

THE BOARD OF TRUSTEES OF THE NEVADA EMPLOYEE SAVINGS TRUST

MINUTES OF THE BOARD MEETING

November 20, 2024

Location:

Via videoconference at the following locations and on Teams

Old Assembly Chambers
Room
Capitol Building, Second Floor
101 N. Carson Street
Carson City, NV 89701

Governor's Office Conference

1 Harrah's Court, 4th Floor
Las Vegas, NV 89119

Board Members Present:

Chairman Treasurer Zach Conine – Las Vegas
Lt. Governor Stavros Anthony – Las Vegas
Joe Caldera – Las Vegas
Andy Kao – Las Vegas
William H. Palmer III – Carson City
Mary Beth Sewald – Remote via Microsoft Teams

Others Present:

Nicole N. Ting – Deputy Attorney General, Nevada Attorney General's Office
Lesley Mohlenkamp – Deputy of Financial Literacy and Security, State Treasurer's Office
Itzel Fausto – State Treasurer's Office
Veronica Kilgore – State Treasurer's Office
Emily Nagle – State Treasurer's Office
Nicole Stephens – State Treasurer's Office
Evelyn Castro – State Treasurer's Office
Andrea Feirstein – AKF Consulting
Andrew Blevins – PEW Charitable Trust Retirement Savings Project
John Scott – PEW Charitable Trust Retirement Savings Project
Thomas Zheng – Renest

November 20, 2024, 5:47PM

1h 32m 13s

● **Itzel Fausto** started transcription

Treasurer Conine

Good morning, everyone, and welcome to this fantastic meeting of the Board of trustees of the Nevada Employee Savings Trust for Wednesday, November 20th. At 10:00 AM. We'll start with roll call.

Deputy Mohlenkamp

Treasure Conine.

Treasurer Conine

Hello.

Deputy Mohlenkamp

Lieutenant Governor Anthony.

Lt. Governor Anthony

Here.

Deputy Mohlenkamp

Member Caldera

Member Caldera

Here.

Deputy Mohlenkamp

Member Palmer.

Member Palmer

Here.

Deputy Mohlenkamp

Member Sewald.

Member Sewald

Here.

Deputy Mohlenkamp

Treasurer you have a quorum.

Treasurer Conine

Wonderful. Thank you very much.

I'd also like to, as always, welcome Deputy Attorney General Nicole Ting to the line.

Good to see you.

I want to turn over first to Leslie to introduce some new staff that we have working in the Financial Security Department.

Deputy Mohlenkamp

Thank you so much.

I'll keep it brief. We have added two staff members to help assist with administration for the board. We have with us today, Nicole Stephens, she's our Administrative Assistant. You will hear from her regularly for scheduling purposes and so on and so forth.

And then we also have over in the northern location Michael Pelham, he is going to be our Management Analyst. You may see him presenting here at the board meetings. We want to welcome these folks onboard and let you know we have new help to execute your needs.

Thank you.

Treasurer Conine

Thank you.

Welcome, Nicole and welcome Michael to this side of the Treasury Dept., Michael's been with the Treasury for how long you been with us in Treasury, Michael?

Michael Pelham

About 3 1/2 years.

Treasurer Conine

So happy to keep you on the team, and I know they are sad to lose you in cash. Thank you. With that, we will close and move on to public comment. Are there any members of the public who would like to make comment in Carson City?

Member Palmer

Again, it's me and our valuable staff.

Deputy Mohlenkamp

Thank you very much Sir, for holding down the Fort.

Do we have any members of the public who would like to make comment in Las Vegas?

All right.

Do we have any members of the public online who would like to make public comment?

Hearing none, we'll close public comment and move on to item number three for discussion. Possible Action board review and approval of the Minutes of the board trustees meeting on September 25th.

Any questions from board members on this agenda item?

Otherwise, we'll take a motion to approve.

Member Kao

This is Andy Kao motion to approve the minutes.

Treasurer Conine

All right. We have a motion to have any discussion on the motion.

Hearing none, all in favor.

Member Kao

Aye.

Lt. Governor Anthony

Aye.

Member Caldera

Aye.

Member Sewald

Aye.

Member Palmer

Aye.

Treasurer Conine

Any opposed?

Motion passes unanimously, thank you.

We will close agenda #3, move on to agenda #4.

This is the meeting for discussion and possible action to determine the Nevada Employee Saving Trust Program structure as a Nevada specific independent program or state partner consortium. And again, just before we turn it over to Deputy Treasurer Mohlenkamp to go through it, we have done a couple of things.

The board asked for some comparison between multiple states and what those states offered. Since we have some information on that front, we also put out an RFI request for information to other states who are already in this work to see what sort of programs they had available, and then the choice in front of us basically is to say, OK.

Do we want to join in with a state? We don't have to decide on which state, but basically move down the road. Do we think there's some good options out there, or do we not think there's good options out there? Or do we want to go in our own which would be the RFP process which is longer and more complex, etcetera.

Of course, is longer and more complex, etcetera, but might be the right decision. So with that, the decision in front of is which path RFI or RFP path, not necessarily which RFI or which RFP, because of course we know there was responsive yet, but that's the fork in the road that I believe we are at. Deputy Treasurer Mohlenkamp.

Deputy Treasurer Mohlenkamp

Good morning, I'm here today as part of Agenda item number four to provide a brief overview of the comparison data that was gathered for existing independent state Auto IRA programs. If you look in your meeting materials on page 22 of the PDF. You'll see that there is a state comparison summary that shows data collected so far for other state programs, including estimates on the number of employers and employees.

Self-exemption rates for employers and opt out rates for employees.

We've also been able to collect information on launch dates, including any launches that were conducted in phases or what they call waves.

The team at Pew Charitable Trust contributed much of the data that you see here, but as you can see, some data was not available while other data was available. So some information we were able to get additional information from state programs directly and we've noted that in the summary sheet, that you have there. Within a limited number of existing programs and different structures across the board, we have found it is a challenge to collect comparison data.

So, this is very much a starting point to continue to dial in the market as we go.

Pew is currently working on additional modelling and analysis that we can share in the coming months as it becomes available. One other thing to note on this sheet is at the last meeting you were provided with estimates on the number of employers and workers in Nevada that could potentially participate in the nest program, and although Pew continues to work on the modeling that should refine these numbers even better.

We've used that data to create some broad assumptions on what the Nevada market might look like, and you can find that on page 2 of that state comparison document.

So, at this time, I'd like to pause here for just a moment to answer any questions you may have about the data or the analysis. We do

have Andrew Blevins from Pew Charitable Trust Retirement Savings Project on the line as well. If you do have any questions about the data we've collected so far.

