investment Options:

- a) **Putnam Equity Income Fund Investment Option** invests in Putnam Equity Income Fund, which invests mainly in common stocks of midsize and large U.S. companies, with a focus on value stocks that offer the potential for capital growth, current income, or both.
- b) **Putnam Growth Opportunities Fund Investment Option** invests in Putnam Growth Opportunities Fund, which invests mainly in common stocks of large U.S. companies with a focus on growth stocks.
- c) **Putnam Small Cap Value Fund Investment Option** invests in Putnam Small Cap Value Fund, which invests mainly in common stocks of small U.S. companies with a focus on value stocks.
- d) **Principal MidCap Blend Fund Investment Option** invests in Principal MidCap Blend Fund,”), which invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of companies with medium market capitalizations at the time of each purchase. For the Principal Fund, companies with medium market capitalizations are those with market capitalizations within the range of companies comprising the Russell Midcap ® Index (as of December 31, 2013, this range was between approximately \$1.126 billion and \$29.14 billion). The Principal Fund invests in foreign securities.

The Principal Fund invests in equity securities with value and/or growth characteristics and constructs an investment portfolio that has a "blend" of equity securities with these characteristics. Investing in value equity securities is an investment strategy that emphasizes buying equity securities that appear to be undervalued. The growth orientation selection emphasizes buying equity securities of companies whose potential for growth of capital and earnings is expected to be above average. The Principal Fund does not have a policy of preferring one of these categories over the other.

- e) **SSgA S&P 500 Index Fund Investment Option** invests in the SSgA S&P 500 Index Fund, which seeks to replicate as closely as possible, before expenses, the performance of the Standard & Poor’s® 500 Index (the “Index”). The SSgA S&P 500 Index Fund seeks to achieve its investment objective by investing substantially all of its assets in the State Street Equity 500 Index Portfolio (the “Master Fund”), the “master fund” that has the same investment objective as, and investment policies that are substantially similar to those of, the SSgA S&P 500 Index Fund. Under normal market conditions, the Master Fund will not invest

less than 80% of its total assets in stocks in the Index. The SSgA S&P 500 Index Fund attempts to replicate the investment performance of the Index and generally intends to invest, via the Master Fund, in all 500 stocks comprising the Index in approximate proportion to their weightings in the Index.

- f) **MFS Institutional International Equity Fund Investment Option** invests in MFS Institutional International Equity Fund, which invests primarily in foreign equity securities of companies of any size, including emerging market securities. MFS (Massachusetts Financial Services Company, the fund's investment adviser) normally invests at least 80% of the fund's net assets in equity securities. Equity securities include common stocks, preferred stocks, securities convertible into stocks, equity interests in real estate investment trusts (REITs), and depositary receipts for those securities. MFS normally invests the fund's assets primarily in foreign securities, including emerging market securities. MFS may invest a large percentage of the fund's assets in issuers in a single country, a small number of countries, or a particular geographic region. In selecting investments for the fund, MFS is not constrained to any particular investment style. MFS may invest the fund's assets in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. MFS may invest the fund's assets in companies of any size. MFS uses a bottom-up investment approach to buying and selling investments for the fund. Investments are selected primarily based on fundamental analysis of individual issuers. Quantitative models that systematically evaluate issuers may also be considered.
- g) **Putnam High Yield Trust Investment Option** invests in Putnam High Yield Trust, which invests mainly in bonds that are below investment-grade (sometimes referred to as “junk bonds”) obligations of U.S. companies and have intermediate to long-term maturities (three years or longer).
- h) **Putnam Income Fund Investment Option** invests in Putnam Income Fund, which invests mainly in bonds that are securitized debt instruments (such as mortgage-backed investments) and other obligations of companies and governments worldwide that are denominated in U.S. dollars, are either investment grade or below investment grade quality (sometimes referred to as “junk bonds”) and have intermediate to long maturities (three years or longer).
- i) **Federated U.S. Government Securities Fund: 2-5 Years Investment Option** invests in Federated U.S. Government Securities Fund: 2-5 Years, a mutual fund seeking current income by investing in a portfolio of short-to-intermediate term obligations of the U.S. government and its agencies and instrumentalities.
- j) **Putnam Government Money Market Fund Investment Option** invests in Putnam Government Money Market Fund, which invests mainly in money market instruments that are high quality and have short-term maturities.

Amounts contributed to any of the above Individual Fund Investment Options may be temporarily allocated to the Putnam Government Money Market Fund to facilitate the processing of transactions.

**E. Absolute Return Fund Investment Options**

The Plan also shall include the following Absolute Return Fund Investment Options:

- a) **Putnam Absolute Return 100 Fund Investment Option** invests in Putnam Absolute Return 100 Fund, which seeks a positive return that exceeds the return on U.S. Treasury bills, by 100 basis points (or 1.00%) on an annualized basis over a reasonable period of time (generally at least three years or more), regardless of market conditions.
- b) **Putnam Absolute Return 300 Fund Investment Option** invests in Putnam Absolute Return 300 Fund, which seeks a positive return that exceeds the return on U.S. Treasury bills, by 300 basis points (or 3.00%) on an annualized basis over a reasonable period of time (generally at least three years or more), regardless of market conditions.
- c) **Putnam Absolute Return 500 Fund Investment Option** invests in Putnam Absolute Return 500 Fund, which seeks a positive return that exceeds the return on U.S. Treasury bills, by 500 basis points (or 5.00%) on an annualized basis over a reasonable period of time (generally at least three years or more), regardless of market conditions.
- d) **Putnam Absolute Return 700 Fund Investment Option** invests in Putnam Absolute Return 700 Fund, which seeks a positive return that exceeds the return on U.S. Treasury bills, by 700 basis points (or 7.00%) on an annualized basis over a reasonable period of time (generally at least three years or more), regardless of market conditions.

Amounts contributed to any of the above Absolute Return Fund Investment Options may be temporarily allocated to the Putnam Government Money Market Fund to facilitate the processing of transactions.

**II. BENCHMARKS**

**A. Goal-Based Asset Allocation Investment Options**

The primary benchmark for each Goal-Based Asset Allocation Investment Option will be a custom index benchmark comprised of each of the following indices below.

	<b>Aggressive Growth</b>	<b>Growth</b>	<b>Balanced</b>
--	--------------------------	---------------	-----------------

Russell 3000	75	64	49
MSCI EAFE	19	16	10
MSCI EM	6	5	1
Barclays U.S. Aggregate	0	11	29
JPMorgan High Yield	0	4	5
BofA ML3 mo T-bill Index	0	0	6
<b>Equity</b>	100	85	60
<b>Fixed Income</b>	0	15	40

### **B. Individual Fund Investment Options**

<b>Funds</b>	<b>Index</b>
Federated U.S. Government Securities Fund	BofA Merrill Lynch 3-5 Year. Treasury Index
Putnam Small Cap Value Fund	Russell 2000 Value Index
Principal MidCap Blend Fund	Russell MidCap Index
SSgA S&P 500 Index Fund	S&P 500 Index
Putnam Equity Income Fund	Russell 1000 Value Index
Putnam Income Fund	Barclays U.S. Aggregate Bond Index
Putnam High Yield Trust	JPMorgan Developed High Yield Index
Putnam Government Money Market Fund	Lipper Money Market Funds Average
Putnam Growth Opportunities Fund	Russell 1000 Growth Index
MFS Institutional International Fund	MSCI EAFE Index

The performance of the Plan Portfolios established for each Investment Option will be measured against the weighted performance of the benchmarks without deducting fees paid by a Plan account owner, the Plan or any mutual fund, Asset Allocation Portfolio or other underlying investment of the Plan Portfolio.

### **C. Absolute Return Fund Investment Options**

<b>Funds</b>	<b>Index</b>
Putnam Absolute 100 Fund	BofA Merrill Lynch U.S. Treasury Bill Index
Putnam Absolute 300 Fund	BofA Merrill Lynch U.S. Treasury Bill Index
Putnam Absolute 500 Fund	BofA Merrill Lynch U.S. Treasury Bill Index
Putnam Absolute 700 Fund	BofA Merrill Lynch U.S. Treasury Bill Index

#### **D. Age-Based Asset Allocation Option**

Benchmarks for the Age-Based Asset Allocation Option will be developed by the Board and Putnam at a later date.

### **III. ADJUSTMENTS TO UNDERLYING MUTUAL FUNDS OR PORTFOLIOS**

Any adjustments in the lineup of mutual funds or Asset Allocation Portfolios for an Investment Option or change to the Plan's lineup of Investment Options must be approved by the Board.

### **IV. REVIEW AND REPORTING**

The Board will review the Investment Guidelines at least annually. The Board will monitor the selected funds and portfolios on an ongoing basis. Performance will be evaluated on both a risk and return basis compared to the appropriate benchmark. Other factors which will be considered as part of the review include the fund's or portfolios adherence to the guidelines established for it in the Investment Guidelines and material changes in the fund's or portfolio's organization, investment style and/or personnel.

Effective as of July [ ], 2016

**Putnam 529 for America**<sup>SM</sup> Supplement to the Offering Statement dated September 12, 2014, as previously supplemented by Supplements dated February 17, 2015, November 9, 2015, January 28, 2016 and June 7, 2016

**CHANGES TO THE PLAN'S INVESTMENT GUIDELINES.** On July 14, 2016, the Board approved changes to the Plan's Investment Guidelines that will affect the Plan's **Putnam Money Market Fund Investment Option**.

Effective on or about September 1, 2016, the Putnam Money Market Fund Investment Option will be discontinued and all assets will be transferred to the newly established **Putnam Government Money Market Fund Investment Option**, which will invest in shares of the Putnam Government Money Market Fund.

a. The following describes the Putnam Government Money Market Fund Investment Option as in effect following the above-described change:

Putnam Government Money Market Fund Investment Option invests in Putnam Government Money Market Fund, which invests at least 99.5% of its total assets in cash, U.S. government securities and repurchase agreements that are fully collateralized by U.S. government securities or cash.

**Putnam Government Money Market Fund**

The fund seeks as high a rate of current income as Putnam Investment Management, LLC believes is consistent with preservation of capital and maintenance of liquidity. The fund invests at least 99.5 percent of its total assets in cash, U.S. government securities and repurchase agreements that are fully collateralized by U.S. government securities or cash. The fund invests mainly in debt securities that are obligations of the U.S. government, its agencies and instrumentalities and accordingly are backed by the full faith and credit of the United States (e.g., U.S. Treasury bills) or by the credit of a federal agency or government-sponsored entity (e.g., Fannie Mae and Freddie Mac mortgage-backed bonds). The U.S. government securities in which we invest may also include variable and floating rate instruments and when-issued and delayed delivery securities (i.e., payment or delivery of the securities occurs at a future date for a predetermined price). Under normal circumstances, we invest at least 80% of the fund's net assets in U.S. government securities and repurchase agreements that are fully collateralized by U.S. government securities. This policy may be changed only after 60 days' notice to shareholders. The securities purchased by the fund are subject to quality, maturity, diversification and

other requirements pursuant to rules promulgated by the Securities and Exchange Commission. The fund may consider, among other factors, credit and interest rate risks, as well as general market conditions, when deciding whether to buy or sell investments.

The main risks that could adversely affect the value of this fund's shares and the total return on your investment include:

You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, there is no guarantee that the fund will be able to do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

The values of money market investments usually rise and fall in response to changes in interest rates. Interest rate risk is generally lowest for investments with short maturities (a significant part of the fund's investments). Although the fund only buys high quality investments, investments backed by a letter of credit carry the risk that the provider of the letter of credit will not be able to fulfill its obligations to the issuer. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's credit quality or value. Certain securities in which the fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States. Mortgage-backed investments carry the risk that they may increase in value less when interest rates decline and decline in value more when interest rates rise. The fund may have to invest the proceeds from prepaid investments, including mortgage- and asset-backed investments, in other investments with less attractive terms and yields.

The fund may not achieve its goal, and is not intended to be a complete investment program.

b. **CERTAIN FEE INFORMATION.** The Underlying Fund Expenses for the Putnam Government Money Market Fund Investment Option, calculated based on the Putnam

Government Money Market Fund's expenses for its most recent audited fiscal year, are 0.51.

instruct the Plan Administrator in writing (or through another medium acceptable to the Plan Administrator).

**c. INFORMATION RELATING TO ALLOCATIONS BY INDIVIDUAL FUND OPTIONS AND ABSOLUTE RETURN FUND OPTIONS.** Currently, amounts contributed to any of the Individual Fund Investment Options or Absolute Return Fund Investment Options may be temporarily allocated to the Putnam Money Market Fund to facilitate the processing of transactions. Effective September 1, 2016, amounts contributed to any of the Individual Fund Investment Options or Absolute Return Fund Investment Options may be temporarily allocated to Putnam Government Money Market Fund to facilitate processing of transactions.

**d. INFORMATION RELATING TO INVESTMENT REALLOCATIONS.** Twice per calendar year, you may change or reallocate the assets in your Account among the available Investment Options. The automatic change among Investment Options described above will not be counted as a reallocation for this purpose. Accordingly, if you have Account assets that are invested in the Putnam Money Market Fund Investment Option, have not previously exercised a reallocation of assets in your Account during 2016, and prefer a different Investment Option to the Putnam Government Money Market Fund Investment Option, you may make such reallocation either before or after the expected date of the change described above. In order to facilitate this change or reallocation, you must complete the appropriate forms and follow the instructions provided by the Plan Administrator. You may contact the Plan Administrator toll-free at 1-877-PUTNAM5 (788-6265). When reallocating among Investment Options, you can choose from all of the Investment Options offered in the Plan.

For purposes of the twice per year calendar year limit on reallocation of Account assets (i) any reallocation of assets in an account you own for the same Beneficiary in the Direct-Sold Plans will be considered a reallocation of Account assets, (ii) any transfer of assets in your Account to an account you own for the same Beneficiary in the Direct-Sold Plans will be considered a reallocation of Account assets and (iii) any transfer of assets to your Account from an account you own for the same Beneficiary in the Direct-Sold Plans or the Prepaid Plan, or among accounts you own for the same Beneficiary in the Direct-Sold Plans, or between accounts you own in the Direct-Sold Plans and the Prepaid Plan for the same Beneficiary, will be considered a reallocation of Account assets.

The twice per year calendar year limit described above does not apply to new contributions to an Account at the time of contribution. Accordingly, at the time of any future contribution to your Account, you can elect any available Investment Option or Investment Options in the Plan. If you are in an automatic contribution plan and you wish to change the Investment Option or Investment Options in which future automatic contributions are invested or to stop automatic contributions to any Investment Option, you should so

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 7**  
**July 14, 2016**

**Item:** Board review and approve the recommendation to approve the State Street Institutional Treasury Money Market Fund as the replacement for the State Street Institutional Liquid Reserves Money Market Fund.

**Recommendation:**

**That the Board review and approve the recommendation to approve the State Street Institutional Treasury Money Market Fund as the replacement for the State Street Institutional Liquid Reserves Money Market Fund in all age and risk-based portfolios in the SSGA Upromise 529 plan and approve the necessary supplement to the SSGA Upromise 529 Plan Plan Disclosure Document and Participation Agreement.**

**Fiscal:**

None to the Board.

**Summary:**

During the financial crisis of 2007–2008, one of the largest money market funds (the Reserve Primary Fund) “broke the buck,” meaning its net asset value (NAV) dropped below \$1.00 per share. This event prompted significant redemptions from institutional prime money market funds, putting them under severe stress and leading the U.S. Treasury to create a temporary guarantee program for money market funds.

Since then, the Securities and Exchange Commission (SEC) has implemented a number of regulatory changes designed to enhance the stability and resilience of all money market funds. In 2010, the SEC issued its first set of new rules for the funds. These rules included tighter restrictions on portfolio holdings, enhanced liquidity and credit quality requirements, and greater transparency.

The SEC's amendments also include new rules about liquidity fees and gates (temporary suspension of redemptions) allowing a fund to address significant redemptions on a fund. If deemed appropriate, fees and gates could be imposed on funds whose portfolios fail to meet certain liquidity thresholds. Staff, in consultation with Pension Consulting Alliance (PCA), has concerns with maintaining money market funds in age-based or risk-based portfolios which may be required to impose restrictions on redemptions. This potential liquidity restriction could be detrimental to 529 beneficiaries.

Staff and PCA are recommending all 529 partners remove primary money market funds from 529 investments and replace these funds with governmental money market funds. The SEC amendments, including the liquidity fees and gates, are exempt in 'governmental money market funds'. A government money market fund is required to invest at least 99.5% of its total assets in cash, government securities, and/or repurchase agreements that are collateralized solely by government securities or cash.

Anthony Scola from SSGA and Tara Hagan, Chief Deputy Treasurer, will be available to comment on the recommendations.

**Third Amendment to the Nevada College Savings Program  
SSgA Upromise 529 Operational Agreement**

This Third Amendment dated as of \_\_\_\_\_, 2016 (“**Amendment**”), by and among Ascensus Broker Dealer Services, Inc. (f/k/a Upromise Investments, Inc.), a Delaware corporation (“**ABD**”), Ascensus Investment Advisors, LLC (f/k/a Upromise Investment Advisors, LLC), a Delaware limited liability company (“**AIA**”), Ascensus College Savings Recordkeeping Services, LLC (f/k/a Upromise Investments Recordkeeping Services, LLC), a Delaware limited liability company (“**ACSR**”, and collectively with ABD and AIA, the “**Ascensus College Savings Parties**”), State Street Global Advisors, a division of State Street Bank and Trust Company (“**SSgA**”) a Massachusetts corporation with a principal place of business in Boston, Massachusetts and the Board of Trustees of the College Savings Plans of Nevada (the “**Board**”), acting through the State Treasurer as Administrator (the “**Treasurer**”), is made to the Nevada College Savings Program SSgA Upromise 529 Operational Agreement dated as of January 26, 2012, as amended (the “**Agreement**”).

**WHEREAS**, the parties wish to amend the Agreement; and

**WHEREAS**, the parties wish to update the Agreement to reflect changes to the Permitted Investments.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the parties agree as follows:

1. General Terms. This Amendment is intended to amend, and operate in conjunction with, the Agreement, and together this Amendment and the Agreement constitute the complete and exclusive statement of the agreement between the parties with respect to the matters addressed herein and therein. Except as amended hereunder, the Agreement remains in full force and effect. Unless otherwise defined herein, capitalized terms used in this Amendment shall have the meaning assigned to them in the Agreement. In the event of a conflict between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall control.
2. Amendments.
  - a. Effective as of August 31, 2016, Schedule A to the Agreement shall be deleted in its entirety and replaced with the Schedule A attached to this Amendment.
  - b. Effective as of August 31, 2016, Schedule A-1 to the Agreement shall be deleted in its entirety and replaced with the Schedule A-1 attached to this Amendment.

3. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. This Amendment shall become binding when any two or more counterparts, individually or taken together, bear the signatures of all parties hereto. For purposes hereof, a facsimile copy of this Amendment, including the signature pages hereto, shall be deemed an original.

*[Remainder of page intentionally blank]*

**IN WITNESS WHEREOF**, each of the Parties hereto has caused this Amendment to the Nevada College Savings Program SSgA Upromise 529 Operational Agreement to be executed in its name and on its behalf by its duly authorized representative as of the date specified below.

ASCENSUS BROKER DEALER SERVICES, INC.