Treasurer Conine

Thank you. Before we turn it over to questions. Andrew, anything you wanted to add.

Andrew Blevins

I think Leslie covered the waterfront there, but happy to take questions if there are any.

Treasurer Conine

OK. I'll turn it over.

Questions from members.

Any members from Las Vegas? Any members from Las Vegas with questions on this specific part?

Lt. Governor Anthony

Stavros Anthony, so the three states that we could partner up with would be Colorado, Connecticut and Illinois.

Treasurer Conine

Sorry Sr., we're on the first part, the kind of data comparison.

Before decision, this all sort of landscape of these programs, which I think at least to me basically said that there are some other programs and there's not a ton of data in any of them yet to understand efficacy.

Lt. Governor Anthony

You have California, Illinois, Maryland, Oregon and Connecticut those would be the ones that you've looked at.

Deputy Mohlenkamp

Yes, that is correct.

We did have a couple other states that do have independent programs, but we believed they didn't have enough data to share, that it was good to add it to the comparison.

So we do believe that we'll have a little bit fuller data if we can, if we can get that from the other states, so.

Lt. Governor Anthony

So, if we went this route, those would be the states we would consider, or are there more states to consider?

Deputy Mohlenkamp

These states that are represented on this chart are independent programs and so we would not be looking to partner with California or Maryland or Oregon. However, as part of that pie, there are a couple states that you see here that are looking to develop their partnerships further or start up partnerships. And so really the data represents how their program has operated as an independent program, but again, there's a couple of them on here that are seeking to partner, but they have not had a partnership up to this point.

Lt. Governor Anthony

But there are other states that we would potentially partner with that are not in the sheet.

Deputy Mohlenkamp

No, there's only three states that responded to the RFI.

So we really would only be considering unless the board unless the board took a different direction.

Treasurer Conine

Connecticut, for instance, responded the RFI and was part of this data set.

Colorado respond to the RFI isn't part of this data set and Illinois responded to the RFI and is part of this data set.

This sort of a Venn diagram that has some overlap, but not complete overlap just based on what PEW was able to find.

Member Caldera

This is Joseph Caldera.

I have some clarifying questions regarding the employer exemption. In the state of Nevada, there's a number here of 4200. And just for clarification, these are the folks

that have less than 5 employees been in business for less than three years or can quantify this.

Deputy Mohlenkamp

Yes, this in terms of the number that we put down as the assumption. We did a very basic analysis and basically said in the other states that are running independent programs, what has been their percentage? What has been their employer exemption percentage?

And so we did an average and applied it to the state of Nevada.

So you'll see that, what makes up an employer exemption for other states is whether or not they already have an existing program. For example, it could be whatever dictates in that state, a provision that they would be able to be exempt from participating in that. So, what I found was that it was related to already having an existing program for employees.

Member Caldera

We're using the other states exemption?

Deputy Mohlenkamp

Yes.

Member Caldera

OK, we're not using our mandate in terms of who would qualify?

Deputy Mohlenkamp

No, this is a very, very basic, and that's why I would say it's absolutely a starting point for the analysis because we as we move further and we get our own data and we start collecting that, we'll apply our own provisions on exemptions and apply a percentage on that.

Member Caldera

Thank you.

Treasurer Conine

And I think to add to that, we know we know that there are some employers in Nevada who are already offering a program and therefore would be exempt. We know there's some employers in Nevada that are under a certain level, but we don't have data as to how many employers in Nevada already offer a program or how many employers in Nevada are under a certain level of employees, we don't collect that in the state. So, to Lesley's point, kind of more of a swag to try and get us some idea of how many folks would be participating.

Member Caldera

Well, I would like to ask PEW how many employers have filed a 5500 in state of Nevada, and that's a list available that we're able to quantify.

That could be helpful as we move into our next meeting to better understand what that would look.

Deputy Mohlenkamp

Yes, and to your point I think was requested here, Andrew I know you're continuing to work on the modeling. Does it include some of those aspects?

Andrew Blevins

Yes, the 5500 data is useful in that it can provide a lens to inform some of these estimates the issue with the 5500 is we don't have great ways to slice those reporting employers by size and number of employees so, you're having firms report whether they have a plan or not.

But it's difficult to disaggregate that to the employer size levels that you need then to make these estimates because you do have these exemptions for small employers etcetera, but it does exist and it is something that we can continue to look at to try and help you inform these decisions going forward.

Treasurer Conine

Thank you. Any other comments or questions from board members on sort of the survey of the universe?

Andy Kao

This is Andy Kao, I have two questions.

California it says is eligible savers 7 million and opt outs 35%, which would get us 4 million roughly, but only 299,000 are funded. So, does that mean noncompliance or what does that delta between those two numbers?

Deputy Mohlenkamp

This is Lesley Mohlenkamp. I think in speaking with California and again we grabbed the data very straightforward saying can you fill in this table and be able to provide it. My understanding is that right now they currently are looking to include more of those employers that haven't been reached.

So a little bit of this is going to be that they just haven't reached them yet.

In terms of them launching in waves as far as the data that we've collected

Them launching in waves, there is, you know, as far as the data that we've collected, it could have a lot to do with the waves that have been introduced as well.

That was one of the reasons why we included the wave data because you can see that they started with 100 employees or greater they went down to 50 to 99, 45 to 49 and then now they're currently working at the one to four employee range.

This is part of the challenge with this data is just simply that it will take some time to be able to dial those in better and be able to get a better a snapshot of the universe.

Treasurer Conine

And just to make sure I'm understanding the 7 million is every employee that could be eligible based on those calculations, not every employee that the program has rolled out to. California is still in the one to four employees that implementation date I believe is at the end of 2025. I would assume just like Nevada; the majority of companies are small.

Not every employee that the program has rolled out to so California is still like the one to four employees. That implementation date I think is at the end of 25, right? And so that number should fluctuate.

The one thing, that data certainly tells me is that we knew this to be the case.

There was a vast number of people who will be eligible for this program will not take advantage of this program, whether it's because they're business takes longer to get to the compliance level or simply because they don't want to.

Member Caldera

I also think that our mandate is less than 5 employees where I think California's mandate is every employee, that makes a difference.

Deputy Mohlenkamp

That is correct.

Member Kao

So then follow up is related to that. This assumption for Nevada when this program is all rolled out that's when we will see these numbers happen. It's not two or three years in the waves, is that correct?

Lesley Mohlenkamp

This is Lesley Mohlenkamp, you bring up a great point. Some of the decisions that will be made are related to whether or not the program is released in waves, and if that is the route that the board were to take, it would be over a period of time.

One of the things that I thought was important about the comparison here is that nearly every single program did roll out in waves, it does seem to be a very common practice.

So the assumptions that we've put together are and again, very rough, very basic. We applied percentages, and said this is our starting point.

Absolutely. As we go forward, we'll be looking to get data that's much better and much more dialed in as we start to apply our own numbers in there and our own percentages and so on and so forth.

Treasurer Conine

Treasurer Conine for the record. Certainly, from a from a legislative intent perspective, from an office intention, we will roll the program out in stages, larger employers to smaller employers.

We wouldn't do everyone at once just because functionally it would be too many folks. It'll be easier for larger employers to implement smaller employers. So you want to get the bugs out with the larger ones versus the smaller ones.

Member Kao

Hoping to make a request from your side if you can add Colorado to this chart. And secondly, for the Nevada estimates, if it can include the one through five employers, I know they're excluded today from our mandate, but all three are RFI's that came back require full compliance and so there's a likely chance we will end up if we do a partnership, we would have to do one through five.

Treasurer Conine

So just to clarify there right that our statutory mandate, the mandate on employers is five employers or five employees and up. If we join one of those, one of those contracts we could change the law, but we can't change the law through contract. So our mandate will remain 5 employees and up. Whether or not we want to open it to independent contractors, employers less than 5 employees, that's a choice. However, the state mandate if you don't do this, you'll get in trouble is on five employees. That was a like a relatively big piece of the legislative negotiation.

So I just want to like make the difference between what we must do versus what we could do, does that make sense?

Member Caldera

Andy, are you suggesting that maybe it's helpful to at least identify who the employers that are not subject to the mandate as it that that they be identified?

Member Kao

Yes. Because I think if I read it correctly, all three RFI's came back., all required full compliance.

Treasurer Conine

Full compliance within their statutory frameworks. For instance, correct me if I'm wrong Colorado doesn't have a every employee sign up, they've a limit.

Deputy Mohlenkamp

That's my understanding, right?

Treasurer Conine

We can discuss this more on the RFI side, broadly we won't say let's pull that data to the extent we can or what we can force employers in Nevada to do, is statutorily constrained, we cannot contract out of that. And so, if one of the RFI respondents say, for instance, required us to force every employer down to one to do, we could not contract with them, we'd be breaking the law.

Member Kao

Thank you.

Treasurer Conine

We can change the law, right, but part of the negotiation around this bill was to make sure that we didn't unfairly burden small businesses. And so that's where the five-employee came from.

Member Caldera

I think as we get into the RFI we will explore this topic a little deeper.

Treasurer Conine

For sure, I think we should. From state comparison I also like the idea of Colorado. Andrew to the extent that other states start providing information, we'll keep this as a running list that we can bring back.

Maybe this could be included it in every board packet and then spend time on it when it's updated.

Otherwise, just you'll have that information going forward if that's ok with the board. Hearing no objections. OK, Ms. Mohlenkamp.

Deputy Mohlenkamp

Now moving on to the request for information or RFI related to potential Interstate partnerships for the Nest program, staff was directed to release an RFI on September 30th and states have the opportunity to submit questions by October 9th, there was one question that was received and you should have a copy of that question along with the answer that was provided and we coordinated with the Attorney General's office. The response was posted on the NEST website for all the respondents to view, the RFI closed on October 28th and an evaluation committee reviewed the three

responses that were submitted from Colorado, Illinois and Connecticut. They were reviewed to ensure they met the RFI requirements, the committee has been the evaluation committee was prepared to offer the board a ranking of the responses for consideration, but we have been able to provide a side by side summary through the efforts of AKF consulting and it was decided that a ranking would be unnecessary as we had the three RFI side by side in our summary document. In your meeting materials, you will find the summary document on pages 24 to 41 and following that summary you'll see that we've included all of the items that were submitted by the respondents, and we did that in the order that they were received. You're going to see that we start off with Colorado on page 42, and then we move to Illinois on page 169, and Connecticut on page 191. Obviously there's a lot of information in there. So again, we have all the detailed information that was provided by the States and then we've also provided the summary document to try to distill all that information that was into kind of a more of a bite size executive summary for you to. To be able to consider and with that, I am going to turn it over to Andrea Fierstein from AKF consulting to touch on some of the high level points from the summary.

Member Caldera

Yes. I just wanted to get clarity on state of California and was there a conversation in that they chose not to participate in this RFI?

Deputy Mohlenkamp

One of the things about the RFI is that we did set. We sent out the document to all of the States and at that point there's not a lot of interaction, you know or discussions. They have the opportunity and they're very much you know had it in their hand to be able to respond. So, we did not see a response from California. It can only be assumed that they didn't want to participate.

Treasurer Conine

We know they saw it.

Andrea Feirstein

Great. Thank you, good morning.

Or is it morning still in in Nevada?

Good morning, everyone and thank you, Miss Mohlenkamp.

So there's a lot of information in this summary and there's a ton of information in the documents that stand behind it.

I really do want to just talk about this at a very high level, then I'm happy to go through any of the specifics that are in our summary. But I think when I take a step back and I look at or we look at these various responses and what you've asked for. We think they're four things to think about at a very high level and one is the structure of the partnerships.

And part of that, the second piece, when we talk about structure is what's the role that Nevada would play going forward.

We think cost is an important point to think about at a high level and also the speed to which or with which you could implement the program and the partnership.

So if that sounds OK to you, I would just take you through some of the key pages or some of the key points that we saw.

When I think about structure, I think there are two components to structure.

Really the first and foremost question is, does it exist today?

Is it in place? And I think what we see, and this is on page five of the summary, you have the three different responses that came in. You have one that has in the auto IRA space one that has existing partners, a structure that is well established, that has its terms, and its provisions established and set, and that's Colorado. Connecticut is working on a partnership so that is pending.

And then Illinois had indicated in its response that it has partners that its formation still must be accomplished. The one thing I would say with respect to Illinois though, and I think they've made this clear in their response, is they do lead the largest partnership structure in the ABLE market so, while they don't have anything in place right now that exists for the State Auto IRA programs, they certainly have a model to that that will inform them of how to move forward.

Treasurer Conine

Treasurer Conine for record not within sports purview, but ABLE is an account savings program or for individuals who qualify.

Illinois leads the largest program, of which Nevada is a member, so we have some experience dealing with that.

Sorry, carry on.

Andrea Feirstein

Thank you for that Treasurer Conine, I was going add that point, I'm happy to hear that. So when I think as a component of and, I'll get to the speed impact with about partnerships and the structure being in place or not.

But as I said, I think that the you know the second high level point to think about is the role Nevada will play.

And I see that characterized in the questions that go to decision making is on pages 6 and 7 of our summary.