By its authorized officer

By: \_\_\_\_\_  
Title:  
Date:

ASCENSUS INVESTMENT ADVISORS, LLC

By its authorized officer

By: \_\_\_\_\_  
Title:  
Date:

ASCENSUS COLLEGE SAVINGS  
RECORDKEEPING SERVICES, LLC

By its authorized officer

By: \_\_\_\_\_  
Title:  
Date:

STATE STREET GLOBAL ADVISORS,  
A DIVISION OF STATE STREET BANK &  
TRUST COMPANY

By its authorized officer

By: \_\_\_\_\_  
Title:  
Date:

THE BOARD OF TRUSTEES  
OF THE COLLEGE SAVINGS PLANS  
OF NEVADA

By: \_\_\_\_\_  
Title: Chair, Board of Trustees  
College Savings Plans of Nevada  
Date:

SCHEDULE A

Plan Investment Options: Designated Portfolios and Permitted Investments  
As of the Effective Date August 31, 2016

Strategic Allocations for Proposed College Date Portfolios

<b>Ticker</b>	<b>Permitted Investment</b>	<b>College 2033</b>	<b>College 2030</b>	<b>College 2027</b>	<b>College 2024</b>	<b>College 2021</b>	<b>College 2018</b>	<b>College 2015</b>	<b>College Today</b>
SSSYX	State Street Equity 500 Index Fund - Class K	37.00%	34.95%	29.84%	22.80%	14.14%	0.00%	0.00%	0.00%
MDY	SPDR S&P Midcap 400 ETF	3.92 %	3.34 %	2.38 %	1.63 %	0.84 %	0.00%	0.00%	0.00%
SLY	SPDR S&P 600 Small Cap ETF	3.92 %	3.34 %	2.38 %	1.63 %	0.84 %	0.00%	0.00%	0.00%
	<b>Total US Equity</b>	<b>44.84%</b>	<b>41.63%</b>	<b>34.60%</b>	<b>26.06%</b>	<b>15.82%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
RWR	SPDR Dow Jones REIT ETF	7.00%	6.84%	5.86%	5.13%	3.76%	0.00%	0.00%	0.00%
RWX	SPDR Dow Jones REIT International Real Estate ETF	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<b>Total REIT</b>	<b>7.00%</b>	<b>6.84%</b>	<b>5.86%</b>	<b>5.13%</b>	<b>3.76%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
GWL	SPDR S&P World Ex-US ETF	18.66%	16.32%	12.34%	8.34%	4.16%	0.00%	0.00%	0.00%
GWX	SPDR S&P International Small Cap ETF	0.75%	0.71%	0.50%	0.46%	0.21%	0.00%	0.00%	0.00%
SSKEX	State Street Emerging Markets Equity Index Fund - Class K	7.92%	7.00%	4.22%	2.51%	1.05%	0.00%	0.00%	0.00%
EWX	SPDR S&P Emerging Markets Small Cap ETF	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	<b>Total International &amp;EM Equity</b>	<b>27.33%</b>	<b>24.03%</b>	<b>17.06%</b>	<b>11.31%</b>	<b>5.42%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>Total Equity &amp;Real Estate</b>	<b>79.17%</b>	<b>72.50%</b>	<b>57.52%</b>	<b>42.50%</b>	<b>25.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
BNDS	SPDR Barclays Aggregate Bond ETF	14.33%	20.50%	31.92%	39.17%	41.13%	43.34%	10.00%	0.00%
IPE	SPDR Barclays TIPS ETF	5.00%	5.58%	8.74%	10.00%	9.18%	4.16%	0.00%	0.00%
WIP	SPDR Citi Int'l Gov't Inflation-Protected Bond ETF	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
JNK	SPDR Barclays High Yield Bond ETF	1.50%	1.42%	0.96%	0.67%	0.21%	0.00%	0.00%	0.00%
SCPB	SPDR Barclays Short Term Corporate Bond ETF	0.00%	0.00%	0.00%	1.66%	13.90%	33.74%	37.50%	40.00%
	<b>Total Fixed Income</b>	<b>20.83%</b>	<b>27.50%</b>	<b>41.62%</b>	<b>51.50%</b>	<b>64.42%</b>	<b>81.24%</b>	<b>47.50%</b>	<b>40.00%</b>
TRIXX	State Street Inst'l Treasury Money Market Fund	0.00%	0.00%	0.86%	6.00%	10.58%	18.76%	52.50%	60.00%
	<b>Total Money Market</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.86%</b>	<b>6.00%</b>	<b>10.58%</b>	<b>18.76%</b>	<b>52.50%</b>	<b>60.00%</b>
	<b>Total Portfolio</b>	<b>100.00%</b>							

(Note: Allocations will change as each dated portfolio moves closer to the then-current date)

<b>Ticker</b>	<b>Permitted Investment</b>	<b>Aggressive</b>	<b>Moderate</b>	<b>Conservative</b>
SSSYX	State Street Equity 500 Index Fund - Class K	<u>45.00%</u>	<u>25.50%</u>	<u>0.00%</u>
MDY	SPDR S&P Midcap 400 ETF	<u>5.00%</u>	<u>2.00%</u>	<u>0.00%</u>
SLY	SPDR S&P 600 Small Cap ETF	<u>5.00%</u>	<u>2.00%</u>	<u>0.00%</u>
	<b>Total US Equity</b>	<u>55.00%</u>	<u>29.50%</u>	<u>0.00%</u>
RWR	SPDR Dow Jones REIT ETF	<u>8.00%</u>	<u>5.50%</u>	<u>0.00%</u>
RWX	SPDR Dow Jones REIT International Real Estate ETF	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
	<b>Total REIT</b>	<u>8.00%</u>	<u>5.50%</u>	<u>0.00%</u>
GWL	SPDR S&P World Ex-US ETF	<u>24.00%</u>	<u>11.00%</u>	<u>0.00%</u>
GWX	SPDR S&P International Small Cap ETF	<u>1.00%</u>	<u>0.50%</u>	<u>0.00%</u>
SSKEX	State Street Emerging Markets Equity Index Fund - Class K	<u>12.00%</u>	<u>3.50%</u>	<u>0.00%</u>
EWX	SPDR S&P Emerging Markets Small Cap ETF	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
	<b>Total International &amp; EM Equity</b>	<u>37.00%</u>	<u>15.00%</u>	<u>0.00%</u>
	<b>Total Equity &amp; Real Estate</b>	<u>100.00%</u>	<u>50.00%</u>	<u>0.00%</u>

BNDS	SPDR Barclays Aggregate Bond ETF	<u>0.00%</u>	<u>35.25%</u>	<u>20.00%</u>
IPE	SPDR Barclays TIPS ETF	<u>0.00%</u>	<u>10.00%</u>	<u>0.00%</u>
WIP	SPDR Citi Int'l Gov't Inflation- Protected Bond ETF	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
JNK	SPDR Barclays High Yield Bond ETF	<u>0.00%</u>	<u>0.75%</u>	<u>0.00%</u>
SCPB	SPDR Barclays Short Term Corporate Bond ETF	<u>0.00%</u>	<u>0.00%</u>	<u>35.00%</u>
	<b>Total Fixed Income</b>	<u>0.00%</u>	<u>46.00%</u>	<u>55.00%</u>
TRIXX	State Street Inst'l Treasury Money Market Fund	<u>0.00%</u>	<u>4.00%</u>	<u>45.00%</u>
	<b>Total Cash</b>	<u>0.00%</u>	<u>4.00%</u>	<u>45.00%</u>
	<b>Total Portfolio</b>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

## STATIC PORTFOLIOS

<u>UNDERLYING INVESTMENT TICKER</u>	<u>DESIGNATED PORTFOLIOS</u>
<u>SPY</u>	<u>SPDR S&amp;P 500 ETF Portfolio</u>
<u>MDY</u>	<u>SPDR S&amp;P Midcap 400 Portfolio</u>
<u>SLY</u>	<u>SPDR S&amp;P 600 Small Cap ETF Portfolio</u>
<u>GWL</u>	<u>SPDR S&amp;P World ex-US ETF Portfolio</u>
<u>GWX</u>	<u>SPDR S&amp;P International Small Cap ETF Portfolio</u>
<u>GMM</u>	<u>SPDR S&amp;P Emerging Markets ETF Portfolio</u>
<u>EWX</u>	<u>SPDR S&amp;P Emerging Markets Small Cap ETF Portfolio</u>
<u>RWR</u>	<u>SPDR Dow Jones REIT ETF Portfolio</u>
<u>RWX</u>	<u>SPDR Dow Jones REIT International Real Estate ETF Portfolio</u>
<u>BNDS</u>	<u>SPDR Barclays Aggregate Bond ETF Portfolio</u>
<u>IPE</u>	<u>SPDR Barclays TIPS ETF Portfolio</u>
<u>WIP</u>	<u>SPDR Citi International Government-Inflation-Protected Bond ETF Portfolio</u>
<u>JNK</u>	<u>SPDR Barclays High Yield Bond ETF Portfolio</u>
<u>SCPB</u>	<u>SPDR Barclays Short Term Corporate Bond ETF Portfolio</u>
<u>BIL</u>	<u>SPDR 1-3 Month T-Bill ETF Portfolio</u>

**SCHEDULE A-1**  
**Tactical Allocation Ranges for Multi-Fund Designated Portfolios**

**College Date Portfolios**

(Note: Allocations will change as each dated portfolio moves closer to the then-current date)

<b>Ticker</b>	<b>Permitted Investment</b>	<b>College 2033</b>	<b>College 2030</b>	<b>College 2027</b>	<b>College 2024</b>	<b>College 2021</b>	<b>College 2018</b>	<b>College 2015</b>	<b>College Today</b>
SSSYX	State Street Equity 500 Index Fund - Class K	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	N/A	N/A
MDY	SPDR S&P Midcap 400	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	N/A	N/A
SLY	SPDR S&P 600 Small Cap ETF	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	N/A	N/A
GWL	SPDR S&P World ex-US ETF	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	N/A	N/A
GWX	SPDR S&P International Small Cap ETF	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	N/A	N/A
SSKEX	State Street Emerging Markets Equity Index Fund - Class K	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	N/A	N/A
EWX	SPDR S&P Emerging Markets Small Cap ETF	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	N/A	N/A
RWR	SPDR Dow Jones REIT ETF	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	N/A	N/A
RWX	SPDR Dow Jones REIT International Real Estate ETF	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	N/A	N/A
BNDS	SPDR Barclays Aggregate Bond ETF	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%
IPE	SPDR Barclays TIPS ETF	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%

WIP	SPDR Citi International Government- Inflation- Protected Bond ETF	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%
JNK	SPDR Barclays High Yield Bond ETF	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%	+/-10%
SCPB	SPDR Barclays Short Term Corporate Bond ETF	+/-15%	+/-15%	+/-15%	+/-15%	+/-15%	+/-15%	+/-15%	+/-15%
TRIXX	State Street Institutional Treasury Money Market Fund	+/-15%	+/-15%	+/-15%	+/-15%	+/-15%	+/-15%	+/-15%	+/-15%

**Asset Allocation Portfolios**

<b>Ticker</b>	<b>Permitted Investment</b>	<b>Aggressive Portfolio</b>	<b>Moderate Portfolio</b>	<b>Conservative Portfolio</b>
SSSYX	State Street Equity 500 Index Fund - Class K	+/-10%	+/-10%	N/A
MDY	SPDR S&P Midcap 400 ETF	+/-10%	+/-10%	<u>0.00%</u>
SLY	SPDR S&P 600 Small Cap ETF	+/-10%	+/-10%	<u>0.00%</u>
GWL	SPDR S&P World ex-US ETF	+/-10%	+/-10%	<u>N/A</u>
GWX	SPDR S&P International Small Cap ETF	+/-5%	+/-5%	<u>N/A</u>
SSKEX	State Street Emerging Markets Equity Index Fund - Class K	+/-10%	+/-10%	<u>N/A</u>
EWX	SPDR S&P Emerging Markets Small Cap ETF	+/-5%	+/-5%	<u>N/A</u>
RWR	SPDR Dow Jones REIT ETF	+/-5%	+/-5%	<u>N/A</u>
RWX	SPDR Dow Jones REIT International Real Estate ETF	+/-5%	+/-5%	<u>N/A</u>
BNDS	SPDR Barclays Aggregate Bond ETF	+/-10%	+/-10%	+/-10%
IPE	SPDR Barclays TIPS ETF	+/-10%	+/-10%	+/-10%
WIP	SPDR Citi International Government-Inflation-Protected Bond ETF	+/-5%	+/-5%	+/-5%
JNK	SPDR Barclays High Yield Bond ETF	+/-10%	+/-10%	+/-10%
SCPB	SPDR Barclays Short Term Corporate Bond ETF	+/-15%	+/-15%	+/-15%
TRIXX	State Street Institutional Treasury Money Market Fund	+/-15%	+/-15%	+/-15%

**SUPPLEMENT DATED AUGUST 2016 TO THE  
SSGA UPROMISE 529 PLAN  
PLAN DESCRIPTION AND PARTICIPATION AGREEMENT  
DATED MARCH 2016**

**This Supplement describes important changes affecting the SSGA Upromise 529 Plan. Unless otherwise indicated, capitalized terms have the same meaning as those in the Plan Description.**

### **Underlying Investment Change**

Effective August 31, 2016, State Street Institutional Treasury Money Market Fund (TRIXX) will replace State Street Institutional Liquid Reserves Fund (SSIXX) within each College Date Portfolio and each Risk-Based Portfolio. All references to "State Street Institutional Liquid Reserves Fund (SSIXX)" found throughout the Plan Description are replaced with State Street Institutional Treasury Money Market Fund (TRIXX), CUSIP: 857492888.

*Effective August 31, 2016 the following replaces the Portfolio Profile for the State Street Institutional Liquid Reserves Fund – Premier Class beginning on page A-29 of the Plan Description:*

### **State Street Institutional Treasury Money Market Fund – Premier Class**

This Fund is not a stand-alone investment option.

### **Investment Objective**

The investment objective of State Street Institutional Treasury Money Market Fund (the "Treasury Fund" or sometimes referred to in that context as the "Fund") is to seek a high level of current income consistent with preserving principal and liquidity and the maintenance of a stable \$1.00 per share net asset value ("NAV").

### **Principal Investment Strategies**

The Treasury Fund invests substantially all of its investable assets in the State Street Treasury Money Market Portfolio (the "Treasury Portfolio" or sometimes referred to in that context as the "Portfolio").

The Treasury Fund attempts to meet its investment objective by investing only in U.S. Treasury bills, notes and bonds (which are direct obligations of the U.S. government).

The Fund invests in accordance with regulatory requirements applicable to money market funds, which require, among other things, the Fund to invest only in short-term securities (generally, securities that have remaining maturities of 397 calendar days or less), to maintain a maximum dollar-weighted average maturity of sixty (60) days or less, and to meet requirements as to portfolio diversification and liquidity.

The Fund seeks to achieve its investment objective by investing substantially all of its investable assets in the Treasury Portfolio, which has substantially similar investment policies to the Fund. When the Fund invests in this "master-feeder" structure, the Fund's only investments are shares of the Portfolio, and it participates in the investment returns achieved by the Portfolio. Descriptions in this section of the investment activities of the "Fund" also generally describe the expected investment activities of the Portfolio.

### **Investment Risks**

The Treasury Fund principally is subject to **Debt Securities Risk, Income Risk, Large Shareholder Risk, Liquidity Risk, Low Short-Term Interest Rates, Market Risk, Master/Feeder Structure Risk, Money Market Fund Regulatory Risk, Money Market Risk, Rapid Changes in Interest Rates Risk, Stable Share Price Risk** and **U.S. Treasury Obligations Risk**.

### **Expense Ratio**

The expense ratio for the Treasury Fund is 0.12%

*Effective August 31, 2016 the following replaces the section "Risk factors associated with the State Street Institutional Liquid Reserves Fund – Premier Class" beginning on page A-43 of the Plan Description:*

### **Risk factors associated with the State Street Institutional Treasury Money Market Fund – Premier Class**

Investors can lose money by investing in the Portfolios. Prospective investors should carefully consider the risk factors described below along with the information included in the applicable prospectus and statement of additional information of the corresponding Underlying Investment and all other information included in this Plan Description before deciding to invest in the Portfolios.

**Debt Securities Risk:** The values of debt securities may increase or decrease as a result of the following: market fluctuations, increases in interest rates, actual or perceived inability or unwillingness of issuers, guarantors or liquidity providers to make scheduled principal or interest payments or illiquidity in debt securities markets; the risk of low rates of return due to reinvestment of securities during periods of falling interest rates or repayment by issuers with higher coupon or interest rates; and/or the risk of low income due to falling interest rates. To the extent that interest rates rise, certain underlying obligations may be paid off substantially slower than originally anticipated and the value of those securities may fall sharply. The U.S. is experiencing historically low interest rate levels. However, economic recovery and the tapering of the Federal Reserve Board's quantitative easing program increase the likelihood that interest rates will rise in the future. A rising interest rate environment may cause the value of the Fund's fixed income securities to decrease, an adverse impact on the liquidity of the Fund's fixed income securities, and increased volatility of the fixed income markets. If the principal on a debt obligation is prepaid before expected, the prepayments of principal may have to be reinvested in obligations paying interest at lower rates. During periods of falling interest rates, the income received by the Fund may decline. Changes in interest rates will likely have a greater effect on the values of debt securities of longer durations. Returns on investments in debt securities could trail the returns on other investment options, including investments in equity securities.

**Income Risk:** The Fund's income may decline due to falling interest rates or other factors. Issuers of securities held by the Fund may call or redeem the securities during periods of falling interest rates, and the Fund would likely be required to reinvest in securities paying lower interest rates. If an obligation held by the Fund is prepaid, the Fund may have to reinvest the prepayment in other obligations paying income at lower rates.

**Large Shareholder Risk:** To the extent a large proportion of the interests of the Portfolio are held by a small number of investors (or a single investor), including funds or accounts over which the Adviser has investment discretion, the Portfolio is subject to the risk that these investors will purchase or redeem Portfolio interests in large amounts rapidly or unexpectedly, including as a result of an asset allocation decision made by the Adviser. These transactions could adversely affect the ability of the Portfolio to conduct its investment program.

**Liquidity Risk:** Lack of a ready market or restrictions on resale may limit the ability of the Fund to sell a security at an advantageous time or price or at all. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. Illiquidity of the Fund's holdings may limit the ability of the Fund to obtain cash to meet redemptions on a timely basis. In addition, the Fund, due to limitations on investments in any illiquid securities and/or the difficulty in purchasing and selling such investments, may be unable to achieve its desired level of exposure to a certain market or sector.

**Low Short-Term Interest Rates:** At the date of this Prospectus, short-term interest rates are at historically low levels, and so the Fund's yield is very low. It is possible that the Fund will generate an insufficient amount of income to pay its expenses, and that it will not be able to pay a daily dividend and may have a negative yield (i.e., it may lose money on an operating basis). It is possible that the Fund will maintain a substantial portion of its assets in cash, on which it would earn little, if any, income.

**Market Risk:** The Fund's investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

**Master/Feeder Structure Risk:** The Fund pursues its objective by investing substantially all of its assets in another pooled investment vehicle (a "master fund"). The ability of the Fund to meet its investment objective is directly related to the ability of the master fund to meet its investment objective. The Adviser serves as investment adviser to the master fund, leading to potential conflicts of interest. The Fund will bear its pro rata portion of the expenses incurred by the master fund. Substantial redemptions by other investors in a master fund may affect the master fund's investment program adversely and limit the ability of the master fund to achieve its objective.

**Money Market Fund Regulatory Risk:** In July 2014, the U.S. Securities and Exchange Commission ("SEC") adopted regulatory changes that will affect the structure and operation of money market funds. The revised regulations impose new liquidity requirements on money market funds, permit (and in some cases require) money market funds to impose "liquidity fees" on redemptions, and permit money market funds to impose "gates" restricting redemptions from the funds. Institutional money market funds will be required to have a floating NAV. (U.S. government money market funds are exempt from a number of the new regulations.) There are a number of other changes under the revised regulations that relate to diversification, disclosure, reporting and stress testing requirements. These changes and other proposed amendments to the regulations governing money market funds could significantly affect the money market fund industry generally and the operation or performance of the Fund specifically and may have significant adverse effects on a money market fund's investment return and on the liquidity of investments in money market funds.