What is the role that you will have?

What decisions does a partner state have an impact on or a say in? You do see again if you're looking across the columns, you see that in the Colorado structure, the partners each have a vote on, quote, unquote, votable matters. You'll see in Connecticut that the structure contemplates that partners have a vote, but I think we must clarify what the binding nature of those votes. And I think as you'll see in Illinois again not having the structure in place, we don't have a formal framework.

But if you fall back on the ABLE Alliance as a structure then partner states would have a vote. OK.

So I think that kind of addresses what your role would be.

And the role in in decision making. I'd like to return to the framework question because I said you know you've got structure, is it in place?

Page eight of our summary really goes to this point at the top of the page of the formal framework and structure and the reason I mentioned the formality of the structure being in place is that it goes to the speed with which you should be able to launch a program, right?

If the structure is entirely in place and the documents exist, and that's the scenario with Colorado, then presumably you would be able to do this quickly and you see that borne out in their response to.

When a pilot and a program would be launched.

So I think with Connecticut, they certainly have as they've indicated a term sheet.

I think the final contract structure is underway, so that may add an element of time and again that that goes back, I think to where they're talking about when the plan would be up and running.

I think it was three to six months after execution of the partnership agreement and then the last response was from Illinois, where the framework I just have to go back

to my page.

The framework's not in place yet, but again, if we fall, you know, depending on the on how much you fall back on the ABLE structure that may, that may move the process along more quickly but impact timing wise. What Illinois had indicated was that the pilot could begin by July of 2025.

And the distinction there is that I think Colorado said six months after their partnership agreements are executed.

Their partnership agreements already exist, so they said the full program could be launched by July 1 of 2025, when it comes to, launch dates.

I always caveat it by saying, there are steps each of these parties have to take.

You had one party who said they'd be up and running in full by July 1st of 2025 all of it is contingent on how quickly you move to implementing the partnership agreement.

The next high-level point, my third point would be to look at cost. And you can see the costs that are summarized on pages 10 and 11.

I don't really have much to say on the cost side. there are slight differences, I think in the dollar-based fees. They are what they are. And you can just see where the fees come out.

Slight differences in that you may have a dollar-based fee that's lower but an asset-based fee that's higher.

And so you just must take that, look at the additional charges that a participant would pay. This is a snapshot, and I think it speaks for itself.

The last point that I would look at from a high level was speed and I've already addressed that. I'm not, focusing on we have a lengthy summary of program practices. I didn't think that those should drive a decision necessarily. The only other thing if you were going to think about this and I don't think the distinctions are meaningful and that's the structure of the investments. I think these investments are all extremely similar. I didn't think that really needed to spend much time on that.

So those are, again my very high level.

What's the structure?

What's the role?

What's the cost and how quickly can we get this done? I'd be happy to go into any of the specifics that you'd like to review.

Treasurer Conine

Thank you. I appreciate the work of AKF and staff getting these into sort of what I consider a much easier to digest piece of business than the 150 pages of backup that are behind it. Any questions from board members on this item?

Member Caldera

In your opinion as it relates to Illinois not having a formal framework. You noted that ABLE might be able to get a little easier If the board decided to go with Illinois and again, we're just talking out loud here.

Would that be an issue from your point of view?

That because that they don't have formal framework, that it wouldn't necessarily slow down process.

Andrea Feirstein

I think that they have a structure to look at and they have a structure that works. It's the time for them to take what they have for ABLE and just adjust it, presumably to Auto IRA. As opposed to, being handed a set of documents that you could start to negotiate or start to address. I don't think it should, I don't think it's a limitation. That those are not in place now. I think it adds, probably a minor amount of time. Depending, you'd have to get an estimate from them on what the time frame would be.

Treasurer Conine

And worth mentioning from a state perspective, we would certainly want to negotiate.

We don't be able deal, right?

So if we just started with the ABLE deal, we would want to make some adjustments to that. So, it wouldn't be zero time, but OK to Andrea's point, it's not their first rodeo, OK?

Mr. Palmer, I see you. I'll come to you next.

Thank you.

Member Caldera

And just one other question regarding the dollar-based breakdowns, the \$17.00 in Illinois for instance is that's assumed annually, correct?

It's an annual fee.

Andrea Feirstein

The dollar-based fee. Yes, I believe it's charged quarterly.

Member Caldera

OK. Doesn't divide nicely into 12, so I just wanted to clarify that.

Andrea Feirstein

And you're looking at the breakpoint, the ultimate fee, right?

Member Caldera

Yeah, the dollar base breakdowns.

Fee decreases, yes.

Andrea Feirstein

Yes, right. At 350,000 accounts, yeah.

Treasurer Conine

Yes. Theoretically, 350,000 accounts for Illinois plus Nevada or just the Nevada side.

Andrea Feirstein

Yes, I think you'd clarify that with Illinois.

Treasurer Conine

Many of them are program wide, but that one doesn't say that.

Andrea Feirstein

Yes, the beauty of the partnership is that you reach those break points on the basis

of the entire partnership, not just on yours. As partner states come on and endorse all your benefits, you'll reach a break point sooner and the break points have to be uniform and would be applied across all members, all partner states.

Treasurer Conine

And that speaks to right now, Illinois, has 155,000 funded accounts. Obviously population wise, we bring a lot less than that. The table to me it went in the same direction.

Member Palmer

Yes. On the state partnership plans where they offer both Roth and traditional IRA's I believe our state legislation says contributions need to be after tax. So my question is, with they're eligible to do traditionals, are those considered backdoor Roth's, or is that in place for those that have high modified adjusted gross income?

Andrea Feirstein

That's a great question in each case the default option, the primary option that if you don't indicate going into a Roth or a traditional the default is a Roth. I'm not sure I can answer your question on if you can choose.

Member Palmer

Well, I read the entire book. I saw that Members are allowed to go online and choose to go to a Traditional IRA. But our legislation says they all need to be after tax contributions.

So if we were to partner with them, would we be able to separate our accounts where our online platform or whatever platform we choose would either mandate after tax contribution backdoor Roth?

Or if we choose them, would we then be violating the legislation?

Andrea Feirstein

I think you would negotiate that in the partnership structure, you would negotiate that with the program manager.

Treasurer Conine

I'll ask the Attorney General representative, Miss Ting, if you want to opine on that. But I think this problem we could circle back on whether it's a if we offer the one, can we not offer the other. But that's a great question.

Deputy Attorney General Ting

Yes, it is a good question.

I agree that during the contractual negotiation process we could say we have these certain statutory requirements. So, these need to be in the contract and if they are not OK with that, then we could kind of you know we obviously can't go down a road that doesn't meet our legislation.