**Money Market Risk:** An investment in a money market fund is not a deposit of any bank and is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund generally seeks to preserve the value of its shares at \$1.00 per share, there can be no assurance that it will do so, and it is possible to lose money by investing in a money market fund. A major or unexpected increase in interest rates or a decline in the credit quality of an issuer or entity providing credit support, an inactive trading market for money market instruments, or adverse market, economic, industry, political, regulatory, geopolitical, and other conditions could cause a money market fund's share price to fall below \$1.00. Recent changes in the regulation of money market funds may affect the operations and structures of such funds.

**Rapid Changes in Interest Rates Risk:** Rapid changes in interest rates may cause significant requests to redeem Fund Shares, and possibly cause the Fund to sell portfolio securities at a loss to satisfy those requests.

**Stable Share Price Risk:** If the market value of one or more of the Fund's investments changes substantially, the Fund may not be able to maintain a stable share price of \$1.00. This risk typically is higher during periods of rapidly changing interest rates or when issuer credit quality generally is falling, and is made worse when the Fund experiences significant redemption requests.

**U.S. Treasury Obligations Risk:** Treasury obligations may differ from other fixed income securities in their interest rates, maturities, times of issuance and other characteristics. Similar to other issuers, changes to the financial condition or credit rating of the United States may cause the value of its Treasury obligations to decline.

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 8**  
**July 14, 2016**

**Item: Consent to an agreement between Ascensus College Savings and VistaShare for data management service associated with the Nevada College Kick Start Program**

**Recommendation:**

**That the Board review and approve the request by Ascensus to engage VistaShare as a third party contractor to perform data management for the Nevada College Kick Start program, and/or direct staff.**

Fiscal:  
None by this action.

Summary:  
Section 2.2 of the Direct Program Management Agreement among Upromise and the Board of Trustees of the College Savings Plans of Nevada states that Ascensus may delegate certain services to a third party with the Board's prior written consent.

Ascensus wishes to engage VistaShare to manage data for the Nevada College Kick Start Program. In accordance with a contractual requirement that the State approve subcontractors, Ascensus is requesting the Board's permission to enter into a contract with VistaShare.

Sue Serewicz with Ascensus will be available to answer questions.

## Nevada College Kick Start

This document summarizes certain provisions of the License Agreement (“Agreement”) by and between Ascensus College Savings Recordkeeping Services, LLC and its affiliates (“ACSR”), and VistaShare, LLC (“VistaShare” or “VS”) as requested by the State of Nevada. This document is organized in the following two parts:

I. Background – This part provides an overview of the Agreement.

II. Summaries – This part contains a table of the specific topics requested by the State of Nevada (in the left column) and plain language summaries of the relevant Agreement terms pertaining to such topics (in the right column).

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### I. BACKGROUND:

This Agreement grants ACSR a license to VistaShare’s client management system (the “Outcome Tracker” or “Subscription Service”) that ACSR will sublicense to the Office of Nevada State Treasurer (the “State” or “Authorized Entity”) for the State to utilize this proprietary functionality to further its desire to promote education by continuing to create or maintain scholarship programs that award funds for the benefit of eligible recipients (each, an “Eligible Recipient”), and to encourage parents to save for their children’s college education (the “Program”). Under this arrangement, the State, through its authorized representatives (the “Administrative Users”) will be able to utilize Outcome Tracker to administer, report, and track the awarded funds to Eligible Recipients, and such Eligible Recipients or their parents (each, a “User”) will be able to log-in to Outcome Tracker to view their awarded funds. State’s monetary contributions to a scholarship 529 Account(s) (the “Omnibus Account(s)”) will be allocated amongst Eligible Recipients in accordance with State’s instructions, the Program rules, and all applicable terms, conditions, and policies between the State and the 529 Plan.

The Agreement is scheduled to be executed by the parties in July of 2016.

### II. SUMMARIES:

	Topic:	Summary
1	Initial Duration of the Program:	ACSR through VS will provide the Authorized Entity with rights to Outcome Tracker functionality (i.e., a license) for the initial period of 5 years (through October of 2021). Thereafter, the term shall automatically renew for additional periods of 1 year each (or longer upon parties prior written agreement), unless either VS or ACSR notifies the other party of non-renewal at least 90 days prior to the end of the then-current term.
2	Contract Modification:	This Agreement may be modified by parties’ mutual written Agreement. Additionally, VS will perform the services set forth in the Program Schedule and/or the BRD (which sets forth specifics of the Program in accordance with State’s requirements); such document may be modified upon parties’ written agreement by means of an amendment or a statement of work.
3	Termination:	Either ACSR or VS may terminate for material breach of the other party that goes uncured for longer than 30 days, or for bankruptcy or other proceeding seeking rehabilitation whether voluntary or not that remain undismissed for 60 days.  Also, this Agreement may be terminated if State elects to terminate or discontinue this Program or a 529 Plan as it applies to this Agreement, or if ACSR is removed as the program manager. In the event of termination, transition services will follow, as described below.

4	Transition:	<p>Upon termination of this Agreement for any reason, VS and ACSR agree to cooperate to effectuate an orderly transition of the relevant portions of respective duties and responsibilities. The parties at no additional cost for up to 1 year will work together (in accordance with State's requests) to transfer the necessary documentation, records, data, files, or any other information (e.g., access to staff) pertinent to performing the work which VS will be ceasing to perform that ACSR may reasonably determine necessary and appropriate in order for it to maintain VS' functionality.</p> <p>Also, VS agreed to take all steps necessary to facilitate the orderly transfer of all files, data, information and assets of or relating to the CDAs in a reasonable and storable electronic form within a medium mutually agreed upon by the parties.</p>
5	Confidentiality & Security:	<p>The Agreement contains a comprehensive confidentiality provision. It provides for requirements applicable to the handing of customer information which lists the GLBA Requirements (e.g., Federal Trade Commission's Privacy of Consumer Financial Information; Final Rule (16 CFR 313), the Joint Banking Agencies' Privacy of Consumer Financial Information: Final Rule (12 CFR Parts 40, 216, 332 and 573) (Regulation P), or the Securities and Exchange Commission's Regulation S-P (17 CFR 248) (Regulation S-P), and Title V of the Gramm-Leach-Bliley Act, Public Law 106-102).</p> <p>This section further sets forth Information Security Program Requirements which at minimum require the parties to protect against (i) any anticipated threats or hazards to the security or integrity of such confidential information; (ii) unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer; and (iii) ensure customer information is properly disposed of. Plus there are security requirements.</p>
6	Ownership of Data:	<p>ACSR and VS agree that each owns and retains title, patent, trade secret, trademark, copyright and other proprietary rights in its respective products and services. Additionally, parties agree that State and its customers owns all rights, title and interest in all electronic data or information with respect to that Program, Omnibus Account(s), eligible recipients, and all data and/or information inputted by State's users in Outcome Tracker.</p>
7	Warranties:	<p>The parties agree to general standard warranties regarding authority and competence of respective personnel. VS warrants that it has proper rights to license this product and each party warrants that it has the right to share the data and access respective systems pursuant to this Agreement. Additionally neither party shall perform services under the Agreement outside of the US.</p>
8	Indemnification:	<p>ACSR and VS agrees to indemnify each other against any and all losses, liabilities, claims, obligations, costs and expenses, which result from or arise in connection with any breach by the indemnifying party of any of its obligations or warranties, which includes any breach or omissions by it or its employees, contractors, subcontractors, agents and assignees as set forth herein.</p>
9	Limitation of Liability:	<p>ACSR and VS agree to cap each party's aggregate liability for direct damages to the amount of insurance proceeds or, if there are no insurance proceeds, \$200,000. This limit does not apply to breaches of confidentiality, gross negligence, or willful misconduct, all of which remain uncapped. Consequential, indirect, special, punitive, and incidental damages are excluded.</p>
10	Audit & Retention of Records:	<p>ACSR and VS agree that each has the right to examine and audit any pertinent books, documents, papers, financial statements, processes, records, and transactions, whether electronic or otherwise (collectively, "Records") of the other party no more than once per year during the term of the Agreement and for two years thereafter. Furthermore, each party agreed to keep those records in accordance with the terms of this Agreement and applicable law, and further to implement record retention policies to ensure that records can be promptly provided upon request of a party.</p>

**CONSENT OF BOARD OF TRUSTEES**

VistaShare License Agreement

**Consent of State of Nevada  
Board of Trustees of the College Savings Plans of Nevada**

The State of Nevada Board of Trustees of the College Savings Plans of Nevada, acting by and through its Administrator, the State Treasurer of the State of Nevada (“State”), hereby consents, to the procurement by Ascensus College Savings Recordkeeping Services, LLC, the recordkeeper for the SSGA Upromise 529 Plan, the Vanguard 529 College Savings Plan, the USAA 529 College Savings Plan, and the Wealthfront 529 College Savings Plan (collectively, the “Plans”), of a license to access VistaShare, LLC’s client management system to enable the State’s use of this proprietary functionality to administer scholarship programs or similar child development accounts for the Plans.

Dated: July 14, 2016

THE BOARD OF TRUSTEES OF THE COLLEGE  
SAVINGS PLANS OF NEVADA

By: \_\_\_\_\_  
Chair of the Board  
State Treasurer

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 9**  
**July 14, 2016**

**Item: Nevada Women's Money Conference Report**

**Recommendation:**

**That the Board receive a report on the 5th Annual Nevada Women's Money Conferences held in January, April, and May 2016 in Carson City, Las Vegas and Reno.**

Fiscal Impact:  
None.

Summary:

The highly successful annual Nevada Women's Money Conferences were held in January (Rural), April (Las Vegas) and May (Reno) 2016, using funding from the annual \$175,000 financial literacy commitment provided by the endowment account. In addition, the Nevada Latina Conference in Las Vegas was held in April, and the added North Latina Conference in Reno will be held August 13, 2016.

Annual funding for financial literacy was first approved by the Board in April 2010, July 2012, and July 2014 as part of the long term College Savings outreach and education revenue expenditure plan. The State Treasurer's Office & Nevada College Savings Board has partnered with the IAWM and has been the presenting sponsor for five years in a row.

Gina Robison-Billups, CEO of the International Association of Working Mothers, will present a report on the 2016 conferences, the mentoring program, and plans going forward for the 2016 Latina conference in Reno. She will be available to answer any questions.



**2016  
Women's Money®  
Conference  
College Savings  
Report**



**Women's Money**

A New Vision for Women and Money

[www.womensmoney.org](http://www.womensmoney.org)

# College Savings Report 2016

## Never Done Before

Women's Money® Conference 2016 offered a new, never been done before, option to support college savings plan enrollments in a more engaging, results-driven way.

At the time of attendee registration, attendees were asked if they would like to book a college savings strategy meeting. Those that responded yes, were sent an email from the Treasurer's office, offering times to book an appointment for the day of the conference.

Women's Money staff set up an online appointment booking system for the NSOT which featured email and text reminders to the appointment holder.



### Las Vegas Conference

- **22.8%** (137) of the **600** registrations requested a college savings strategy meeting on their conference registration form.

### Reno Conference

- **19.44%** (90) of the **463** registrations requested a college savings strategy meeting on their conference registration form.

# College Savings Report 2016

## Moving the Needle



### *THEN - Interest*

**2012**

**4%** indicated that college/career related savings issues were a financial challenge.

There were no appointments made or on-site enrollments.

**2015**

**10%** indicated that college/career related savings issues were a financial challenge.

There were no appointments made or on-site enrollments.

### *NOW - Action!*

**2016**

★ **21%** (227 registrants) wanted a college savings appointment.

★ **15%** of those that wanted an appointment) booked appointment online PRIOR to conference.

★ **286** leads slips were signed requesting more information about Nevada college savings plans.

# College Savings Report 2016

## The College Savings Meeting Space

At the Women's Money Conference Resource Pavilion, the NSOT was set up with what we call, an Experience Space. These spaces feature meeting areas for the exhibitor to hold private meetings with attendees to engage in a more relevant and intimate way in order to **convert leads into clients right at the conference.**



# College Savings Report 2016

## Messaging Strategies at the Conference

- Online college savings appointment bookings.
- Experience space in pavilion.
- Logos on all invitations, registration, tickets, and website.
- Lisa Connor, SSgA was the conference emcee.
- Sheila Salehian, spoke for 20 minutes on college savings tools and opportunities.
- Nevada State Treasurer Dan Schwartz, greeted the audience and spoke about college savings.
- Sheila Salehian, sat on the Investing panel to discuss college savings as an investment strategy.
- Engagement in national Women's Money Week with article written by Sheila Salehian.





Find out more about  
Women's Money®  
Conference results at

[WomensMoney.org/reports](https://WomensMoney.org/reports)



# Rural

Women's Money® Conference

Carson City, NV

January 23, 2016

## 2016 REPORT



**Women's Money**

A New Vision for Women and Money

[www.womensmoney.org](http://www.womensmoney.org)



# RURAL Women's Money® Workshop - January 23, 2016



## Reach Summary

- **4** Total Partners
- **284** Registered to Attend >> 200 of those were Waitlisted
- **78** Total Attendees
- **58** Completed Exit Survey
- **651** Reached on Facebook via posts
- **6** Counties Served: Douglas, Churchill, Carson City, Washoe, Lyon, Mineral
- **Significant and Measurable** increases in financial knowledge and confidence (see pages 9 and 10)

## Sponsors



## Testimonials

*I am attending the monthly mentoring class ONE. This was very beneficial to me and I enjoyed it. It gave me the boost I needed to keep going.*

Loved the conference.  
The interaction and workshops was very enlightening. Thank you

*I always come away from these conferences and workshops with SOMETHING that I can use and adapt to my own situation. Being in the same room with other women who are experiencing the same type of challenges and sharing ideas and strategies is very empowering, and even though the challenges are still there, I don't feel quite so alone.*

# RURAL Women's Money® Workshop - January 23, 2016

## Women's Money Summary

Women's Money®, founded in Nevada by Gina Robison-Billups in 2011, offers a proprietary and systematic financial education system that helps to reduce the Communication, Confidence, Trust, and Action Gaps that are significant barriers for women who want to improve their financial well-being. Since women are the social influencers that build the fabric of society and future generations, women have the ability to teach and influence healthier financial habits in their families and communities from which generations can build on. Women's Money® has been featured in the New York Times, Forbes, Wall Street Journal, and Woman's World magazine, and is the only financial education program of its kind in the nation.



## Mission and Vision

**Our Mission:** Increasing financial resiliency, and social and economic justice for women and girls.



# RURAL Women's Money® Workshop - January 23, 2016



## Why is Women's Money Needed?

- **84% of women** say they are not understanding or receiving information from financial and investment institutions.
- Currently, **1 in 3 women** lives in or on the brink of poverty.
- **90% of women** say they are completely or mostly unprepared for retirement .
- As a result, **3 out of 5 women** in the U.S. will retire in poverty.

## It's NOT just the Wage Gap

Many advocates site the wage gap as a solution to this issue. However, our own experience suggests that women are not receiving the financial messages they need, and thus an increase in pay alone will result in families living the same poverty lifestyle at a higher income level. 89% of financial decision-making are attributed to women, and they are **making financial decisions without a compass**. We've identified five gaps with women and money management: **Communication Gap, Confidence Gap, Trust Gap, Action Gap, and Wage Gap**. Women's Money® has developed methods to reduce these gaps and help women achieve measurable financial results.

# RURAL Women's Money® Workshop - January 23, 2016



## Speakers

Conference Speakers:



**Tara Villalobos**

Assistant Director,  
Women's Money



**Sheila A.  
Salehian**

Deputy Treasurer  
Nevada State  
Treasurer's Office



**Julie Macc**

Credit & Identity Theft  
Specialist and Legal  
Consultant



**Audrey Brooks-  
Scott**

Award Winning Mentor,  
Women's Money



**Eugenia Jarrett**

Mentoring Director,  
Women's Money



**Gina Robison-  
Billups**

CEO / Founder,  
Women's Money



**Bill Brewer**

Deputy Director,  
Nevada Rural Housing  
Authority



**Christine H.  
Parman**

Financial Services  
Professional New York  
Life Insurance Company  
Agent

# RURAL Women's Money® Workshop - January 23, 2016



## Agenda

- **Gina Robison-Billups**, Women's Money Founder
- Welcome from **Nevada State Treasurer Dan Schwartz**
- Getting To Know Each Other
- Take your "Financial Selfie"
- **Your Mind and Your Money:** How to Manage Your Money Instead of Your Money Managing You & **Action Session**
- **Budgeting:** How to Make More of the Money you Make and Find More Money & **Action Session**
- Lunch Service
- **Credit:** The Secret to Achieving Your Dreams & **Action Session**
- **Debt and Savings:** How to end the debt cycle and save ahead for the things that create debt. & **Action Session**
- **Planning for Your Future:** Creating Security and Stability
- SPECIAL SECTION - Make an Appointment - Credit Powerline (pilot)

# RURAL Women's Money® Workshop - January 23, 2016



## Life Level Profile

- **Jobs:**

- **54%** Employed for Wages

- **Extra Job:**

- **11%** have an extra job;
- **29%** have a side business for extra income.

- **Household Income:**

- **61%** Under \$45,000

- **Priorities:**

- **66%** are caregiving for others in their homes
- port **taking care of children, spouse, or adult dependents in their household.**

- **Ethnicity:**

- **68%** Caucasian
- **32%** non-Caucasian

- **Marital Status:**

- **36%** single;
- **34%** married;
- **30%** other

- **Age:**

- **52%** are 34-55;
- **32%** are over 55;
- **15%** are under 34

# RURAL Women's Money® Workshop - January 23, 2016



## Financial Profile

### Budgeting and Spending Habits

- **51%** of attendees have a budget.
- **80%** of attendees indicated they were already aware of their spending habits.

### Emergency and College Savings

- **52%** of attendees have a savings in place.
- **45%** of attendees were aware of College Savings plans offered by the Nevada State Treasurer's office.

### Credit Scores

- **25%** did not (a) know their score, (b) didn't want to share, or (c) unable to obtain a credit score.
- **15%** had credit score UNDER 550
- **36%** had credit scores between 550-650
- **15%** had credit scores between 650-750
- **9%** had a credit score of 750 or greater.

# RURAL Women's Money® Workshop - January 23, 2016



## Knowledge and Confidence Prior to Conference

### Financial Knowledge Prior to Workshop

- **14%** None to Little
- **63%** Average
- **17%** Above Average
- **5%** Advanced/Excellent

### Financial Confidence Prior to Workshop

- **42%** None to Very Little
- **34%** Average
- **24%** Above Average to Excellent

Self assessments



## Immediate Outcomes

Survey conducted immediately after conference

### Financial Knowledge Now

Significant increases in the self-rating of of their own financial knowledge and capabilities:

- **0%** None to Little
- **14%** Average
- **65%** Above Average
- **22%** Advanced/Excellent

### Actions

Motivated to take action:

- **47%** plan to review their current budget.
- **58%** plan to create a college savings in their future.

### Experience

- **35%** Rated the workshop as a Valuable experience.
- **65%** Rated the workshop as an Extremely Valuable experience.

# RURAL Women's Money® Workshop - January 23, 2016

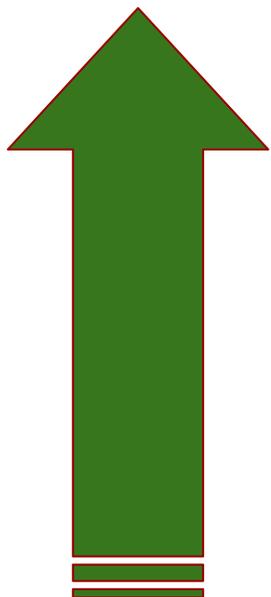
## 30 Day Results



Survey of attendees 30 days after workshop.