Member Palmer

What happens if there have high amounts of gross income, and they just happen to have like 6 employees? Let's say engineers. We would then want to offer a Traditional IRA as a backdoor, wouldn't we? Or no.

Treasurer Conine

I think it's a great question as to whether we can. I think we would want too just mechanically. So, I think that's we're going to have to follow up with that. I think from the A GS office.

But that's a statutory question and certainly one we can get an answer to. Member Palmer, thanks for raising it.

Andrea Feirstein

Yes. I will say I think that all the structures contemplate a partner state agreement with the manager. An addendum, you can call an implementing agreement.

So I think that's where you would work that out.

I'm not aware of a program in place Member Palmer that does a deductible IRA. I know that that's the lower income limit anyway on traditional, but there isn't one. So whether you do the traditional as a backdoor I don't have an answer for that.

Member Palmer

Alright, thank you.

Treasurer Connie

And I guess we'd probably should make a broader comment when it comes to sort of statutory construction because this kind of came up before. We cannot contract as a board outside of the statutory constraints of the legislation.

So if the law says that our program has XY and Z and XY and Z has sort of a direct contradiction with something in the contract, we could not enter that contract.

That would be a hard line. So, part of this RFI process is to look for things that are sort of diametrically opposed to what the program was supposed to set up and if none of the partnerships allowed us to do something that felt would not be able to enter a partnership.

Without changing the law, of course.

Member Kao

Andrea, maybe you can help me find this.

I think it was on one of the RFI questions asked if the states are we have to mandate our employers to participate and then they reference look at Appendix A and the contract and I could not find it in the contract.

I'm sure it's in there, but maybe you just have off that knowledge of what that contract requirement is. This is for example on the Colorado response page 18 question #16. "With the pricing change, if legislation doesn't include a mandate from employers to participate in the reference."

The Master Service Agreement which I did carefully review but have not been able to find the response.

I didn't look careful enough, but I may not have found it in there, on what that means.

Andrea Feirstein

I don't have an answer for that right now. I would have to look closely at that view.

Treasurer Conine

OK. So, we follow up, but just from a clarity perspective, the Nevada language does mandate employers participate in this. The state has in the legislation. Then I think we talked a little bit about sort of mandate versus enforcement, right. So, in this case, we have a legal mandate. There is enforcement that is contemplated as like a

regulatory thing that the board at the treasury could undertake at some point, if we needed a stick. But the mandate, the sort of requirement for businesses greater than number 5 employees who don't offer a separate program, etcetera, that mandate exists so that the legal language that the RFI partners needs the, the functional, we have in mandate right now.

There's been some back and forth as to like, do we have a mandate if we can't, if we can't penalize them legally, have a mandate, right?

Whether or not that mandate is followed by the people who are mandated and what we do if it is not that, I think that's a separate conversation, but from a pricing structure perspective, we have a mandate. Does that help clarify?

Member Kao

Yes.

Treasurer Conine

OK, great.

Member Caldera

So I think I'd also saw that the traditional IRAs are also available in all three states, so. And I guess I made the assumption that Yes, the default for the state, the SB305 bill, basically says the default is a Roth.

So I don't know if we need clarification from legal to determine whether or not the Roth remains the default in that.

That the traditional.

Contributions would be.

Also accepted as part of our program.

I think that's important to clarify.

Lt. Governor Anthony left board meeting 57:09 minutes.

Treasurer Connie

I agree. Deputy Attorney General Ting, that'll be on our follow up list.

Deputy Attorney General Ting

Yes. Thank you. Treasury will do.

Treasure Conine Thank you.

Please go ahead.

Member Kao

This is Andy Kao, Andrea, one more question for you.

This is in your chart on Section D #20 for employer user experience.

One of the things I see from especially smaller employer side is ease of access to input this data and so I see that you know for Illinois they list 2 providers have 360 integration.

For Vestwell, Colorado, Connecticut they don't list this information however on their website they list about 20 or so employers.

So a couple questions around that. Do you know if they charge a fee to payroll companies or if payroll companies charge a fee to employer to use this integration?

Andrea Feirstein Thank you for that question.

I this was a much-debated point at a board meeting yesterday actually on the same topic.

I think that the payroll providers are charging the employers.

There's a relation, right? There's a cost between the payroll provider and the employer to use the service, so I don't know if that's answering the question or not.

But it's not cost less to use the payroll provider.

Member Kao

Let me rephrase.

So assume that if business that exists using a payroll provider today ready and they pay those fees.

If Nevada does join one of these partnerships. Vestwell, for example, does the payroll provider then charge an additional fee to employers to be a part of this service?

Andrea Feirstein

I don't think I can answer that question.

Member Caldera

I'm going to say yes.

There's likely going to be a fee.

Andrea Feirstein

If there's a cost of the integration, right?

Treasurer Conine

Let me try here. In existing integrations have payroll company fees increased to participate in companies.

I mean, I think that would be the best way to answer the question or at least try to get to an answer for the question.

Andrea Feirstein

And I think that's a question that we should probably ask the respondents.

Treasurer Conine

So we can follow up and ask all of them.

Andrea Feirstein

In particular if it's a question about, has it increased or right, those are questions that should be asked of the program administrators.

Treasurer Conine

Theoretically, just from an apples-to-apples perspective, if a payroll company is charging participants for that integration, it would also charge it for another integration. They would charge it for a Nevada sponsor, so it should be from an employer perspective probably the same.

Maybe higher if the only integration they had to do a new integration for a Nevada program versus one that was existing, but I wouldn't think it would be different between options.

Andrea Feirstein

Yeah, I really do think that that I think their distinctions also honestly between the

providers. You know, we only have two providers across the whole auto IRA market, and you got two choices here and I think there are distinctions and there are differences in the integration, at least that's my observation. And so, I think these are questions that you know we shouldn't speculate about necessarily I think that they should be put very directly to the program administrator's because it's a fluid area right now.

I will be candid with you, I think that these are questions that they should answer for us exactly.

Treasurer Conine

That's helpful.

Thank you.

Member Caldera

When we enter the RRFP process, I would request a copy of the IPS, the investment policy statement, which was included in the packet. That would be something that I would like to evaluate.

Treasurer Conine

Member Sewald, go ahead I'm sorry Andrea.

Andrea Feirstein

I was going to say is that you will have your own investment policy statement, that would presumably mirror or be in line with the investment policy statements that each of these three states have.

Member Caldera

That might be a conflict because we would want to because we don't have, we according to the.

How votes are determined, you would essentially have one investment policy statement, yet the board has a vote into or suggestions to the committee who is acting as the 338 fiduciary on the investment policy statement. We can get clarity on that process. Because I think there would be a conflict if there were two.