### Since the conference...

- **65%** revised their current budget
- **12%** created a budget
- **55%** made spending adjustments
- **39%** started tracking their spending
- **42%** increased their savings
- **16%** started savings
- **27%** made a plan to manage debt better
- **21%** paid off one or more debts
- **18%** put more money towards debts
- **42%** repaired some credit problems
- **11%** actually increased their credit score



2016  
Women's Money.<sup>®</sup>  
Conference

Las Vegas, NV

#WMConLV

# Women's Money® Conference Las Vegas #WMConLV



## Attendance Summary

Women's Money® Conference 2016 in Las Vegas was an outstanding success, and sold out at 600 registrations having over 400 attendees. This was the first year that the Spanish language conference (Mujeres y Dinero) was hosted simultaneously pushing the **total registration to a fully sold out 800 with 540 attendance.**

### Women's Money Conference:

**600** registrations, **425** attendance

### Mujeres y Dinero Conference:

**200** registrations, **115** attendance

### Overall Conference Experience

- **93%** rated the conference experience as *Valuable to Excellent*

## Exhibitors

Also **selling out** was exhibitor space with 32 spaces sold to organizations providing information and resources on savings, lending, health and wellness, legal services and more. Several exhibitors provided bi-lingual staff.

## THANK YOU to Our Sponsors



# Women's Money® Conference Las Vegas #WMCOnLV



## Women's Money Summary

Women's Money, founded in Nevada by Gina Robison-Billups in 2011, offers a proprietary and systematic financial education system that helps to reduce the Communication, Confidence, Trust, and Action Gaps that are significant barriers for women who want to improve their financial well-being. Since women are the social influencers that build the fabric of society and future generations, women have the ability to teach and influence healthier financial habits in their families and communities from which generations can build on. Women's Money has been featured in the New York Times, Forbes, Walls Street Journal, and Woman's World magazine, and is the only financial education program of its kind in the nation.

## Mission and Vision

**Our Mission:** Increasing financial resiliency, and social and economic justice for women and girls.



## Why is Women's Money Needed?

- **84% of women** say they are not understanding or receiving information from financial and investment institutions.
- Currently, **1 in 3 women** lives in or on the brink of poverty.
- **90% of women** say they are completely or mostly unprepared for retirement .
- As a result, **3 out of 5 women** in the U.S. will retire in poverty.

## It's NOT just the Wage Gap

Many advocates site the wage gap as a solution to this issue. However, our own experience suggests that women are not receiving the financial messages they need, and thus an increase in pay alone will result in families living the same poverty lifestyle at a higher income level. 89% of financial decision-making are attributed to women, and they are **making financial decisions without a compass**. We've identified five gaps with women and money management: **Communication Gap, Confidence Gap, Trust Gap, Action Gap, and Wage Gap**. Women's Money® has developed methods to reduce these gaps and help women achieve measurable financial results.

# Women's Money® Conference Las Vegas #WMCOnLV



## Life Level Profile

- **70%** are women of color.
- **96%** are ages 23- 55+.
- **62%** have report less than \$54,000 in annual household income..
- **62%** report taking care of children, spouse, or adult dependents in their household.



## Financial Profile

- **22%** have **NO savings**.
  - Of those that save, the average amount saved monthly is **\$121.00**.
- **22%** **DO NOT KNOW** their **credit score**.
  - **44%** report a credit score UNDER 650
- **97%** reported being **in debt**.
  - 4.5% carry **PAY DAY LOANS** totalling \$278,544 averaging \$4285 per debtholder.
  - 25% carry **CREDIT CARD**, and was the HIGHEST percentage of debt reported. The debt totaled \$2,705,413 averaging \$7,684 per debtholder.
  - 17% carry **STUDENT LOAN** debt totalling \$4,285,900 averaging \$18,007 per person with \$250,000 as the highest reported student loan debt.



## Knowledge and Confidence Prior to Conference

### Financial Knowledge Prior to Workshop

- **31%** None to Little
- **48%** Average
- **19%** Above Average
- **2%** Advanced/Excellent

### Financial Confidence Prior to Workshop

- **33%** None to Very Little
- **39%** Average
- **23%** Above Average
- **4%** Excellent



## Immediate Outcomes

Survey conducted immediately after conference. Overall financial knowledge and confidence **increased by approximately 150%** in one day.

### Financial Knowledge Now

Significant increases in the self-rating of their own financial knowledge.

- **8%** None to Little
- **34%** Average
- **48%** Above Average
- **10%** Advanced/Excellent

### Financial Confidence Now

Significant increases in the self-rating of their own financial confidence.

- **8%** None to Little
- **31%** Average
- **47%** Above Average
- **14%** Advanced/Excellent

### Actions

Motivated to take action:

- **83%** say they now have the tools to create/revise their budget.
- **58%** plan to create a college savings in their future.

# Women's Money® Conference Las Vegas #WMConLV



## Speakers



Dan Schwartz



Gina Robison-Billups



Tara Villalobos



Yomi Abiola



Jackie Beck



Mary Beth Storjohann CFP



Jerrie E. Merritt



Jessica Castillo



Lisa Connor



Sheila A. Salehian



Melanie Evans



Amanda McKee



Brenda Meads

13  
Speakers

6 National & Local  
Personal Finance Experts

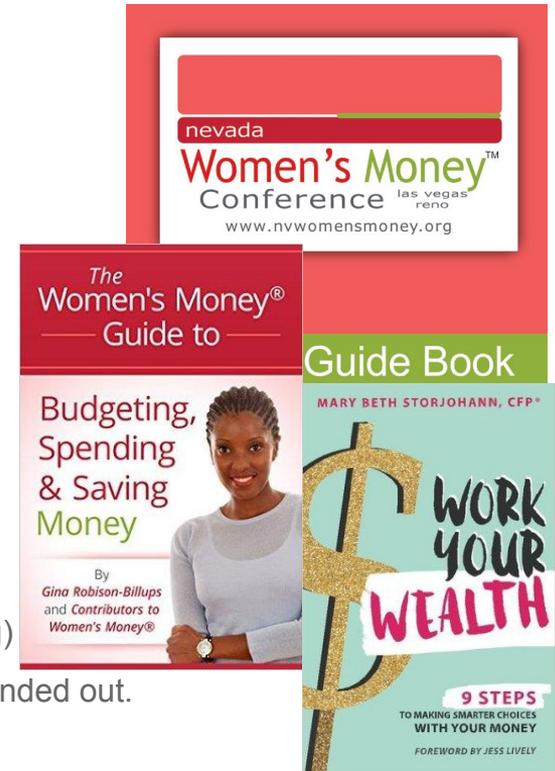
4 Nationally Recognized  
Speakers

# Women's Money® Conference Las Vegas #WMConLV



## Agenda

- **Welcome, emcee Lisa Connor, SSga Acensus**
- Welcome from Presenting Sponsor **Nevada State Treasurer Dan Schwartz**
- Getting To Know Each Other
- Spending Game with Tara Villalobos
- **Discover Your Real Power:** (Emotions and Money)
- **Real Ways to Get More of the Money You Make** (Budgeting and Spending)
- **Real Tools to Achieving Your Dreams** (Credit)
- Lunch Service
- Presenting Sponsor Message (College Savings)
- **Real Women. Real Life. Real Strategies** (Debt and Savings)
- **Wealth Building that Really Works** (Investing/ College Savings/ Home Buying)
- Giveaways and Two free books (in addition to Women's Money Guidebook) handed out.



# Women's Money® Conference Las Vegas #WMConLV



## Testimonials

*I am 22 years old and I feel like I entered a new world of adulthood. I have a lot more questions because all of this information is new [to me]. I want more information to begin adulthood right, and the guidebook seems helpful.*

*Great speakers.  
Comfortable environment.  
The day went fast! Thank you!*

*Wonderful conference. Thank you for this opportunity. Great information.*

*Awesome Info!  
Awesome Day!*

*Many thanks!*

*My financial strategy has been to be debt free and live frugally. Now, I have money, and I don't know where to put it. I will join the 9 month mentor group.*

*I loved the conference. Thank you so much!*

*As a 26 year old, this really helped me feel comfortable moving forward home buying, savings, debt payments, etc. Thank you!*

# Women's Money® Conference Las Vegas #WMConLV



## Social Media

		2016	2015	2014	2013	2012
Twitter performance @WomensMoney Source: Tweetreach and Twitter Analytics	Impressions Reach Retweets Mentions Contributors	145,174 25,341 32 59 20	58,898 16,299 -- 110 34	625,251 93,420 -- 800 90	269,183 -- -- -- --	155,034 -- -- -- --
Hashtag performance #WMConLV (Previously used #WomensMoney in years 2012-2015) Source: Tweetreach	Impressions Reach Retweets Mentions Contributors	166,436 20,109 19 29 13	58,898 16,299 -- -- --	508,213 51,477 263 403 45	-- -- -- -- --	-- -- -- -- --
Facebook performance @WomensMoneyConference Source: Facebook	Reach Engagement	43,307 2,015	1734 --	160,525 762	459,584 267	164,229 22

# Women's Money® Conference Las Vegas #WMCOnLV



## Website Traffic Overview

**14,579** avg  
2,082  
Visits

**28,188** avg  
4,026  
Page Views

**12,249** avg  
1,749  
Audience Size

	Visits	Page Views	Audience Size
May	1,760	2,697	1,576
April	5,409	9,432	4,558
March	4,293	8,063	3,553
February	1,224	3,426	945
January	1,491	3,349	1,280

# Women's Money® Conference Las Vegas #WMConLV



## Planning #WMConLV - 2017

- Scheduled date: April 1, 2017.
- Scheduled location: Texas Station.
- Exhibit and sponsorship reservations will open June 30, 2016.
- The format will be as proposed for the 2016 conference. More interactive and workshop in style.
- National Women's Money Week in January will give publicity to conferences as well as prime a national audience to take 90 days of action steps to prepare for the Las Vegas conference.
- More emphasis on social media and technology, and we will seek partnerships with social media experts as we did in 2013 and 2014.
- Leverage partnerships with #WMWeek17 contributors to cover conference.
- More emphasis will be given to audience engagement throughout a 90-day pre-conference programming as well as more engagement and interaction during the conference.

2016

Reno, NV

Women's Money<sup>®</sup> Conference

#WMConReno

# Women's Money® Conference Reno #WMConReno



## Attendance Summary

Women's Money® Conference 2016 in Reno, NV was an outstanding success, and sold out at 463 registrations having over 257 attendees.

### Women's Money Conference:

**463** registrations

**257** attendance

### Overall Conference Experience

- **81%** rated the conference experience as *Valuable to Excellent*

## Exhibitors

Also **selling out** was exhibitor space with 16 spaces sold to organizations providing information and resources on savings, lending, health and wellness, legal services and more. Several exhibitors provided bi-lingual staff.

## THANK YOU to Our Sponsors



# Women's Money® Conference Reno #WMConReno

## Women's Money Summary

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## Mission and Vision

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# Women's Money® Conference Reno #WMConReno



## Why is Women's Money Needed?

- **84% of women** say they are not understanding or receiving information from financial and investment institutions.
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- **90% of women** say they are completely or mostly unprepared for retirement .
- As a result, **3 out of 5 women** in the U.S. will retire in poverty.

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# Women's Money® Conference Reno #WMConReno



## Life Level Profile

- **32%** are women of color.
- **74%** are ages 23- 54.
- **56%** have report less than \$54,000 in annual household income..
- **84%** report taking care of children, spouse, or adult dependents in their household.



# Women's Money® Conference Reno #WMConReno



## Financial Profile

- **17%** have **NO savings**.
  - Of those that save, the average amount saved monthly is **\$121.00**.
- **27%** **DO NOT KNOW** their **credit score**.
  - **44%** report a credit score UNDER 650
- **97%** reported being **in debt**.
  - 3% carry **PAY DAY LOANS** totalling \$72,200 with \$16,500 reported as the highest amount owed.
  - 26% carry **CREDIT CARD**, and was the **HIGHEST** percentage of debt reported (above mortgage). The debt totaled \$2,637,912 averaging \$9,421 per debtholder. 16% have credit debt between \$20,000 to \$65,000.
  - 12% carry **STUDENT LOAN** debt totalling \$4,677,800 averaging \$35,438 per person with \$240,000 as the highest reported student loan debt.



# Women's Money® Conference Reno #WMConReno



## Knowledge and Confidence Prior to Conference

### Financial Knowledge Prior to Workshop

- **29%** None to Little
- **50%** Average
- **19%** Above Average
- **2%** Advanced/Excellent

### Financial Confidence Prior to Workshop

- **38%** None to Very Little
- **37%** Average
- **20%** Above Average
- **5%** Excellent



# Women's Money® Conference Reno #WMConReno



## Immediate Outcomes

Survey conducted immediately after conference. Overall financial knowledge and confidence **increased by approximately 150%** in one day.

### Financial Knowledge Now

Significant increases in the self-rating of their own financial knowledge.

- **6%** None to Little
- **33%** Average
- **54%** Above Average
- **7%** Advanced/Excellent

### Financial Confidence Now

Significant increases in the self-rating of their own financial confidence.

- **8%** None to Little
- **41%** Average
- **44%** Above Average
- **6%** Advanced/Excellent

### Actions

Motivated to take action:

- **89%** say they now have the tools to **create/revise their budget.**
- **54%** feel empowered to **increase their credit score** on their own.

# Women's Money® Conference Reno #WMConReno



## Speakers



Dan Schwartz



Gina Robison-Billups



Tara Villalobos



Yomi Abiola



Jackie Beck



Mary Beth Storjohann CFP



Jerrie E. Merritt



Jessica Castillo



Lisa Connor



Sheila A. Salehian



Melanie Evans



Amanda McKee



Brenda Meads

13  
Speakers

6 National & Local  
Personal Finance Experts

3 Nationally Recognized  
Speakers

# Women's Money® Conference Reno #WMConReno

## Agenda

- **Welcome, emcee Lisa Connor, SSga Acensus**
- Welcome from Presenting Sponsor **Nevada State Treasurer Dan Schwartz**
- Getting To Know Each Other
- Spending Game with Tara Villalobos
- **Discover Your Real Power:** (Emotions and Money)
- **Real Ways to Get More of the Money You Make** (Budgeting and Spending)
- **Real Tools to Achieving Your Dreams** (Credit)
- Lunch Service
- Presenting Sponsor Message (College Savings)
- **Real Women. Real Life. Real Strategies** (Debt and Savings)
- **Wealth Building that Really Works** (Investing/ College Savings/ Home Buying)
- Giveaways and Two free books (in addition to Women's Money Guidebook) handed out.

Women's Money

A New Vision for Women and Money

www.womensmoney.org

nevada

Women's Money™  
Conference las vegas reno  
www.nvwomensmoney.org

The Women's Money®  
Guide to

Budgeting,  
Spending  
& Saving  
Money

By  
Gina Robison-Billups  
and Contributors to  
Women's Money®



Guide Book

MARY BETH STORJOHANN, CFP®

WORK  
YOUR  
WEALTH

9 STEPS  
TO MAKING SMARTER CHOICES  
WITH YOUR MONEY  
FOREWORD BY JESS LIVELY

# Women's Money® Conference Reno #WMConReno



## Testimonials

*Great speakers.  
Candy/Money  
[Spending] Game  
was eye opening.*

*Thanks for the  
resources and  
financial  
information!!*

*Incredible conference and great speakers. I was very impressed with the entire conference. What a huge benefit to women. I am a first time attendee and plan on attending again. Thank you so much for the opportunity to attend.*

*The conference  
was awesome!*

*Second conference  
and still learning!*

*Thank you! Thank you for teaching my daughter and me about managing money. Initially, I was attending only so my daughter would "join me", however, I learned some really great stuff as well.*

*Thank you so very much. The service and knowledge you provide is invaluable!*

# Women's Money® Conference Reno **#WMConReno**



## Social Media Metrics

May 2016			
<b>Hashtag performance</b> <b>#WMConReno</b> <small>(Previously used #WomensMoney in years 2012-2015) Source: Tweetreach</small>	<b>Impressions</b> <b>Reach</b> <b>Retweets &amp; Mentions</b>	<b>145,945</b> <b>20,900</b> <b>39</b>	
<b>Facebook performance</b> <b>@WomensMoneyConference</b> <small>Source: Facebook</small>	<b>Reach</b> <b>Engagement</b>	<b>10,000</b> <b>225</b>	
<b>Website Traffic</b>	<b>Visits</b> <b>Page Views</b>	<b>4,255</b> <b>9,557</b>	

# Women's Money® Conference Reno #WMConReno

## Social Media Top Post



### Women's Money Conference

Published by Gina Robison-Billups [?] · April 6 ·

There are no more tickets available to the Women's Money Conference in Las Vegas. No tickets left to the La Conferencia de Mujeres y Dinero either. HOWEVER, there are still some tickets available to attend the Women's Money conference in RENO on May 14, 2016. Register as quickly as you can. <http://www.womensmoney.org/2016-rnocon>

**Women's Money Conference**  
May 14, 2016  
Atlantis Casino  
Register Today!

 Gina Robison-Billups CEO Founder, Women's Money	 Yvonne Adams Chair, April 2016, Nevada Council on Economic Education	 Julie Ann Black President of The Nevada Chamber of Commerce	 Mary Beth Stephens CEO, Nevada Chamber of Commerce	 Janet E. Merrill CEO, Nevada Chamber of Commerce
 Janice Coyle President, Nevada Chamber of Commerce	 Lisa Conner CEO, Nevada Chamber of Commerce	 Shirley A. Sullivan President, Nevada Chamber of Commerce	 Diane Aronson President, Nevada Chamber of Commerce	 Dan Swartz President, Nevada Chamber of Commerce

9,699 People Reached

124 Likes, Comments & Shares

85 Likes

72 On Post

13 On Shares

7 Comments

2 On Post

5 On Shares

32 Shares

31 On Post

1 On Shares

205 Post Clicks

0 Photo Views

135 Link Clicks

70 Other Clicks

#### NEGATIVE FEEDBACK

0 Hide Post

0 Hide All Posts

0 Report as Spam

0 Unlike Page

Women's Money Conference in Reno, NV

2016

Reno, NV

Women's Money<sup>®</sup> Conference

#WMConReno

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 10**  
**July 14, 2016**

**Item: Nevada Veterans/Seniors Money Conference  
Report**

**Recommendation:**

**That the Board receive a report on the Nevada Veterans/Seniors Money Conference that was held at the Financial Guidance Center in Las Vegas on May 4, 2016.**

Fiscal Impact:  
None.

Summary:

Due to numerous requests to expand our women's money conferences to other groups, the treasurer's office solicited proposals to expand the financial literacy conferences not only for women, but also for seniors and members of the military. Based on the Financial Guidance Center's successful history of delivering financial education to Senior Citizens including financial counseling, reverse mortgages, debt management, and other programs, this nonprofit organization was chosen to conduct two Senior Citizens' conferences in Nevada. In addition, The Financial Guidance Center was chosen to conduct two military conferences in the state due to its existing partnership with USAA Savings Bank and their experience in working with the local military community. Due to the low number of RSVP's in the North, the conferences were cancelled. In the South, the decision was made to combine the senior citizen and military financial conference in Las Vegas on May 4, 2016 and conduct it at the Financial Guidance Center in lieu of paying a hotel/casino for training space.

The original contract was approved for delivery of four Money Conferences (two Senior Citizen and two Military/Veterans) in Fiscal Year 2016 with an optional 1 year renewal, not to exceed \$72,500 per year. The total amount spent for the delivery of the Senior Citizen/Military conferences in Fiscal Year 2016 was 13,450.82.

Michele Johnson, CEO of the Financial Guidance Center will be available to summarize the conferences for the Board and to answer any questions.

**FINANCIAL GUIDANCE CENTER, IN PARTNERSHIP WITH  
NEVADA STATE TREASURER DAN SCHWARTZ  
FINANCIAL BASIC TRAINING / SAVVY SENIORS  
MAY 4, 2016**

**Location/Participants Served**

Consumer Credit Counseling Service of Southern Nevada DBA Financial Guidance Center (FGC) hosted an all-day financial literacy event for Southern Nevada military and senior communities on May 4, 2016. The event was hosted by FGC at the FGC Education Center, 2660 S. Jones Blvd., Las Vegas, NV 89146. 70 participants were present, 37 of whom were military members / veterans and 33 were seniors. The total count does not include any participants from Financial Guidance Center or the Nevada State Treasurer's Office.

**Topics Covered**

The format of the event was set for the morning sessions to provide topics of interest applicable to both the military and senior groups. Nevada State Treasurer Dan Schwartz kicked off the event with a visit from Sage, the Nevada State Treasurer's desert tortoise mascot for the college saving's program. The following topics were covered during the morning sessions, using single presenters and panel presentations: College Savings, FGC Programs/Resources, Fraud, Investments, and wrapping up with a housing panel.

After a hot Italian lunch, breakout sessions were conducted in 2 separate rooms using a single presenter format in order to share information specific to each group. The topics for seniors were Estate Planning/Directives, Senior Programs/ULAN, Getting the most from Medical Services, and Social Security. The military members/veterans topics were Burial/Memorials, Military Discounts, Getting the most from Medical Services, and Payday Lending.

Supplemental information and information for topics that were not covered were provided to participants in the form of a 144-page printed and bound resource book. Additional information and resources provided in the resource book included chapters on college savings, budgeting, credit, debt, fraud, investments, military/veteran specific services, senior services, resources, and a glossary of financial terms. The book also included a letter from the Nevada State Treasurer Dan Schwartz, a "Let's Go to College, Nevada Saves" informational page, a letter from Financial Guidance Center CEO/President, Michele Johnson, and a USAA ad, as USAA contributed sponsorship funds.

**Activities**

At the beginning of the event, during a served continental breakfast, participants were required to complete registration forms the included basic demographic information in addition to completing a pre-test that included questions regarding the topics that were to be covered during the day.

During the breaks and lunch, participants had the opportunity to obtain resources and meet with presenters from the following organizations: Financial Guidance Center, Senior Medicare Patrol, Better Business Bureau, First Command Financial Services, Nevada Rural Housing, State of Nevada Housing Division, iMortgage, State of Nevada State Health Insurance Program, Social Security, and Veteran's Affairs.

In order to receive the resource book, participants were required to complete and submit the post-test portion of the assessment and an event survey. A gift drawing was conducted for participants.

**Test Results**

The pre-test average score was an average of 34.93% and the post-test average score average was 72.17%, a dramatic increase of 106.61%!!

**Demographics**

**AGE**

30-39	40-49	50-59	60-69		70-79	Chose not to respond
4.26%	6.38%	19.15%	42.55%		12.77%	14.89%

**ANNUAL INCOME**

\$0 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$40,000 - \$59,999	\$60,000 - \$69,999	\$70,000 +	Chose not to respond
21.28%	12.77%	14.89%	8.51%	10.64%	4.25%	6.38%	21.28%

**EDUCATION LEVEL**

HIGH SCHOOL	COLLEGE	GRADUATE SCHOOL	CHOSE NOT TO RESPOND
12.77%	53.19%	17.02%	17.02%

**ETHNICITY**

HISPANIC	NOT HISPANIC	CHOSE NOT TO RESPOND
6.38%	55.32%	38.30%

**RACE**

AMERICAN INDIAN / ALASKA NATIVE	ASIAN	BLACK/AFRICAN AMERICAN	WHITE / CAUCASIAN	OTHER MULTIPLE RACE	CHOSE NOT TO RESPOND
2.13%	14.89%	8.51%	44.68%	10.64%	19.15%

**Survey Results**

**OVERALL SATISFACTION WITH EVENT (1 (NOT AT ALL SATISFIED) – 5 (VERY SATISFIED))**

NOT AT ALL SATISFIED 1	2	3	4	VERY SATISFIED 5	CHOSE NOT TO RESPOND
0%	0%	10%	6.66%	56.67%	26.67%

**INFORMATION WAS OF VALUE**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
0%	0%	3.33%	13.33%	83.34%	0%

**WILL MAKE CHANGES IN MANAGING PERSONAL FINANCIAL PLAN AS A RESULT OF ATTENDING**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
0%	0%	10.0%	23.33%	66.67%	0%

**SUFFICIENT TIME WAS ALLOWED FOR QUESTIONS**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
3.33%	13.33%	20.0%	23.34%	40.0%	0%

**QUALITY OF FOOD**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
3.33%	0%	3.33%	13.33%	76.67%	3.34%

**EFFECTIVENESS OF TOPICS**

**COLLEGE SAVINGS**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
0%	3.33%	16.67%	56.67%	0%	23.33%

**FGC PANEL**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
0%	0%	23.33%	63.33%	0%	13.34%

**FRAUD PANEL**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
0%	0%	16.67%	73.33%	0%	10.00%

**INVESTMENTS**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
3.33%	0%	23.33%	63.33%	0%	10.01%

**HOUSING PANEL**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
0%	0%	16.67%	76.67%	0%	6.66%

**ESTATE PLANNING / DIRECTIVES – BURIALS / MEMORIALS**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
0%	0%	23.33%	76.67%	0%	0%

**SENIOR DISCOUNTS / MILITARY DISCOUNTS**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
3.33%	6.67%	20.0%	60.0%	0%	10%

**GETTING THE MOST FROM MEDICAL SERVICES**

<b>NOT AT ALL SATISFIED 1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>VERY SATISFIED 5</b>	<b>CHOSE NOT TO RESPOND</b>
0%	3.33%	20.0%	53.33%	0%	23.34%

**SOCIAL SECURITY / PAYDAY LENDING**

NOT AT ALL SATISFIED 1	2	3	4	VERY SATISFIED 5	CHOSE NOT TO RESPOND
0%	0%	20.0%	63.33%	0%	16.67%

**AS A RESULT OF EVENT, PARTICIPANT WILL BEGING SAVE MONEY REGULARLY**

MAYBE	YES	ALREADY DOING THIS	CHOSE NOT TO RESPOND
6.67%	56.67%	30.0%	6.66%

**AS A RESULT OF EVENT, PARTICIPANT WILL USE ONE OR MORE OF THE RESOURCES PROVIDED**

MAYBE	YES	ALREADY DOING THIS	CHOSE NOT TO RESPOND
3.33%	76.67%	16.67%	3.33%

**WOULD RECOMMEND THIS WORKSHOP**

MAYBE	YES	NO	CHOSE NOT TO RESPOND
0%	86.67%	0%	13.33%

**Participant Feedback**

- Thank you, it was all helpful information. FGC does great work serving our community.
- Should have reversed morning & afternoon sessions. Afternoon topics were weightier.
- More time for topics. More time for answer the questions. More health food. (rated food 4)
- The order should be reversed so that the topics covered in the morning are moved to the afternoon. I have no kids or grandkids so I am not interest in the NV 529.org, etc. These savings programs are great but not relevant to everyone. Thanks so much for a great day.
- Excellent.
- I love to come back for any of the workshop that the FGC offer
- Need to use sound equipment and find a way to better direct movement of class participants.
- Thank you.
- Excellent (food)
- 6 (food)

**Lessons Learned**

- Microphone needed to ensure audibility
- One agenda only (no breakout sessions)
- Allow more time for Q&A

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The text is centered in a clean, sans-serif font.

# Overview of “Financial Basic Training” & “Savvy Senior” Event

# Location/Participants Served

- ▶ FGC Education Center
- ▶ 70 Participants
  - ▶ 37 Military/Veterans
  - ▶ 33 Seniors



Welcome to

**Financial** Basic Training & Savvy Seniors

Please complete your blue registration sheet, then go get breakfast!

Once you've eaten, please complete the quiz (the white sheet). Your answers will go on the left hand column: **Pre-Conference Answer**.  
(It's ok...guess!)



LET'S GO TO COLLEGE  
Nevada Saves  
nvs29.org

NEVADA PREPAID TUITION

SSGA promise529

NEVADA STATE TREASURER  
Dan Schwartz

FINANCIAL GUIDANCE CENTER

USAA®

8:00 am – 8:45 am	Registration / Pre-test / Breakfast	
8:45 am – 8:55 am	Seating	
8:55 am – 9:00 am	Introduction – Dan Schwartz	Maureen Saccomani - FGC
9:00 am – 9:10 am	Welcome	Nevada State Treasurer Dan Schwartz
9:10 am – 9:40 am	College Savings	Sheila Salehian/Troy Watts – Deputy Treasurer/Marketing Coordinator
9:40 am – 10:30 am	FGC Panel	Lina Maqueda – Credit Reports Yvette Redmond – Representative Payee Lina Maqueda – Lending Circles Christie O’Melia – FGC programs/services
10:30 am – 10:45 am	Break	
10:45 am – 12:00 am	Fraud Panel	Cris Carmona – Chief Compliance/Audit Investigator, NV Consumer Affairs Det. Michael Gomez, LVMPD – Financial Crimes Division Lori Powers – Senior Medicare Patrol Outreach Coordinator Lupe Sanchez – Elder Rights Specialist, Elder Protective Services Darrellyn Bonstell – BBB Community Outreach Director
12:00 pm – 12:45 pm	Lunch	
12:45 pm – 1:15 pm	Investments	Marco Contreras, Financial Advisor, First Command Financial Services
1:15 pm – 2:15 ppm	Housing Panel	Michele Johnson – Financial Guidance Center WISH/IDA Grants Melanie Evans, Nevada Rural Housing Home at Last Carla Henderson – State of NV Housing Division Manager Maggie Cassara – IMortgage – VA loans Michele Johnson – Reverse Mortgages

**BREAKOUT SESSIONS**

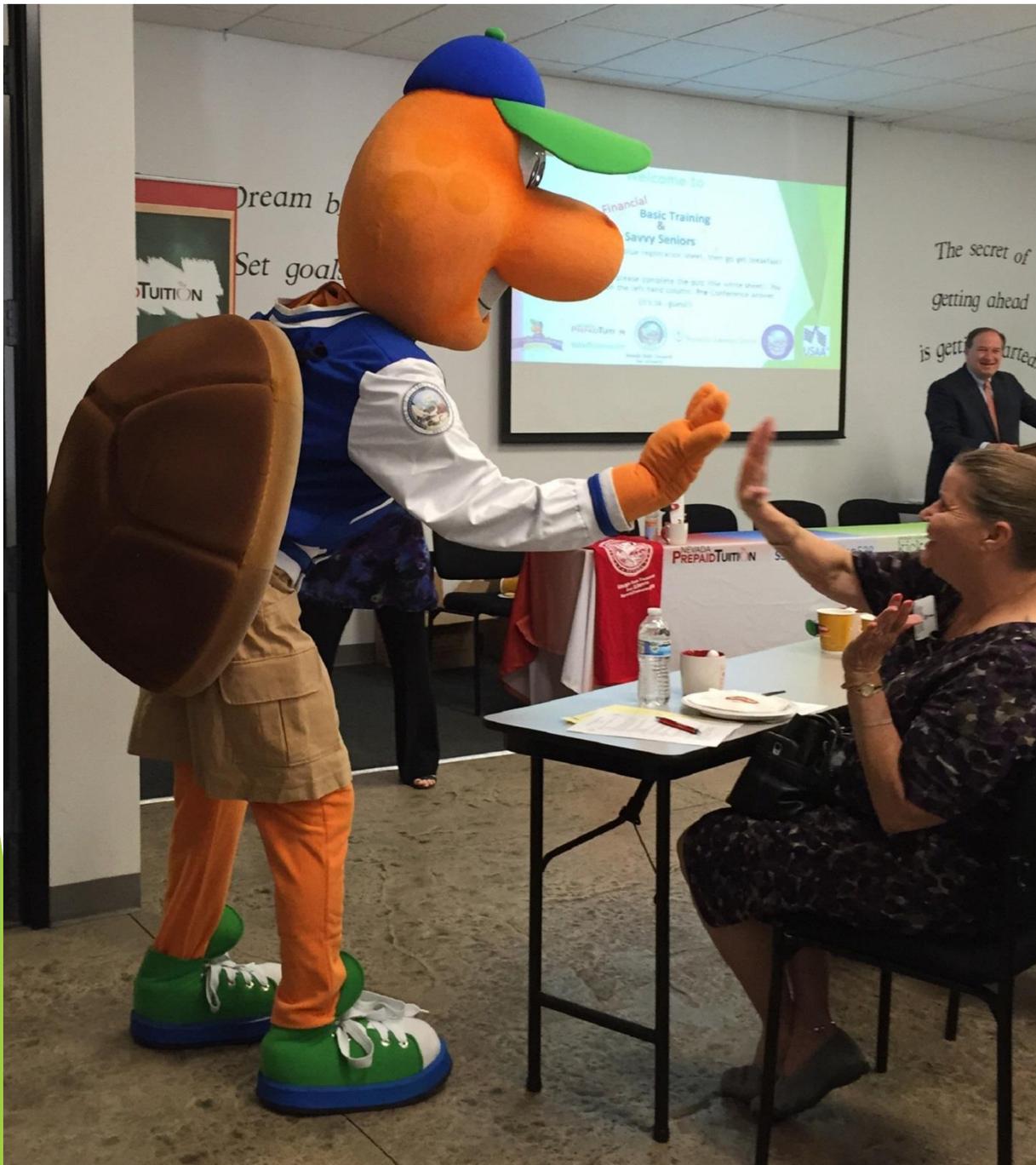
**SENIORS**

2:15 pm – 2:35 pm	Estate Planning/Directives Sheri Vogel Senior Law Program
2:35 pm – 2:55 pm	Senior Programs/ULAN Audrey Arnold-Executive Director ULAN
2:55 pm – 3:15 pm	Getting the most from Medical Services Dave Rhamey, SHIP Volunteer
3:15 pm – 3:35 pm	Social Security Barbara Duckett, SSA public Affairs
3:35 pm – 3:45 pm	Post Test / Survey Maureen Saccomani
3:45 pm – 4:00 pm	Drawings / Closing Remarks Maureen Saccomani

**MILITARY/VETERANS**

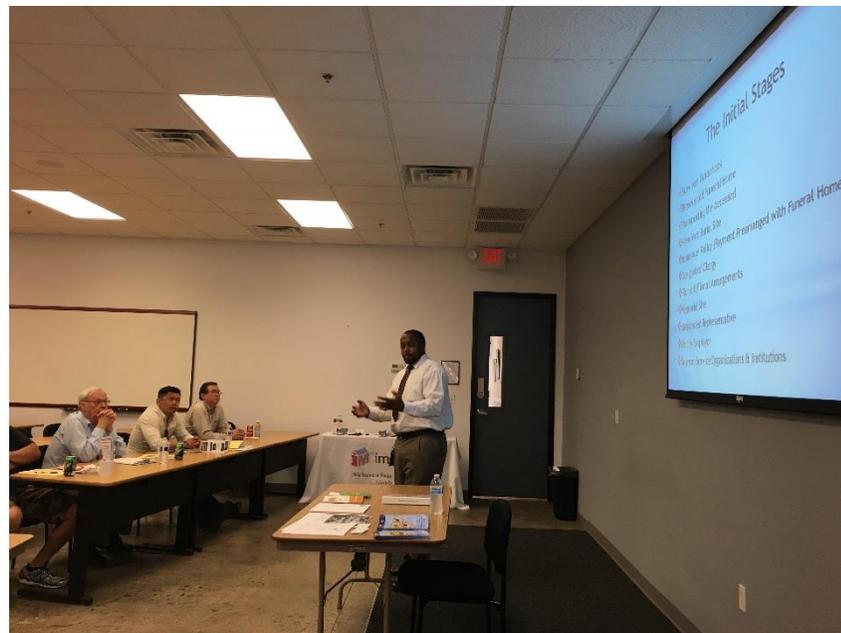
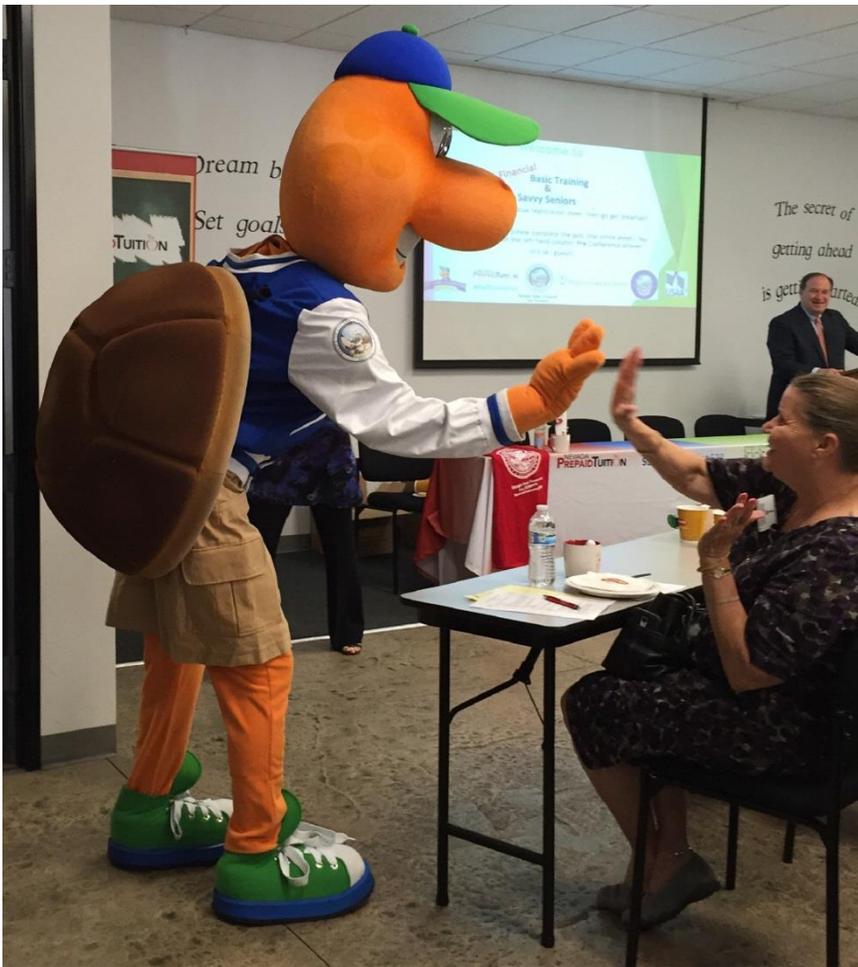
Burial / Memorials Phellep Snow – VA Outreach Specialist / Readjustment Counseling Technician
Military Discounts Carla Diamond – Nellis Airman & Family Readiness Center Director
Getting the most from medical services Ron Winston, OEF Transition Patient Advocate
Payday Lending Sophia Medina, Legal Aid Center of So. NV Staff Attorney
Post Test / Survey
Drawings / Closing Remarks

# The Agenda



# The Presenters





# The Presenters

# Demographics/Survey Results

- ▶ The largest percentage of participants (42.55%) were between the ages of 60-69 years old.
- ▶ 53.19% of participants have a college education.
- ▶ On a scale of 1 to 5, with 5 being strongly, 83.34% of participants selected a 5 rating.
- ▶ The top 3 most useful topics were:
  - ▶ Estate Planning/Directives----Burials/Memorials
  - ▶ Housing Panel
  - ▶ TIED: College Savings, FGC Information/Resources, Social Security, and Payday Lending



## Participant Feedback

MS. JOHNSON ET AL,

THANK YOU FOR ORGANIZING AND HOSTING THE  
SAVVY SENIOR EVENT ON MAY 4, 2016 IT WAS JAM  
PACKED WITH VERY USEFUL INFORMATION. IT IS  
COMFORTING TO KNOW THAT INFORMATIONAL  
RESOURCES ARE AVAILABLE.