Treasurer Conine

Yes, that that brings up a great question and then I'll come to you, Mary Beth, in just one second, so sorry. Andrea, currently in like the Colorado plan where they have multiple states, does each state have an investment policy?

Which of course is a requirement and responsibility of this board right to have one for Nevada that mirrors the language of the basically there are four statements that are all the same. Or how does it work currently.

Andrea Feirstein

So my understanding is that the states mirror the investment policy statement that Colorado has.

I think you have to remember that one of the key things about the partnership and this came out in all of the responses is that the investments ultimately have to be the same right part of the cost benefit of doing this is that the investments are.

Identical, you can't create.

So that doesn't take away your fiduciary duty to have your own statement and to provide your own oversight and diligence now.

So you have you have a, you have a say in what the investments are.

But the investments won't differ at the end of the day.

So, I really wanted to make that point.

Now you know whether going down the road, whether you need a separate investment consultant or anything like that, or you could rely on the monitoring of the investment consultant at the lead partner level. That's a different issue.

I'm assuming that that answer would be yes in all cases.

But your investment line up is going to be identical.

I just want to be clear on that. And that's the cost benefit of doing this?

Treasure Conine

That's helpful, Member Sewald.

Member Sewald

Thank you, Mr. Treasure, Mary Beth Sewald for the record, just a question.

Do we know how soon we'd be able to circle back to the respondents to get answers to these questions?

Because as we know the list is pretty short anyway and if for example because I was leaning towards sort of Illinois is looking at or I mean Colorado, I should say. But if by joining their plan then, then we would be breaking our own law and that rules them out. Then we should know that sooner than later. Is that right?

Treasurer Conine Treasure Conine. For the record, I think from a process perspective, the termination at this meeting if the board is prepared to make one, is whether to keep moving down this RFI path.

Get answers to those questions. See if any of the three respondents sort of don't fit within our statutory framework.

Get answers to the other questions the board has, and then pick one at a future meeting, right?

Or if we don't feel like any of those are possibilities based on what we know now, we can kick it. We say no to all of them and move on to an RFP process. Going through say we want to move on the RFI direction and then at a later meeting coming back and say hey, actually because of statutory construction, none of this work would just still move us to the RFP and kind of going at our own perimeter, wouldn't be shutting either door.

At this stage, I don't expect just based on how long we've had this information. The questions are outstanding.

Intending to put forward a recommendation or to ask for recommendations or board motions on which of these RFI respondents we would go with, right?

But I do want to get some board direction for staff to know whether or not they think any of these could be possibilities in order for us to move forward.

Also mention the record of the Lieutenant governor had to leave.

So just from a vote perspective down the road we have that. Does that help answer that question.

Member Sewald

Thank you very much, I appreciate that.

I just know we're under a strict time constraint, so that's what I'm thinking about.

Andrea Feirstein

No, I was just going to just to reassure you, member Sewald, I think that the state should be able to answer this very, very quick your questions quickly.

I mean it's a test, right?

Member Sewald

Thank you.

Treasurer Conine

Member Palmer.

Member Palmer

I'm not sure we'll have enough data on this yet due to the youth of these programs. But when it comes to ensuring the participants register a beneficiary, follow up with them. If they were to retire, how they collect their benefits, or if they were to die at the work, how to contact the decedents? Is it who is falling under that responsibility? Is it the Primary state, the partnership, the host state, the financial advisors. Where's that looking? Between these different plans.

Andrea Feirstein

So if I understand the question, remember Palmer, I mean that goes to the program practices at the end of the day, each participant has an IRA account. So how succession ownership, transfers upon the death of the participant.

I mean, those are all items that are in that IRA agreement, right?

And the party overseeing that is your program administrator.

There is an IRA custodian, there is the structure. It would be no different than if you open if you open an IRA at, your local bank, ultimately, it's that program administrator who is responsible for, what I think of as the user's IRA experience and the user's experience all told in the program.

Does that answer the question?

Member Palmer

No, would it fall under Nevada?

Let's say we partner with Colorado just because it starts with the letter C.

Would their administrator be in contact with Nevada to follow up on ensuring the

IRA's had a beneficiary listed?

Would Nevada be responsible for that?

We hire our own administrator?

How would that work in the partnership agreements?

Andrea Feirstein

That's the beauty of the partnership you buy into the IRA custodian, the IRA structure, everything gets done under the program administrator for Colorado becomes your program administrator essentially.

Treasurer Conine

Which is sorry, Andrea, just to confirm, that's the Vestwell.

Andrea Feirstein

That is Vestwell, exactly. I apologize

Treasurer Conine

Or a census with Illinois, yes.

Andrea Feirstein

That's the that that's more of the beauty of it. I keep saying everything is the beauty of it, the cost and the simplicity and the fact that you don't have to hire any of those, engage any of those structural parties or structural part. You know that's all taken care of. You're you come under the umbrella of what Colorado has done with Vestwell. And what Vestwell, is providing to Colorado, they provide to you.

Treasurer Conine

I guess a follow up question on that within the space, are there other players besides Vestwell and a census doing this work?

Andrea Feirstein

Yes. So right now Treasurer Conine there are just these two players that we see in the auto IRA space.

I will tell you that we are always trying to expand that and having conversations, you know, but right now in terms of the service providers, it is and I think they had it

actually and they answered the question I think that Vestwell covers eight of the plans and Ascensus covers two. And the two, being Illinois and California.

Treasurer Conine

Thank you. And for anybody who's not familiar with the census or sort of the 800 LB gorilla in the record keeping space, especially for college savings plans, state use for college savings plan of Nevada as do many other states. Any other questions from members?

Member Kao

This is Andy, Cal. Andrea or Andrew at PEW.

I'm not sure which one of you can help with this. So we have fees broken down into two buckets, the annual and the dollar based.

Is there a way to see what each of these three partnerships in the chart, if we plotted this out, say 10 years.

On what their total assets are projected to be and the total dollar total accounted projected to be and then apply that toward a chart of fees. And that way we can get an understanding of more of apples to apples of where they are today.

How close they are to hitting these break points and what that would cost us.

Andrea Feirstein

Would you like me to answer that question, Andrew first?

Andrew Blevins

Sure. Go for it, Andrea.

Andrea Feirstein

Yeah. So, thank you for that question. We would look to PEW to project assets and accounts.

I think they have the best handle on that, and Pew could certainly apply the dollar based and the asset-based fees we do that routinely for other clients as well. So, we can project out based on expectations with respect to growth of the program, and growth of the partnership overall because that's what must go into this as well. We can project out revenues and end cost to your participant.