**SO VERY MUCH**



*J. Diella Faria*

# Lessons Learned

- ▶ Microphone
- ▶ Fewer topics allowing for more in-depth presentations
- ▶ More time for Q&A
- ▶ One agenda - eliminate shifting attendees
- ▶ Consider boxed lunch versus hot food

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 11**  
**July 14, 2016**

**Item: Revision to FY 17 funding of the Nevada College  
Kick Start Program (CKS)**

**Recommendation:**

**Board review and approval of a limited incentive related to  
the Nevada College Kick Start Program for kindergarteners in  
the 2016-2017.**

**Fiscal:**

None

**Summary:**

**Background:**

During the March 24, 2106, College Savings Board meeting, the Board approved enhancements to the College Kick Start Program (CKS) and a fiscal year 2017 budget amount of \$2,593,427 with \$2,343,427 to be used to fund CKS accounts and \$250,000 to fund communication, outreach and education efforts.

On June 30, 2016, Staff went before the Interim Finance Committee (IFC) as required to request budget authority as instructed by the Board. The IFC declined the Board's request and instead granted CKS a total of \$2,200,900, of which \$1,950,900 is to fund CKS accounts and \$250,000 is to fund communication, outreach and education efforts. This funding level approximates actual CKS funding levels in previous years and represents IFC's intent that we continue the program as is until the entire legislative body has time to consider the Board's desired changes to CKS.

This reduction in funding does not allow CKS accounts to be funded with the full incentive amounts, add children in private schools, true-up grades 1-3, or provide for the expiration of accounts as approved by the Board in March 2016. Staff estimates, however, that the amount of funding for FY 2017 will be enough to fund the base school cohort plus some limited incentives. Staff is recommending the Board consider this limited enhancement during the interim period prior to the approval of the FY18-19 Biennium Budget. The primary reason for recommending the interim solution stems from questions asked by the IFC during the June 30, 2016 meeting. The IFC requested the Board provide data to indicate that the Program is making a difference in the number of Nevadans opening college savings accounts. Staff testified that although the CKS program has resulted in over 1,400 Nevadans opening 529 accounts, it's the Board's belief that the additional incentives are needed to help create a culture of savings in Nevada. We noted these incentives are needed to provide the data the IFC is seeking; therefore, we believe this interim solution with limited incentives will assist the Board in providing the data the Legislature is seeking.

Based on actual cohort sizes from FY14-16, staff believes the base cohort for FY17 will be 35,680 students at a funding cost of \$1,784,000. Based on that estimate, staff believes there will be \$166,900 in additional funding out of the \$1,950,900 IFC approved budget that could be used for incentives. It's important to note that the additional funds are from an overstated estimate of children by the STO in the base cohort as submitted to the Legislative Council Bureau and Budget Office at the IFC meeting and by not funding the 2,616 private school kindergartners estimated by the STO in the program expansion.

The chart below outlines incentives at different levels. Staff is requesting the Board's direction on how to proceed given the lower than anticipated budget and the Board's desire to include incentives in the CKS program.

	# of accounts opened	\$100 incentive	\$150 incentive	\$200 incentive
2%	714	\$71,400	\$107,100	\$142,800
3%	1,071	\$107,100	\$160,650	\$214,200
4%	1,427	\$142,700	\$214,050	\$285,400
5%	1,784	\$178,400	\$267,600	\$356,800

Grant Hewitt, Chief of Staff and Tara Hagan, Chief Deputy Treasurer will be available to answer any questions regarding this recommendation.

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 12**  
**July 14, 2016**

**Item: Annual Actuarial Assumptions**

**Recommendation:**

**The Board review and approve the 2016 Actuarial Assumptions for the Prepaid Tuition – Higher Education Tuition Trust Fund for tuition increases, price inflation, utilization of credits, refunds, etc. for use in the 2016 Actuarial Study and pricing of contracts; and/or direct staff accordingly.**

Fiscal Impact:  
None by this action.

**Summary:**

Annually, the Board sets the actuarial assumptions for future tuition increases, investment rate of return, interest rate for payment plans, inflation, and utilization of credits. These assumptions are used by the actuary appointed by the Board in preparing the annual actuarial study required by NRS 353B.190. These numbers are also used to develop pricing scenarios for consideration by the Board in preparation for fiscal year 2017 Nevada Prepaid Tuition open enrollment period.

The assumptions adopted by the Board last year were as follows:

Tuition Increase – 2016-2019:	4% University 4% Community College
Tuition Increase – Beyond 2019:	5.75% University 5.50% Community College

Investment Rate of Return: 6.00%

Interest Rate for Payment Plans: 6.25%

Inflation: 2.75%

For the upcoming year, a slightly lower rate is recommended for the rate of inflation. The detail and additional recommended changes are captured in the attached memo.

Ken Alberts from Gabriel, Roeder and Smith (GRS) will discuss the recommended assumptions and answer questions.

July 6, 2016

Board of Trustees of the College Savings Plans of Nevada  
Office of the State Treasurer  
555 E. Washington Ave.  
Suite 4600  
Las Vegas, NV 89101

Attention: Ms. Sheila A. Salehian, Deputy Treasurer – Prepaid Tuition

**Re: Assumptions for 2015 Actuarial Valuation and Proposed Assumptions for the 2016 Actuarial Valuation**

Dear Trustees:

Enclosed are the proposed assumptions for the 2016 actuarial valuation of the Nevada Prepaid Tuition Program. This letter is an update to our letter issued June 8, 2016 based on follow-up discussions with the Board during the June 21, 2016 Board meeting.

In light of recent indicators, we believe that revisions in the assumed rate of return and the long-term tuition increase assumption should be discussed.

We believe the reasonable range of price inflation is 1.75% to 2.75% based on recent inflation experience, which has been trending downward for the last few decades. A lowering of this assumption could justify a lowering of the assumed rate of return and a lowering of the assumed long-term tuition increase (but doesn't necessitate lowering of these assumptions). The current implicit price inflation assumption is 2.75% and is at the high side of this range. We recommended lowering this assumption to 2.50%.

Based on our updated capital market assumption modeler, we believe that a rate of return assumption in the range of 5.00% to 7.00% is reasonable assuming a 2.5% price inflation. The assumption for the June 30, 2015 actuarial valuation was 6.00% and is at the middle of this range. We understand that the Board's investment consultant's 10-year expectation is 5.91% and is comfortable with the current 6.00% assumption. Based on this information, we are recommending a continuation of the 6.00% investment return assumption.

Based on the recent data published by the College Board, we believe that a long-term tuition increase assumption should be in the range of:

- 5.00% to 6.50% for 4-year institutions; and
- 4.25% to 5.50% for 2-year institutions.

The current long-term increase assumptions for 2-year and 4-year institutions are 5.50% and 5.75%, respectively. This is the middle of the range for 4-year institutions and the high end of the range for 2-year institutions. The last page of the enclosure summarizes the increases for public institutions (as reported by the College Board) for different historical periods. Based on that data and the fact that we are recommending a lowering of the price inflation, we recommend a long-term tuition increase assumption of 5.75% for 4-year institutions (no change) and 5.00% for 2-year institutions (50 basis points reduction).

We currently recommend no changes to any of the other assumptions.

The enclosure details the list of the actual 2015 and proposed 2016 actuarial assumptions for valuation purposes.

In accordance with your request, we are including a brief discussion of the relationship between the funded status of the program and the risk premium in the pricing.

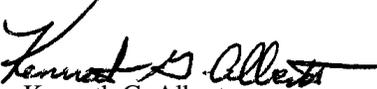
A risk premium (or margin) is an amount that is added to the price of contracts in excess of the price developed from the actuarial valuation assumptions. There are two kinds of risk premiums: implicit and explicit. An implicit premium is created if pricing assumptions differ from valuation assumptions and those pricing assumptions result in higher contract costs. The use of spot interest rates that are lower than the valuation investment return assumption, as used in the current pricing methodology, is an example of implicit risk premium. Explicit risk premiums occur when the calculated costs are increased by an explicit factor (across the board). This is also used in the current pricing methodology. The total risk premium is the sum of the two. If experience is exactly as expected then the funded status of the program will (over time) exceed 100% by the total risk premium. If the total risk premium is less than the amount the funded status exceeds 100%, there will be downward pressure on the funded status as more contracts are sold. The more contracts sold, the more the downward pressure. We recommend no changes to the current method of developing the total risk premiums (using spot interest rates plus explicit factors). **The magnitude of the risk premium is a matter of Board policy.** The explicit risk premium last year was 8% for 4-year institutions and 0% for 2-year institutions.

After discussions with the Board, the Board has requested that we prepare the pricing based on our current recommendations and an alternative that reduces our proposed investment return assumption and tuition increase assumption by 1% (100 basis points). This would be consistent with a 1.75% price inflation assumption. The Board also requested that we have the pricing illustrations prepared for the next meeting on both alternatives. As is the past practice, we prepared the draft pricing and had additional discussions with staff. As a result of those discussions, Staff requested that we make the recommendations on the explicit margin. We recommend an explicit margin of 8% and 2% using our proposed assumptions for 4-year and 2-year contracts respectively. Since the alternate assumptions have a little less downside risk (due to the fact that the investment return is more volatile than tuition increases) we recommend lower explicit margins of 6% and 1% using the Board requested alternative.

Attached please find discussion drafts of the pricing based on the GRS proposed assumptions (Alternate 1) and the requested alternate assumption (Alternate 2).

We look forward to discussing this with the Board at the July meeting. If you have any questions, please do not hesitate to contact us.

Sincerely,



Kenneth G. Alberts

KGA:ah  
Enclosure

cc: Blanca Platt  
David T. Kausch, GRS

# Nevada Prepaid Tuition Program

## June 30, 2015 Actuarial Valuation Assumptions and June 30, 2016 Proposed Valuation Assumptions

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<b>Price Inflation (Implicit Assumption)*:</b>	2.75% (June 30, 2015 valuation)
Alternate 1:	2.50% (June 30, 2016 valuation)
Alternate 2:	1.75% (June 30, 2016 valuation)
<b>Assumed Rate of Return, Net of Investment Fees:</b>	6.00% (June 30, 2015 valuation)
Alternate 1:	6.00% (June 30, 2016 valuation)
Alternate 2:	5.00% (June 30, 2016 valuation)
<b>Interest Rate for Payment Plans:</b>	6.25% (June 30, 2015 valuation)
	6.25% (June 30, 2016 valuation)
<b>Assumed Rate of Tuition Increases used for 2015 valuation and 2015/2016 pricing:</b>	
○ <b>4-Year and 2-Year Colleges:</b>	4% for the 2016/2017 school year, 4% for the 2017/2018 school year, 4% for the 2018/2019 school year, and 5.75% (4-year colleges)/5.50% (2-year colleges) for each subsequent school year.
<b>Proposed Assumed Rate of Tuition Increases for 2016 valuation and 2016/2017 pricing:</b>	
○ <b>4-Year and 2-Year Colleges*:</b>	Actual 2016/2017 tuition used (no assumption necessary) 4% for the 2017/2018 school year, 4% for the 2018/2019 school year, and
Alternate 1:	5.75% (4-year colleges)/5.00% (2-year colleges) for each subsequent school year.
Alternate 2:	4.75% (4-year colleges)/4.00% (2-year colleges) for each subsequent school year.
○ <b>4-Year Contracts:</b>	On expected Payout Year: First Year: 20% Second Year: 20% Third Year: 20% Fourth Year: 20% Fifth Year: 15% Sixth Year: 5%
○ <b>2-Year Contracts:</b>	On expected Payout Year: First Year: 40% Second Year: 40% Third Year: 15% Fourth Year: 5%
○ <b>1-Year Contracts:</b>	First Year: 100%

\* Change in assumption recommended.

**Nevada Prepaid Tuition Program**  
**June 30, 2015 Actuarial Valuation Assumptions and**  
**June 30, 2016 Proposed Valuation Assumptions**

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<b>Refunds:</b>	Accumulated contract payments to plan without interest. Withdrawal rates at the beginning of each year are based on the following schedule in accordance with the type of contract purchased:
○ <b>Lump Sum Payments:</b>	0.50% for all years
○ <b>5-Year Contracts:</b>	3.00% for Years 1 to 3 1.25% for Year 4 1.20% for Year 5 0.50% Thereafter
<b>Extended Contracts:</b>	5.00% for Years 1 to 3 3.50% for Year 4 2.00% for Year 5 0.50% Thereafter
<b>Election of Program Changes:</b>	None.
<b>Election of Change of Beneficiary:</b>	None.
<b>Liability Adjustments for Administrative Expenses:</b>	None. Administrative expenses are paid from outside the trust.
<b>Contract Terms:</b>	No changes in contract terms are assumed, once initiated.
<b>Pricing Methodology:</b>	Based on Weighted Average Tuition (WAT) rate increased to assumed year of payment, based on tuition rate increase assumption and discounted to payment date based on net investment return assumption.
<b>Timing of Tuition Payments:</b>	Two payments per year (one in the fall, one in the winter) for beneficiaries have matriculated.
<b>Timing of Refunds:</b>	At the end of the month the member withdraws from the plan.
<b>Bias Load:</b>	None.

<b>WAT (Weighted Average Tuition)</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>
4-Year Colleges	\$6,217.50	\$5,977.50
2-Year Colleges	\$2,745.00	\$2,640.00

# Nevada Prepaid Tuition Program

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## Historical Tuition Increase Information

Type of Institution	Average Annual Tuition and Fee Increases for Public Institutions							
	5-Year Period Ending		10-Year Period Ending		15-Year Period Ending		20-Year Period Ending	
	2015	2014	2015	2014	2015	2014	2015	2014
2-Year	4.60%	5.23%	4.33%	4.60%	5.14%	5.36%	4.86%	5.22%
4-Year	4.04%	4.82%	5.40%	5.73%	6.54%	6.53%	5.97%	6.11%

Data Source: 2015-trends-college-pricing-source-data-12\_16\_15.xlsx (Table 3) downloaded from the College Board's website.

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 13**  
**July 14, 2016**

**Item: Nevada Prepaid Tuition 2017 Open Enrollment Period  
and Pricing**

**Recommendation:**

**The Board review and approve dates for the 2017 Nevada Prepaid Tuition enrollment period to be from November 1, 2016 to March 31, 2017. Also receive a report on 2017 Pricing Scenarios for the Program and approve pricing schedules for contract sales, or provide additional direction to staff.**

Fiscal:

None by this action.

Summary:

Under NAC 353B.200 the Board will annually establish guaranteed rates for the prepayment of tuition pursuant to a contract and set specific dates for enrollment in the Program. The Board approved a contract with Gabriel, Roeder and Smith in 2013 for actuarial services including the development of pricing scenarios for consideration prior to open enrollment.

1. Staff is recommending open enrollment adhere to the changes adopted last year, which includes one open enrollment period which runs November 1 - through March 31.
2. With Agenda Item 10, the Board was asked to vote on the actuarial assumptions for the Program, including rate of return

on investments, interest rate for payment plans, and tuition inflation that included BOR published tuition increases of 4% for 2017 through 2019. Also included was an assumed long term rate of tuition increase, for use in preparing the Fiscal Year 2016 actuarial report. Two alternatives were presented in item 10 and will drive the pricing of contracts, although the Board may choose to deviate from these assumptions if it feels that it is appropriate.

Attached are recommended pricing scenarios for 2017 contract pricing consideration.

This agenda items has two pieces which the Board may approve together or independently or provide staff with additional direction.

- a) Enrollment dates – request approval to renew open enrollment dates for 2017 to be November 1, 2016 through March 31, 2017; and/or
- b) Contract pricing – request approval of one of the proposed pricing scenarios for 2017 contracts, with alternative 2 noted as the staff recommended option.

Ken Alberts of Gabriel, Roeder and Smith, will be present to discuss the methodology of these pricing proposals for the Board's consideration. Sheila Salehian, Deputy Treasurer, will be available to discuss historical information regarding the program enrollment dates, or data elements.

# GRS Proposed - Alternate 1

## Nevada Prepaid Tuition Program

2016-2017 Pricing for 4-year University Costs - DISCUSSION DRAFT 6% RETURN										
2016/17 Tuition per credit hour		\$ 207.25								
2016/17 Tuition for 30 credit hours		\$ 6,217.50								
Investment Return Assumption		6.00%								
Explicit Margin		8.00%								
Average Total Margin		8.18%								
4- year Purchase Costs										
Year	Tuition Increase	Projected Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted Tuition*	Grade/Age at Purchase	Raw Cost for 120 Credit hours	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase
0		\$ 207.25								
1	4.00%	215.54								
2	4.00%	224.16								
3	5.75%	237.05								
4	5.75%	250.68	5.75%	\$ 195.85						
5	5.75%	265.10	5.85%	194.85						
6	5.75%	280.34	5.95%	193.49						
7	5.75%	296.46	5.96%	192.99						
8	5.75%	313.50	5.97%	192.45	9th Grade	23,146	25,129	8.57%	23,830	5.5%
9	5.75%	331.53	5.98%	191.88	8th Grade	23,091	25,026	8.38%	23,732	5.5%
10	5.75%	350.59	5.99%	191.28	7th Grade	23,037	24,934	8.23%	23,646	5.4%
11	5.75%	370.75	5.99%	190.84	6th Grade	22,982	24,866	8.20%	23,581	5.4%
12	5.75%	392.07	5.99%	190.41	5th Grade	22,928	24,799	8.16%	23,518	5.4%
13	5.75%	414.62	5.99%	189.98	4th Grade	22,874	24,735	8.14%	23,457	5.4%
14	5.75%	438.46	5.99%	189.55	3rd Grade	22,820	24,675	8.13%	23,400	5.4%
15	5.75%	463.67	5.99%	189.12	2nd Grade	22,766	24,619	8.14%	23,347	5.4%
16	5.75%	490.33	5.99%	188.69	1st Grade	22,712	24,563	8.15%	23,294	5.4%
17	5.75%	518.52	5.99%	188.26	Kindergarten	22,659	24,507	8.16%	23,242	5.4%
18	5.75%	548.34	5.99%	187.84	Age 4	22,605	24,450	8.16%	23,187	5.4%
19	5.75%	579.87	6.00%	187.07	Age 3	22,552	24,387	8.14%	23,128	5.4%
20	5.75%	613.21	6.00%	186.63	Age 2	22,499	24,323	8.11%	23,067	5.4%
21	5.75%	648.47	6.00%	186.19	Age 1	22,446	24,258	8.07%	23,006	5.4%
22	5.75%	685.75	6.00%	185.75	Newborn	22,393	24,193	8.04%	22,944	5.4%
23	5.75%	725.19	6.00%	185.31						

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

# GRS Proposed - Alternate 1

## Nevada Prepaid Tuition Program

2016-2017 Pricing for 2-year Community College Costs - DISCUSSION DRAFT 6% RETURN											
2016/17 Tuition per credit hour		\$ 91.50									
2016/17 Tuition for 30 credit hours		\$ 2,745.00									
Investment Return Assumption		6.00%									
Explicit Margin		2.00%									
Average Total Margin		2.87%									
2-year Purchase Costs											
Year	Tuition Increase	Projected Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted Tuition*	Grade/Age at Purchase	Raw Cost for 60 Credit Hours	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase	
0		\$ 91.50									
1	4.00%	95.16									
2	4.00%	98.97									
3	5.00%	103.91									
4	5.00%	109.11	5.75%	\$ 85.24							
5	5.00%	114.57	5.85%	84.21							
6	5.00%	120.29	5.95%	83.03							
7	5.00%	126.31	5.96%	82.22							
8	5.00%	132.62	5.97%	81.41	9th Grade	5,021	5,162	2.81%	4,912	5.1%	
9	5.00%	139.26	5.98%	80.60	8th Grade	4,974	5,098	2.49%	4,874	4.6%	
10	5.00%	146.22	5.99%	79.77	7th Grade	4,927	5,039	2.27%	4,841	4.1%	
11	5.00%	153.53	5.99%	79.03	6th Grade	4,880	4,990	2.25%	4,816	3.6%	
12	5.00%	161.21	5.99%	78.29	5th Grade	4,834	4,940	2.19%	4,791	3.1%	
13	5.00%	169.27	5.99%	77.56	4th Grade	4,789	4,891	2.13%	4,766	2.6%	
14	5.00%	177.73	5.99%	76.83	3rd Grade	4,743	4,844	2.13%	4,742	2.2%	
15	5.00%	186.62	5.99%	76.12	2nd Grade	4,699	4,798	2.11%	4,720	1.7%	
16	5.00%	195.95	5.99%	75.41	1st Grade	4,654	4,753	2.13%	4,707	1.0%	
17	5.00%	205.74	5.99%	74.70	Kindergarten	4,611	4,709	2.13%	4,697	0.3%	
18	5.00%	216.03	5.99%	74.00	Age 4	4,567	4,686	2.61%	4,686	0.0%	
19	5.00%	226.83	6.00%	73.18	Age 3	4,524	4,675	3.34%	4,675	0.0%	
20	5.00%	238.17	6.00%	72.49	Age 2	4,481	4,664	4.08%	4,664	0.0%	
21	5.00%	250.08	6.00%	71.80	Age 1	4,439	4,653	4.82%	4,653	0.0%	
22	5.00%	262.59	6.00%	71.13	Newborn	4,397	4,639	5.50%	4,639	0.0%	
23	5.00%	275.72	6.00%	70.46							

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

# GRS Proposed - Alternate 1

## Nevada Prepaid Tuition Program

2016-2017 Pricing for 1-year University Costs - DISCUSSION DRAFT 6% RETURN										
2016/17 Tuition per credit hour		\$ 207.25								
2016/17 Tuition for 30 credit hours		\$ 6,217.50								
Investment Return Assumption		6.00%								
Explicit Margin		8.00%								
Average Total Margin		8.29%								
1- year Purchase Costs										
Year	Tuition Increase	Projected Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted Tuition*	Grade/Age at Purchase	Raw Cost for 30 Credit hours	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase
0		\$ 207.25								
1	4.00%	215.54								
2	4.00%	224.16								
3	5.75%	237.05								
4	5.75%	250.68	5.75%	\$ 195.85						
5	5.75%	265.10	5.85%	194.85						
6	5.75%	280.34	5.95%	193.49						
7	5.75%	296.46	5.96%	192.99						
8	5.75%	313.50	5.97%	192.45	9th Grade	5,814	6,345	9.13%	6,023	5.3%
9	5.75%	331.53	5.98%	191.88	8th Grade	5,801	6,313	8.83%	5,987	5.4%
10	5.75%	350.59	5.99%	191.28	7th Grade	5,787	6,269	8.33%	5,945	5.4%
11	5.75%	370.75	5.99%	190.84	6th Grade	5,773	6,253	8.31%	5,930	5.4%
12	5.75%	392.07	5.99%	190.41	5th Grade	5,760	6,235	8.25%	5,913	5.4%
13	5.75%	414.62	5.99%	189.98	4th Grade	5,746	6,217	8.20%	5,896	5.4%
14	5.75%	438.46	5.99%	189.55	3rd Grade	5,733	6,197	8.09%	5,877	5.4%
15	5.75%	463.67	5.99%	189.12	2nd Grade	5,719	6,183	8.11%	5,864	5.4%
16	5.75%	490.33	5.99%	188.69	1st Grade	5,706	6,169	8.11%	5,851	5.4%
17	5.75%	518.52	5.99%	188.26	Kindergarten	5,692	6,155	8.13%	5,837	5.4%
18	5.75%	548.34	5.99%	187.84	Age 4	5,679	6,141	8.14%	5,824	5.4%
19	5.75%	579.87	6.00%	187.07	Age 3	5,665	6,127	8.16%	5,811	5.4%
20	5.75%	613.21	6.00%	186.63	Age 2	5,652	6,114	8.17%	5,798	5.5%
21	5.75%	648.47	6.00%	186.19	Age 1	5,639	6,100	8.18%	5,785	5.4%
22	5.75%	685.75	6.00%	185.75	Newborn	5,625	6,086	8.20%	5,772	5.4%
23	5.75%	725.19	6.00%	185.31						

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

# GRS Proposed - Alternate 1

## Nevada Prepaid Tuition Program

2016-2017 Pricing for 2-year University Costs - DISCUSSION DRAFT 6% RETURN										
2016/17 Tuition per credit hour		\$ 207.25								
2016/17 Tuition for 30 credit hours		\$ 6,217.50								
Investment Return Assumption		6.00%								
Explicit Margin		8.00%								
Average Total Margin		8.23%								
2- year Purchase Costs										
Year	Tuition Increase	Projected Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted Tuition*	Grade/Age at Purchase	Raw Cost for 60 Credit hours	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase
0		\$ 207.25								
1	4.00%	215.54								
2	4.00%	224.16								
3	5.75%	237.05								
4	5.75%	250.68	5.75%	\$ 195.85						
5	5.75%	265.10	5.85%	194.85						
6	5.75%	280.34	5.95%	193.49						
7	5.75%	296.46	5.96%	192.99						
8	5.75%	313.50	5.97%	192.45	9th Grade	11,606	12,633	8.85%	11,979	5.5%
9	5.75%	331.53	5.98%	191.88	8th Grade	11,578	12,565	8.52%	11,915	5.5%
10	5.75%	350.59	5.99%	191.28	7th Grade	11,551	12,510	8.30%	11,863	5.5%
11	5.75%	370.75	5.99%	190.84	6th Grade	11,524	12,475	8.25%	11,831	5.4%
12	5.75%	392.07	5.99%	190.41	5th Grade	11,496	12,439	8.20%	11,797	5.4%
13	5.75%	414.62	5.99%	189.98	4th Grade	11,469	12,403	8.14%	11,763	5.4%
14	5.75%	438.46	5.99%	189.55	3rd Grade	11,442	12,371	8.12%	11,732	5.4%
15	5.75%	463.67	5.99%	189.12	2nd Grade	11,415	12,343	8.13%	11,705	5.5%
16	5.75%	490.33	5.99%	188.69	1st Grade	11,388	12,315	8.14%	11,679	5.4%
17	5.75%	518.52	5.99%	188.26	Kindergarten	11,362	12,287	8.14%	11,652	5.4%
18	5.75%	548.34	5.99%	187.84	Age 4	11,335	12,259	8.15%	11,626	5.4%
19	5.75%	579.87	6.00%	187.07	Age 3	11,308	12,231	8.16%	11,600	5.4%
20	5.75%	613.21	6.00%	186.63	Age 2	11,281	12,203	8.17%	11,573	5.4%
21	5.75%	648.47	6.00%	186.19	Age 1	11,255	12,172	8.15%	11,543	5.4%
22	5.75%	685.75	6.00%	185.75	Newborn	11,228	12,135	8.08%	11,509	5.4%
23	5.75%	725.19	6.00%	185.31						

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

# GRS Proposed - Alternate 1

## Nevada Prepaid Tuition Program

2016-2017 Pricing for 2-year University + 2-year Community College Costs - DISCUSSION DRAFT 6% RETURN														
2016/17 Tuition per credit hour				\$ 91.50										
2016/17 Tuition for 30 credit hours				\$ 207.25										
Investment Return Assumption				6.00%										
Explicit Margin				8.00%										
Average Total Margin				8.16%										
Tuition Increase						4- year Purchase Costs (2 Years University & 2 Years Community College)								
Year	2-Year Colleges	4-Year Colleges	Projected CC Tuition per Credit Hour	Projected Univ. Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted CC Tuition*	Discounted Univ. Tuition*	Grade/Age at Purchase	Raw cost	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase	
0			\$ 91.50	\$ 207.25										
1	4.00%	4.00%	95.16	215.54										
2	4.00%	4.00%	98.97	224.16										
3	5.00%	5.75%	103.91	237.05										
4	5.00%	5.75%	109.11	250.68	5.75%	\$ 85.24	\$ 195.85							
5	5.00%	5.75%	114.57	265.10	5.85%	84.21	194.85							
6	5.00%	5.75%	120.29	280.34	5.95%	83.03	193.49							
7	5.00%	5.75%	126.31	296.46	5.96%	82.22	192.99							
8	5.00%	5.75%	132.62	313.50	5.97%	81.41	192.45	9th Grade	16,562	17,963	8.46%	17,135	4.8%	
9	5.00%	5.75%	139.26	331.53	5.98%	80.60	191.88	8th Grade	16,487	17,859	8.32%	17,074	4.6%	
10	5.00%	5.75%	146.22	350.59	5.99%	79.77	191.28	7th Grade	16,413	17,761	8.21%	17,016	4.4%	
11	5.00%	5.75%	153.53	370.75	5.99%	79.03	190.84	6th Grade	16,340	17,675	8.17%	16,970	4.2%	
12	5.00%	5.75%	161.21	392.07	5.99%	78.29	190.41	5th Grade	16,267	17,591	8.14%	16,926	3.9%	
13	5.00%	5.75%	169.27	414.62	5.99%	77.56	189.98	4th Grade	16,194	17,511	8.13%	16,884	3.7%	
14	5.00%	5.75%	177.73	438.46	5.99%	76.83	189.55	3rd Grade	16,122	17,433	8.13%	16,844	3.5%	
15	5.00%	5.75%	186.62	463.67	5.99%	76.12	189.12	2nd Grade	16,050	17,357	8.14%	16,806	3.3%	
16	5.00%	5.75%	195.95	490.33	5.99%	75.41	188.69	1st Grade	15,979	17,282	8.15%	16,768	3.1%	
17	5.00%	5.75%	205.74	518.52	5.99%	74.70	188.26	Kindergarten	15,909	17,207	8.16%	16,730	2.9%	
18	5.00%	5.75%	216.03	548.34	5.99%	74.00	187.84	Age 4	15,839	17,131	8.16%	16,690	2.6%	
19	5.00%	5.75%	226.83	579.87	6.00%	73.18	187.07	Age 3	15,769	17,050	8.12%	16,646	2.4%	
20	5.00%	5.75%	238.17	613.21	6.00%	72.49	186.63	Age 2	15,700	16,968	8.08%	16,600	2.2%	
21	5.00%	5.75%	250.08	648.47	6.00%	71.80	186.19	Age 1	15,631	16,888	8.04%	16,555	2.0%	
22	5.00%	5.75%	262.59	685.75	6.00%	71.13	185.75	Newborn	15,563	16,811	8.02%	16,513	1.8%	
23	5.00%	5.75%	275.72	725.19	6.00%	70.46	185.31							

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

## Board Requested - Alternate 2 Nevada Prepaid Tuition Program

2016-2017 Pricing for 4-year University Costs - DISCUSSION DRAFT 5% RETURN										
2016/17 Tuition per credit hour		\$ 207.25								
2016/17 Tuition for 30 credit hours		\$ 6,217.50								
Investment Return Assumption		5.00%								
Explicit Margin		6.00%								
Average Total Margin		6.18%								
4- year Purchase Costs										
Year	Tuition Increase	Projected Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted Tuition*	Grade/Age at Purchase	Raw Cost for 120 Credit hours	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase
0		\$ 207.25								
1	4.00%	215.54								
2	4.00%	224.16								
3	4.75%	234.81								
4	4.75%	245.96	4.75%	\$ 200.39						
5	4.75%	257.65	4.85%	199.36						
6	4.75%	269.88	4.95%	197.95						
7	4.75%	282.70	4.96%	197.44						
8	4.75%	296.13	4.97%	196.88	9th Grade	23,679	25,233	6.56%	23,830	5.9%
9	4.75%	310.20	4.98%	196.29	8th Grade	23,623	25,129	6.38%	23,732	5.9%
10	4.75%	324.93	4.99%	195.67	7th Grade	23,567	25,036	6.23%	23,646	5.9%
11	4.75%	340.37	4.99%	195.22	6th Grade	23,511	24,967	6.19%	23,581	5.9%
12	4.75%	356.53	4.99%	194.78	5th Grade	23,455	24,899	6.16%	23,518	5.9%
13	4.75%	373.47	4.99%	194.33	4th Grade	23,399	24,834	6.13%	23,457	5.9%
14	4.75%	391.21	4.99%	193.89	3rd Grade	23,343	24,773	6.13%	23,400	5.9%
15	4.75%	409.79	4.99%	193.44	2nd Grade	23,287	24,716	6.14%	23,347	5.9%
16	4.75%	429.26	4.99%	193.00	1st Grade	23,232	24,660	6.15%	23,294	5.9%
17	4.75%	449.65	4.99%	192.56	Kindergarten	23,177	24,603	6.15%	23,242	5.9%
18	4.75%	471.01	4.99%	192.12	Age 4	23,121	24,545	6.16%	23,187	5.9%
19	4.75%	493.38	5.00%	191.33	Age 3	23,066	24,482	6.14%	23,128	5.9%
20	4.75%	516.81	5.00%	190.87	Age 2	23,011	24,417	6.11%	23,067	5.9%
21	4.75%	541.36	5.00%	190.42	Age 1	22,957	24,351	6.07%	23,006	5.8%
22	4.75%	567.08	5.00%	189.96	Newborn	22,902	24,285	6.04%	22,944	5.8%
23	4.75%	594.01	5.00%	189.51						

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

## Board Requested - Alternate 2 Nevada Prepaid Tuition Program

2016-2017 Pricing for 2-year Community College Costs - DISCUSSION DRAFT 5% RETURN											
2016/17 Tuition per credit hour		\$ 91.50									
2016/17 Tuition for 30 credit hours		\$ 2,745.00									
Investment Return Assumption		5.00%									
Explicit Margin		1.00%									
Average Total Margin		1.51%									
2-year Purchase Costs											
Year	Tuition Increase	Projected Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted Tuition*	Grade/Age at Purchase	Raw Cost for 60 Credit Hours	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase	
0		\$ 91.50									
1	4.00%	95.16									
2	4.00%	98.97									
3	4.00%	102.93									
4	4.00%	107.04	4.75%	\$ 87.21							
5	4.00%	111.32	4.85%	86.14							
6	4.00%	115.78	4.95%	84.92							
7	4.00%	120.41	4.96%	84.09							
8	4.00%	125.22	4.97%	83.26	9th Grade	5,136	5,229	1.81%	4,912	6.5%	
9	4.00%	130.23	4.98%	82.41	8th Grade	5,087	5,163	1.49%	4,874	5.9%	
10	4.00%	135.44	4.99%	81.56	7th Grade	5,039	5,103	1.27%	4,841	5.4%	
11	4.00%	140.86	4.99%	80.79	6th Grade	4,991	5,053	1.24%	4,816	4.9%	
12	4.00%	146.49	4.99%	80.03	5th Grade	4,943	5,002	1.19%	4,791	4.4%	
13	4.00%	152.35	4.99%	79.28	4th Grade	4,896	4,952	1.14%	4,766	3.9%	
14	4.00%	158.45	4.99%	78.53	3rd Grade	4,849	4,903	1.11%	4,742	3.4%	
15	4.00%	164.79	4.99%	77.79	2nd Grade	4,803	4,857	1.12%	4,720	2.9%	
16	4.00%	171.38	4.99%	77.05	1st Grade	4,757	4,811	1.14%	4,707	2.2%	
17	4.00%	178.23	4.99%	76.33	Kindergarten	4,712	4,766	1.15%	4,697	1.5%	
18	4.00%	185.36	4.99%	75.61	Age 4	4,667	4,721	1.16%	4,686	0.7%	
19	4.00%	192.78	5.00%	74.76	Age 3	4,623	4,676	1.15%	4,675	0.0%	
20	4.00%	200.49	5.00%	74.05	Age 2	4,579	4,664	1.86%	4,664	0.0%	
21	4.00%	208.51	5.00%	73.34	Age 1	4,535	4,653	2.60%	4,653	0.0%	
22	4.00%	216.85	5.00%	72.64	Newborn	4,492	4,639	3.27%	4,639	0.0%	
23	4.00%	225.52	5.00%	71.95							

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

## Board Requested - Alternate 2 Nevada Prepaid Tuition Program

2016-2017 Pricing for 1-year University Costs - DISCUSSION DRAFT 5% RETURN										
2016/17 Tuition per credit hour		\$ 207.25								
2016/17 Tuition for 30 credit hours		\$ 6,217.50								
Investment Return Assumption		5.00%								
Explicit Margin		6.00%								
Average Total Margin		6.29%								
1- year Purchase Costs										
Year	Tuition Increase	Projected Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted Tuition*	Grade/Age at Purchase	Raw Cost for 30 Credit hours	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase
0		\$ 207.25								
1	4.00%	215.54								
2	4.00%	224.16								
3	4.75%	234.81								
4	4.75%	245.96	4.75%	\$ 200.39						
5	4.75%	257.65	4.85%	199.36						
6	4.75%	269.88	4.95%	197.95						
7	4.75%	282.70	4.96%	197.44						
8	4.75%	296.13	4.97%	196.88	9th Grade	5,949	6,372	7.11%	6,023	5.8%
9	4.75%	310.20	4.98%	196.29	8th Grade	5,935	6,340	6.82%	5,987	5.9%
10	4.75%	324.93	4.99%	195.67	7th Grade	5,920	6,295	6.33%	5,945	5.9%
11	4.75%	340.37	4.99%	195.22	6th Grade	5,906	6,278	6.30%	5,930	5.9%
12	4.75%	356.53	4.99%	194.78	5th Grade	5,892	6,261	6.26%	5,913	5.9%
13	4.75%	373.47	4.99%	194.33	4th Grade	5,878	6,242	6.19%	5,896	5.9%
14	4.75%	391.21	4.99%	193.89	3rd Grade	5,864	6,222	6.11%	5,877	5.9%
15	4.75%	409.79	4.99%	193.44	2nd Grade	5,850	6,208	6.12%	5,864	5.9%
16	4.75%	429.26	4.99%	193.00	1st Grade	5,836	6,194	6.13%	5,851	5.9%
17	4.75%	449.65	4.99%	192.56	Kindergarten	5,823	6,180	6.13%	5,837	5.9%
18	4.75%	471.01	4.99%	192.12	Age 4	5,809	6,166	6.15%	5,824	5.9%
19	4.75%	493.38	5.00%	191.33	Age 3	5,795	6,152	6.16%	5,811	5.9%
20	4.75%	516.81	5.00%	190.87	Age 2	5,781	6,137	6.16%	5,798	5.8%
21	4.75%	541.36	5.00%	190.42	Age 1	5,767	6,123	6.17%	5,785	5.8%
22	4.75%	567.08	5.00%	189.96	Newborn	5,754	6,109	6.17%	5,772	5.8%
23	4.75%	594.01	5.00%	189.51						