If that's what you're looking for, Andrew, I didn't mean to speak in your place, but.

Andrew Blevins

No, Andrew Blevins for the record, that's exactly right.

We've done that sort of analysis for other states.

In the past as well, at their request projecting out total participants and then where the fee breaks are what the assets under management would look like across the partnership and then what would fees look like on a sort of averaged account basis if that sort of undertaking is useful to the board, we'd be happy to do it.

It does come with a fair bit of uncertainty. A) You're projecting out over 10 years.

B) You're considering, in the case of Colorado in that partnership four or five additional states, so you know, you add a fair bit of uncertainty these projections, but it does sort of give you a sense of where you might be X years in the future.

The other thing you can do is just estimate given an account balance, so if an account had \$250.00 in it, what does that look like in terms of fees? If it had \$500, if it had 1000, if it had 2000, etcetera, 5000?

What's the annual fee that you'd see out of that account and that might also be a useful exercise.

Andrea Feirstein

I would say on that, Andrea, Fierstein for the record. I would say that becomes important to look at over time.

Because of the interplay between a fixed dollar account fee versus an asset based fee and an asset based fee over time.

Will you know end up being?

A smaller well over time, that fee is going to grow as the account balance grows, but.

So I just think it's worth mentioning that you don't look at it in one point in time.

You would look at it over the, you know, some 10 year life to Andrew's point like the investment.

Treasurer Conine

That's helpful. I think a fee comparison to your point would be super useful before we decide which partnership, if that's the direction we go. So, whenever we make a motion, we'll include that in the direction to staff.

That's a great one.

Any other questions from members?

OK, hearing none, I'll make a comment for move towards a motion, of course.

By definition, right as we've talked about this whole time Nevada doing it kind of on their own right will take longer will almost assuredly be more expensive to participants.

I like our ability to negotiate as a state, which is from a size perspective, I don't necessarily know that we'll be able to negotiate a better deal than Illinois will.

And from an assets perspective, I don't know that we'll be able to negotiate a better deal than Colorado, with all the participants.

Maybe better than Connecticut but I think you can see kind of the difference in fees between Connecticut and Colorado using the same administrator providing the same services.

I think it makes sense for us to explore down the RFI path and the partnership path until we get to a place where either it does not work with statute right where we're sort of mechanically stopped from doing it or as we get more information, we just decide we want to give it a shot on our own.

That's where I am right now, but I'm curious to see where other board members are and would take a motion to either proceed down the RFI path or to shut the door. If the RFI path and move on to just the RFP.

Not state specific, not partnership specific, but kind of like directionally.

How are we feeling now?

Member Caldera

Chairman, I thank you. And I agree with your sentiment.

I think going down a path of creating our own, I think it would just be expensive and burdensome to our community.

Also, you know there are already one of the big important factors in determining for me is the user experience and so that that's going to be important and we need, I would like to consider a program that has that user experience already that we can quantify. So, I have a clarifying question. If we go down, continue to the RFI path. Are we asking for states to give them more time to either participate or are we asking? These three folks to answer some of our clarifying questions.

Treasurer Conine

I think mechanically it would be clarifying questions to these groups.

Different analysis, right? Like the fee analysis, which we'll probably have all the information we need but then need to do with PEW's help and AKF.

To make sure I'm sharing your question, you're asking would we open it up for other states to come in that haven't come in yet?

Member Caldera

That or what's the difference between going directly to an RFP?

Treasurer Conine

We'll avoid the RFP process if we join a partnership.

The RFP process is an ask from the ascensions investment of the world to come do this work for us, right?

The RFI process is one of your other shades that are out there, but we can enter into a partnership with another state.

Deputy Attorney General Tang keep me honest here, but we can enter into a partnership with another state without going through the RFP process. The RFI process covers our basis on understanding what we need to know that, and then the Board of course has the board actions in front of them. Is that fair?

Deputy Attorney General Ting

Yes. Thank you, Treasurer, I think you said it very succinctly pursuant to section 20 and SB305, I think we have the statutory authority to not go down the RFP process, but instead enter these state partnership agreements.

Member Caldera

OK.

Then yes, I would.

I would vote to move forward to go through the RFI process and if there were some states that for whatever reason wanted to give us have the board consider. I would consider that as well.

Treasurer Conine

OK. I guess deputy Attorney General Ting from an RFI perspective, if there are link comers who want to participate, with the standard reminder that that we as board members are not allowed to talk to other states about this. In case someone starts getting calls. Deputy Attorney General Teng, are we allowed to take late comer responses to this RFI? Or is the RFI functionally closed, for new participants.

Deputy Attorney General Ting

You can if you want to. My recommendation would be a deadline. You need to respond by this time.

Treasurer Conine

Which I think we've already like the first round, had a deadline to it, right?

Deputy Attorney General Ting

Great, right.

Treasurer Conine

OK.

All right. That's helpful.

Andrea Feirstein

Treasure Conine. If I can, I just add one thing on that. Yeah. I completely defer to the Attorney General's office obviously. Opening it beyond since every state received it had the opportunity to provide, to submit a bid in the first place. Now that you now that all the responses have been published, it creates a fairness element.

Treasurer Conine

Yes. I think that's a good point. Let's talk about the universe.

Are there other groups that or other states that you thought would have applied that did not?

Andrea Feirstein

No, there was not another state that I would have expected to apply.

Member Caldera

OK.

Thank you. That's helpful.

Treasurer Conine

OK. This is a relatively big item, so I want to make sure we everybody chance to comment if they have any comments that we can motion Member Palmer anything on your end.

Member Palmer

Yes, I'm very in favor of looking at the RFI but not closing down the RFP in case there's statutory legal requirements with the other plans.

I just don't want to close that door, but I'd like to proceed down the RFI first.

Treasurer Conine

OK.

Thank you.

Agreed.

Member Sewald

I agree with that.

Member Kao

I agree with the other members. I do want to note that there's only really two players that are in this the on the administrative side.

So we would likely get a very similar deal as other states. I'm looking at Colorado and Connecticut. They're nowhere near break point, so if we did this at those break point numbers, we would never hit it, not for a long time and yeah.

Treasurer Conine

I think that's a good point.

Member Kao

We don't have either one in hand yet, so we should probably continue afloat.

Treasurer Conine

Alright, so with that I will accept a motion to direct staff to continue down the RFI path. We've mentioned a number of them so I don't think we need to put that in the motion, but with the direction to staff as appropriate in order to give the best possible comparison so that when we come back to the next meeting we can make a determination between RFI dispense or to Member Palmer's partners point know for sure that the RFI participants are in congruent with statute and we have to proceed with an RFP. I think we'll be able to answer that second piece of the question a lot soon the first one.

Anyone want to make that motion. I can do it. That's a little weird.

Member Palmer

I'll do it.

Treasurer Conine

Alright, member Palmer.

Say motion to the thing I just said, and I think we'll be good from a record perspective.

Member Palmer

I make a motion to proceed with that plan.

Treasurer Conine

OK, perfect.

Thank you very much.

Any discussion on that motion?

OK. And I do not see the Attorney General waving me down, telling me that's not OK.

So I think we're right there.

No discussion on the motion.

All in favor, say Aye.

Member Sewald

Aye.

Member Palmer

Aye.

Member Caldera

Aye.

Member Kao

Aye.

Treasurer Conine

Any opposed.

OK, from a staff perspective, I think it would be valuable for us to communicate certainly being aware of open meeting law but communicate to the members of the board sort of quickly as we get this information as opposed to waiting for the next board packet if everybody's.

Sorry, the motion passes unanimously. I think it would be helpful and jump in here board members if you disagree, but I think it would be helpful to get that information kind of as it comes in piece mail so that we all have the information we need to make decisions. Certainly, the statutory versus not statutory compliance. I think we can start there, because that's sort of the gating item.

Like that's a problem that, to Member Palmer's point, we must move forward with the RFP, and we should do so quickly.

OK, without a closed agenda, #4. Thank you all and move on to agenda item number 5 for discussion.

Public draft study on feasibility, including independent contractors and other non-traditional workers in the Nevada Employee Savings Trust Program.

Deputy Mohlenkamp

Leslie Mohlenkamp for the motion pursuant to section 36.5 of sent Bill 305 of the 2023 legislative session. The Board shall conduct a study on the feasibility of including independent contractors in the Nevada Employee Savings Trust Program. The report on the findings of the study must be delivered to the Director of the Legislative Council Bureau.

No later than December 31st of 2024.

Before you today is part of agenda item number 5 and this will be on page 240 of the meeting material PDF document is the draft study for board discussion and input. Should the board have revisions or edits to the document, staff can incorporate those changes and bring the final draft for board approval in December. If there are no changes or revisions needed and the board moves to approve it is final today.

The staff can submit the report as early as December 1st.

The report and analysis was prepared by the Pew Charitable Trust Retirement Savings Project, and we have Andrew here today. Should you have any questions about the draft feasibility study. And that concludes my introduction.

Treasurer Conine

Andrew, anything you want to add to that?

Andrew Blevins

No, I think that's all covered as well.

I also have my project director, John Scott, who contributed to the report here as well. So, you have two of us to field questions. If there are any.

Treasurer Conine

Appreciate that. OK. Any questions from members?

Andy Kao

This is Andy. Kao. I think the report's very well put together a lot of thought into it. And it does a lot of challenges of making this happen. Do you have any insight on if any other state that has rolled out Auto IRA do they have this category of employees in their program, how do they facilitate the payroll process?

John Scott

Yes. Go ahead, Leslie.

Sorry.

Deputy Mohlenkamp

I can only give general information.

John Scott

I'm not sure about what Leslie just said, but, but I would say that, you know, generally what we've seen in other States, and we can certainly do a little bit more digging. But these are self-enrolled individuals and so they are facilitating their own contributions into the programs. Now, I'm not sure.

Whether that's from any sort of payment system or if it's like an ACH draw from their checking account. Or exactly how they're doing it, that's something we could dig into a little bit more but do the nature of the self-enrollment I imagine it's something that's not through a typical HR payment system.

Member Kao

Thank you.

Treasurer Conine

Any other questions from members?

Member Caldera

Thank you for that report. It was helpful, and I appreciate the efforts.

Thank Member Caldera. Member Palmer, Member Sewald anything on this one?

Member Palmer

None here.

Treasurer Conine

OK, I haven't heard any suggestions for changes to the report.

I do think this is maybe something we can add to that RFI comparison, right?

Are they taking independent contractors?

How are independent contractors signing up?

In in the current form, right for those additional programs.

That's not an action item for this agenda item of course.

Attorney General Tang. No getting over my skis.

But if we don't have any changes to the report, I'd accept a motion to approve that report and submit it to the Director of Legislative Council Bureau by its statutory deadline, which is December 31st.

Member Caldera

Make a motion to forward.

Member Palmer

Second.

Treasurer Conine

We have a motion, any discussion on the motion.

All in favor, say Aye.

Member Caldera

Aye.

Member Kao

Aye.

Member Sewald

Aye

Member Palmer

Aye.

Treasurer Conine

Motion passes unanimously. Thank you all.

That will close agenda item number 5.

Move on to agenda item number six public comment comes from the public are invited at this time.

Member Palmer has a groundswell of Community involvement shown up in Carson City.

Member Palmer

Pretty quiet here.

Treasurer Conine

OK.

All right. Well, here's hoping. Would anybody in Las Vegas like to make public comment?

Please go ahead, introduce yourself and go right ahead.

Thomas Tang

Good morning, everyone.

Appreciate the opportunity to speak to Treasurer Conine and the board.

My name is Thomas Tang, and I wanted to provide perspective. So, State Auto IRA programs, how I see it is the objectives to give every American employee an individual retirement account, which I think is a great step forward in providing that option.

I think the next step for here is to ensure that Americans are able to contribute to these retirement accounts. You may have all heard this before, but the average American struggles to pay off a \$500 emergency expense without going into debt. And it's not surprising when you look at the fact that high cost of living and outstanding loan payments is extremely prohibitive to even starting those contributions. So, this issue jumped up to me frequently during my career in finance, where I covered wealth services and retirement services companies and.

That there needed to be a solution forward from here to say once you give those accounts to the American employee as well as people that don't fall under the traditional payroll system or W2 payment system. You need to provide a way for them to start putting money into their accounts and generating those savings, because otherwise it's like giving every single American a pail and asking them to fill it up at the well. But the well is drying, so just wanted to. The perspective and encourage everyone here to continue to think through a solution that gets us even further ahead.

Treasurer Conine

Thank you very much. Appreciate it.

Any additional public comment in Las Vegas?

OK.

Hearing none, any public comment online.

All right.

And just as a reminder for non-board participants online or in the room, please make sure to sign the sign and cheat if you haven't already.

So we've got everyone's name for the record. With that, we'll close the second period for public comment and move to adjournment.

Thank you all. We are adjourned.

Please don't leave lights on.

I have no idea how to turn them on or off.

No one does, Sir.

I think it's somewhere near the door.

Have a great day.

Thank you.

Thank you, members. See you all.

Andrea Feirstein

Thank you.

● **Nicole Stephens** stopped transcription