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

## Board Requested - Alternate 2 Nevada Prepaid Tuition Program

2016-2017 Pricing for 2-year University Costs - DISCUSSION DRAFT 5% RETURN										
2016/17 Tuition per credit hour		\$ 207.25								
2016/17 Tuition for 30 credit hours		\$ 6,217.50								
Investment Return Assumption		5.00%								
Explicit Margin		6.00%								
Average Total Margin		6.23%								
2- year Purchase Costs										
Year	Tuition Increase	Projected Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted Tuition*	Grade/Age at Purchase	Raw Cost for 60 Credit hours	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase
0		\$ 207.25								
1	4.00%	215.54								
2	4.00%	224.16								
3	4.75%	234.81								
4	4.75%	245.96	4.75%	\$ 200.39						
5	4.75%	257.65	4.85%	199.36						
6	4.75%	269.88	4.95%	197.95						
7	4.75%	282.70	4.96%	197.44						
8	4.75%	296.13	4.97%	196.88	9th Grade	11,873	12,686	6.85%	11,979	5.9%
9	4.75%	310.20	4.98%	196.29	8th Grade	11,845	12,617	6.52%	11,915	5.9%
10	4.75%	324.93	4.99%	195.67	7th Grade	11,817	12,561	6.30%	11,863	5.9%
11	4.75%	340.37	4.99%	195.22	6th Grade	11,789	12,526	6.25%	11,831	5.9%
12	4.75%	356.53	4.99%	194.78	5th Grade	11,761	12,490	6.20%	11,797	5.9%
13	4.75%	373.47	4.99%	194.33	4th Grade	11,733	12,453	6.14%	11,763	5.9%
14	4.75%	391.21	4.99%	193.89	3rd Grade	11,705	12,420	6.11%	11,732	5.9%
15	4.75%	409.79	4.99%	193.44	2nd Grade	11,677	12,392	6.12%	11,705	5.9%
16	4.75%	429.26	4.99%	193.00	1st Grade	11,649	12,364	6.14%	11,679	5.9%
17	4.75%	449.65	4.99%	192.56	Kindergarten	11,621	12,335	6.14%	11,652	5.9%
18	4.75%	471.01	4.99%	192.12	Age 4	11,594	12,307	6.15%	11,626	5.9%
19	4.75%	493.38	5.00%	191.33	Age 3	11,566	12,279	6.16%	11,600	5.9%
20	4.75%	516.81	5.00%	190.87	Age 2	11,539	12,250	6.16%	11,573	5.8%
21	4.75%	541.36	5.00%	190.42	Age 1	11,511	12,219	6.15%	11,543	5.9%
22	4.75%	567.08	5.00%	189.96	Newborn	11,484	12,181	6.07%	11,509	5.8%
23	4.75%	594.01	5.00%	189.51						

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

## Board Requested - Alternate 2 Nevada Prepaid Tuition Program

2016-2017 Pricing for 2-year University + 2-year Community College Costs - DISCUSSION DRAFT 5% RETURN														
2016/17 Tuition per credit hour				\$ 91.50										
2016/17 Tuition for 30 credit hours				\$ 207.25										
Investment Return Assumption				5.00%										
Explicit Margin				6.00%										
Average Total Margin				6.16%										
<u>Tuition Increase</u>					<u>4- year Purchase Costs (2 Years University &amp; 2 Years Community College)</u>									
Year	2-Year Colleges	4-Year Colleges	Projected CC Tuition per Credit Hour	Projected Univ. Tuition per Credit Hour	Spot-Rate Interest Rates (Implicit Margin)	Discounted CC Tuition*	Discounted Univ. Tuition*	Grade/Age at Purchase	Raw cost	2016/17 Proposed Price	Estimated Margin	2015/16 Price	Year to Year Increase	
0			\$ 91.50	\$ 207.25										
1	4.00%	4.00%	95.16	215.54										
2	4.00%	4.00%	98.97	224.16										
3	4.00%	4.75%	102.93	234.81										
4	4.00%	4.75%	107.04	245.96	4.75%	\$ 87.21	\$ 200.39							
5	4.00%	4.75%	111.32	257.65	4.85%	86.14	199.36							
6	4.00%	4.75%	115.78	269.88	4.95%	84.92	197.95							
7	4.00%	4.75%	120.41	282.70	4.96%	84.09	197.44							
8	4.00%	4.75%	125.22	296.13	4.97%	83.26	196.88	9th Grade	16,943	18,036	6.45%	17,135	5.3%	
9	4.00%	4.75%	130.23	310.20	4.98%	82.41	196.29	8th Grade	16,866	17,931	6.31%	17,074	5.0%	
10	4.00%	4.75%	135.44	324.93	4.99%	81.56	195.67	7th Grade	16,789	17,832	6.21%	17,016	4.8%	
11	4.00%	4.75%	140.86	340.37	4.99%	80.79	195.22	6th Grade	16,713	17,744	6.17%	16,970	4.6%	
12	4.00%	4.75%	146.49	356.53	4.99%	80.03	194.78	5th Grade	16,638	17,660	6.14%	16,926	4.3%	
13	4.00%	4.75%	152.35	373.47	4.99%	79.28	194.33	4th Grade	16,563	17,579	6.13%	16,884	4.1%	
14	4.00%	4.75%	158.45	391.21	4.99%	78.53	193.89	3rd Grade	16,488	17,499	6.13%	16,844	3.9%	
15	4.00%	4.75%	164.79	409.79	4.99%	77.79	193.44	2nd Grade	16,414	17,423	6.15%	16,806	3.7%	
16	4.00%	4.75%	171.38	429.26	4.99%	77.05	193.00	1st Grade	16,341	17,346	6.15%	16,768	3.4%	
17	4.00%	4.75%	178.23	449.65	4.99%	76.33	192.56	Kindergarten	16,268	17,271	6.17%	16,730	3.2%	
18	4.00%	4.75%	185.36	471.01	4.99%	75.61	192.12	Age 4	16,196	17,193	6.16%	16,690	3.0%	
19	4.00%	4.75%	192.78	493.38	5.00%	74.76	191.33	Age 3	16,124	17,111	6.12%	16,646	2.8%	
20	4.00%	4.75%	200.49	516.81	5.00%	74.05	190.87	Age 2	16,052	17,028	6.08%	16,600	2.6%	
21	4.00%	4.75%	208.51	541.36	5.00%	73.34	190.42	Age 1	15,981	16,947	6.04%	16,555	2.4%	
22	4.00%	4.75%	216.85	567.08	5.00%	72.64	189.96	Newborn	15,911	16,869	6.02%	16,513	2.2%	
23	4.00%	4.75%	225.52	594.01	5.00%	71.95	189.51							

\* Discounting assumes half the tuition is payable on 2.5 months after the valuation date and half is payable 7.5 months after the valuation date.

Pricing includes current utilization of credits assumption.

THE BOARD OF TRUSTEES OF THE  
COLLEGE SAVINGS PLANS OF NEVADA

**Agenda Item 14**  
**July 14, 2016**

**Item: Updated 5-year Financial Plan for College Savings  
Endowment Account**

**Recommendation:**

**That the Board receive a report on the progress to implement the 5-Year Financial Plan for the Nevada Prepaid Tuition Program and College Savings Plans; discuss updated staff direction; approve additions or changes to the plan; and authorize funding from the College Savings Endowment Account per NRS 353B.350(5) to various projects, and/or direct staff as appropriate.**

Fiscal:

Balance of accounts and projected funding is attached.

Summary:

Under NRS 353B.350(5), monies in the College Savings Endowment Account may be expended for any purpose related to the Nevada College Savings Program or otherwise used to assist the residents of the State to attain postsecondary education.

To more effectively manage program activities and initiatives, State Treasurer's Office (STO) staff has prepared a multi-year financial plan, including projected future college savings plan fees and identified potential uses of those revenues. Since 2010, this plan has been presented every two years to the Board in conjunction with the biennial State budget planning cycle. As part of the plan, the Board has historically considered proposals to increase the actuarial

soundness of the Higher Education Trust Fund) Prepaid Tuition Program), and approved expenditures to enhance the Board's initiative in promoting saving for higher education in the College Savings Program.

An update to the plan is attached for review. Staff recommends continuation of the programs previously approved in 2014, and increased funding intended to further raise awareness and participation in our Nevada College Savings Plans Program. It is anticipated that in FY18, STO staff will bring a revised report to the Board for discussion.

Grant Hewitt, Chief of Staff will be available to answer any questions or provide further information to the Board.

**Dan Schwartz**  
*State Treasurer*



**STATE OF NEVADA**  
**OFFICE OF THE STATE TREASURER**

**TO:** Board of Trustees, College Savings Plans of Nevada

**FROM:** Grant Hewitt, Chief of Staff

**SUBJECT:** FY 18 – FY 19 and 5-Year Plan Revenue Schedule  
Nevada Prepaid Tuition & College Savings Fees

**DATE:** July 14, 2016

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**Background & Governing Statutes:**

In accordance with Nevada Revised Statutes 353B.350(5), the Endowment Account must be used for the deposit of any money received by the Nevada College Savings Program that is not received pursuant to a savings trust agreement and, in the determination of the State Treasurer, is not necessary for the use of the Administrative Account. The money in the Endowment Account may be expended:

- (a) For any purpose related to the Nevada College Savings Program;
- (b) To pay the costs of administering the Governor Guinn Millennium Scholarship Program created pursuant to [NRS 396.926](#), but such costs must not exceed an amount equal to 3 percent of the anticipated annual revenue to the State of Nevada from the settlement agreements with and civil actions against manufacturers of tobacco products anticipated for deposit in the Trust Fund; or
- (c) In any other manner which assists the residents of this state to obtain post-secondary education.

**FY18-FY19 Revenue and Expenditure Proposal for Board Approval**

The purpose of this memo is to request the Board's continuing support of the programs currently in place and to solicit the Board's thoughts and direction for future initiatives. A five-year forecast of the College Savings Endowment Account's retained earnings, future obligations, and college savings revenues, is attached as Exhibit 1. In summary, we anticipate modest growth in program manager fees over the next five years and additional funding from the new partnership with Wealthfront. The

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**STATE TREASURER PROGRAMS**  
Governor Guinn Millennium Scholarship Program  
Nevada Prepaid Tuition Program  
Unclaimed Property  
College Savings Plans of Nevada  
Nevada College Kick Start Program  
Education Savings Account (ESA)

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appreciation of assets held in underlying funds is assumed to be 3% per annum on average. Therefore, the FY2016 base budget amount is \$5,145,019.

The following is a recommended spending plan to continue the Board’s initiatives and campaign to raise awareness, education, and participation by Nevadans in its College Savings Programs for both years of the FY 2018-2019 biennium:

**Note:** All items are a continuation of existing 2014 Board approved programs.

**1. Outreach and Education**

<b>FY2016 Base Budget</b>	<b>FY18-19 Biennium Budget</b>
\$764,907	Enhancement of \$35,093 to maintain the \$800,000 annual outreach and education for continued umbrella campaign.
<b>TOTAL: \$764,907</b>	<b>TOTAL: \$800,000</b>

- \$800,000 annual outreach and education budget as follows:
  - The purposes of these funds are to increase program awareness, generate leads, and increase the communication levels to potential participants within the state.
  - As of FY2017, the current vendor responsible for education and outreach is Amplify Relations, with 2 remaining optional years on their contract. The Board will need to issue a Request for Proposal (RFP) in FY2019 in preparation for FY2020’s outreach efforts.
  - As approved by the Board, the Education and Outreach vendor is responsible for preparing an overall outreach strategy focused on developing increased awareness year over year.
    - Services Provided are including but not limited to:
      - Creative Services, such as flyers, brochures, posters, banners, and social media messaging
      - Media Production, such as TV, radio and online ads
      - Public Relations Services, such as monthly umbrella campaign press releases to increase awareness
      - Web Services, such as the development and maintaining of NV529.org
      - Email Services, such as, administering post event contacts, and monthly outreach and conversion efforts
      - Media Buying Services, such as placement of paid media services

- In order to continue to monitor the success of the programs, each fiscal year the vendor and staff will agree on and present goals for the following metrics\*:
  - Overall Brand Awareness
  - New Account Openings
  - Average Age of Beneficiary
  - Brand Recollection (how people heard of our program)
  - Event Goals
  - Lead Generation

*\*Our vendor cannot be held solely responsible for these metrics as many items will be directly affected by State staff outreach efforts. The primary metric for the vendor should be overall brand awareness, secondarily, brand recollection.*

**2. Financial Literacy**

<b>FY2016 Base Budget</b>	<b>FY18-19 Biennium Budget</b>
\$108,589	Enhancement of \$66,411 to maintain the \$175,000 to support financial literacy outreach efforts, including annual Women’s Money Conferences.
<b>TOTAL: \$108,589</b>	<b>TOTAL: \$175,000</b>

- Maintain \$175,000 to support financial literacy outreach efforts, including annual Women’s Money Conferences, and programs to educate students and parents on the importance of money management.

**3. Investment Performance Monitoring and Outside Legal Counsel:**

<b>FY2016 Base Budget</b>	<b>FY18-19 Biennium Budget</b>
\$255,000 for Investment Performance Monitoring/Consulting	Enhancement of \$36,250 for investment consulting services for new Wealthfront Plan.
\$100,000 for outside legal counsel	No Enhancement being requested for this item.
<b>TOTAL:\$355,000</b>	<b>TOTAL: \$391,250</b>

**4. College Kick Start (CKS)**

During the March 24, 2016 Board meeting, the Board approved the extension and enhancements for the Nevada College Kickstart Program. The Board’s initial approval of the program and its funding ran from FY14 – 16 which placed the Program out of step with the State’s biennium budgeting cycle. Therefore, you’ll note the enhancement for the biennium budget appears greater than in prior years.

Please note the request for the funding is needed only in FY 18. The Board at the March 24, 2016 meeting approved the recovering of CKS funds from accounts of students who have not had a Nevada 529 opened on their behalf by June 30 following the student’s third grade. Therefore, staff estimates the Endowment Account will receive approximately \$1.6M from unclaimed accounts. The actual amount returned will be determined by how many CKS accounts are claimed and the amount of incentives paid.

<b>FY2016 Base Budget</b>	<b>FY18 Biennium Budget</b>	<b>FY19 Biennium Budget</b>
\$1,607,000	Enhancement of \$1,143,386 to fund the CKS incentives approved by the Board in March 2016, including the \$250,000 for additional outreach.	\$250,000 for additional outreach to communicate the new program through the biennium.
<b>TOTAL: \$1,607,000</b>	<b>TOTAL: \$2,750,386</b>	<b>TOTAL: \$250,000</b>

**5. Silver State Matching Grant Program**

<b>FY2016 Base Budget</b>	<b>FY18-19 Biennium Budget</b>
\$0	Enhancement of \$225,000
<b>TOTAL: \$0</b>	<b>TOTAL: \$225,000</b>

- Fund the Silver State Matching Grant Program in the amount of \$225,000 to increase the amount of match contributions beyond the current \$1 for \$1, expand the eligibility criteria to include more Nevadans, and/or cover any amount that may exceed Ascensus’ \$100,000 contractual commitment.

**6. Requesting a New Employee (Full-time Equivalent Employee(FTE))**

Staff is seeking the Board’s approval to request a new employee (FTE) for the 529 College Savings Division in the next Legislative Session. This position will be located in Las Vegas and will primarily assist with the College Kickstart Program, including communication regarding program enhancements, outreach to existing account holders, and management of the database in cooperation with various partners to ensure accuracy of data, including contact information. This position will also assist with the five college savings plans, with the addition of the Wealthfront 529 plan. The position being requested is a Program Officer I; the budgeted salary and benefits for this position is \$53,224.

**7. Transfer of Funds to the Prepaid Tuition Trust Fund**

Beginning in 2011, the Board has approved an annual stabilization reserve for the Prepaid Tuition Trust Fund to assist with funding ratio concerns. The transfer amount began as \$500,000 and increased to \$1.82 million in 2013. The transfer of funds is from the College Savings Endowment account to the Prepaid Tuition Trust Fund (Higher Education Trust Fund) for

stabilization reserve until such time the trust fund is over 120% funded. The has been over 120% funded for the past two years and staff recommends discontinuing the annual transfer in Fiscal Year 2017 and through the next biennium.

**Additional Considerations:**

Staff at the State Treasurer's Office will continue to assess and analyze other programs and proposals to increase college savings. Based on this analysis, if staff believes there are other programs or expansion of existing programs that merit consideration by the Board, staff will bring these proposals to the Board in 2016 or during the 2017 legislative session for consideration.

## EXHIBIT 1

**Nevada College Savings Endowment Account  
BA 1094**

**Summary of Biennium Budget for FY18-19**

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Projected Beginning Cash (including reserve)	\$ 5,154,019	\$ 5,099,125	\$ 5,479,310	\$ 4,969,924	\$ 8,522,958	\$ 10,701,949	\$ 13,087,054
Projected 6 month Reserve <sup>1</sup>	\$ (2,154,202)	\$ (1,504,643)	\$ (2,039,942)	\$ (101,498)	\$ (886,185)	\$ (887,507)	\$ (1,010,317)
<b>Projected Revenues</b>							
Program Fees	\$ 6,050,319	\$ 5,186,279	\$ 5,367,307	\$ 5,552,839	\$ 5,748,169	\$ 5,956,928	\$ 6,177,851
Misc. Revenues	\$ 23,191	\$ 23,191	\$ 23,191	\$ 23,191	\$ 23,191	\$ 23,191	\$ 23,191
<b>Total Projected Resources (excluding reserve)</b>	<b>\$ 9,073,327</b>	<b>\$ 8,803,952</b>	<b>\$ 8,829,866</b>	<b>\$ 10,444,456</b>	<b>\$ 13,408,133</b>	<b>\$ 15,794,561</b>	<b>\$ 18,277,779</b>
<b>Operating Expenses and Transfers</b>							
College Savings Operating Costs <sup>2</sup>	\$ (1,710,943)	\$ (1,598,981)	\$ (1,800,694)	\$ (1,875,063)	\$ (1,952,503)	\$ (2,033,141)	\$ (2,117,110)
Additional Matching Grant Funding			\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)
Millennium Admin Costs	\$ (357,918)	\$ (372,235)	\$ (387,124)	\$ (402,609)	\$ (418,713)	\$ (435,462)	\$ (452,880)
Prepaid Admin Costs	\$ (631,893)	\$ (657,169)	\$ (736,680)	\$ (766,147)	\$ (796,793)	\$ (828,665)	\$ (861,812)
Prepaid Stabilization Transfer <sup>3</sup>	\$ (1,820,000)						
Settlement Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc. Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Recommended Programs</b>							
College Kick Start Costs <sup>4</sup>	\$ (1,607,650)	\$ (1,950,900)	\$ (2,500,386)	\$ 1,495,823	\$ (199,360)	\$ (72,746)	\$ (183,832)
College Kick Start Outreach and Education <sup>5</sup>	\$ -	\$ (250,000)	\$ (250,000)	\$ (250,000)			
<b>Total Projected Commitments</b>	<b>\$ (6,128,404)</b>	<b>\$ (4,829,285)</b>	<b>\$ (5,899,884)</b>	<b>\$ (2,022,996)</b>	<b>\$ (3,592,369)</b>	<b>\$ (3,595,014)</b>	<b>\$ (3,840,634)</b>
Projected 6 month reserve	\$ (2,154,202)	\$ (1,504,643)	\$ (2,039,942)	\$ (101,498)	\$ (886,185)	\$ (887,507)	\$ (1,010,317)
<b>Projected FY Ending Fund Balance (including reserve)</b>	<b>\$ 5,099,125</b>	<b>\$ 5,479,310</b>	<b>\$ 4,969,924</b>	<b>\$ 8,522,958</b>	<b>\$ 10,701,949</b>	<b>\$ 13,087,054</b>	<b>\$ 15,447,462</b>

**Notes:**

- Reserve is required and equal to 6 months operating expenses of administering all Nevada college savings plans and the Millennium scholarship program
- College Savings Operating Cost in FY 2016 includes \$250,000 outreach and education for the Kick Start Program previously approved by the Board
- At the March 11, 2015 meeting the Board approved the continuation of the \$1.8M annual transfer. This has not yet been approved to date by the Board for any future fiscal years.
- College Kick Start Costs include incentives up to \$1,000 per participant as described in accompanying enhancement proposal beginning in FY18.
- College Kick Start Outreach and Education is requesting an additional \$250,000 in FY18 and FY19 only to communicate the Program enhancements and modifications to all Nevadans, including families with current CKS accounts.