

**College Savings Plan of Nebraska
RFP for Investment and Administrative Services
Pre-Proposal Conference Written Questions
July 29, 2009**

I. GENERAL

1. What are your top three goals for the Program, and what have been your challenges in meeting them?

The Issuer has previously announced its desire for the College Savings Plan of Nebraska (CSPN) to remain one of the top 529 Plans in the country by ensuring great performance, lowering fees, and increasing the penetration rate in the State of Nebraska. The Issuer is also interested in improving outreach to rural areas and low and moderate income families.

2. What are the Treasurer's office goals for the 529 savings plan? What will separate the winning bid from another bid?

Please see the answer to Question I.1.

3. What are your goals with regard to increasing contribution levels?

The Issuer would like to see an increase in the penetration rate in the State of Nebraska. Currently, CSPN reaches 10.2% of the Nebraska population. In addition, an enhanced effort with regard to automatic contributions should help improve contribution levels.

4. Do you have specific % yearly increase in sale and account goals in mind for the program?

The Issuer would like to see CSPN continue to steadily increase in number of accounts and total assets by at least 10%-15% annually.

5. When are the finals presentations, if necessary, tentatively scheduled?

The Issuer has not yet determined when or whether a finals presentation will occur. However, the Issuer has expressed a desire to select the winning bidder before the end of 2009.

- 6. Within Attachment C, should the projected cost and expense tables (Program Management Fee and Administrative Fee) be completed based on the State's fiscal year end or the Program's fiscal year end?**

Please complete the projected cost and expense tables based on the Program's fiscal year end.

- 7. December is usually a peak period for opening new accounts and contributions especially because Nebraska offers a tax deduction. The RFP indicates that the new contract would begin December 2010. The timing of a conversion in December could result in customer confusion, due to new investment options and/or underlying funds, and servicing issues, as a result of increased call volume expected when a 529 changes program managers occurring during a peak period. Would you consider beginning the contract prior to year end - such as September or October 2010?**

Subject to contractual restraints, the Issuer does not object to reviewing an alternative transition timetable.

- 8. Has a decision been made as to how the AIM program assets would be allocated among the remaining college savings plans?**

A final determination with regard to the AIM program assets has not yet been made. In the event that a decision is made prior to September 1, 2009, the Issuer will advise all potential bidders. However, the first notice with regard to the termination of the AIM College Savings Plan (AIM Plan) is scheduled to be distributed to investors in all investment classes (A Shares, B Shares and C Shares) on or about August 4, 2009. That notice will provide general information regarding the termination.

- 9. If a document is requested in the RFP, or is referenced in a response to an RFP question, does the Nebraska Treasurer's office require a hard-copy of the document, or can the document be provided on a compact disk?**

Any requested document may be submitted in hard copy, on a CD or electronically. However, at least one original paper document must be submitted along with the proposal. Should any inconsistencies arise, the original paper document will be considered the original document.

- 10. Throughout the RFP, there are several references to "subcontractors". Please define subcontractor.**

A subcontractor is generally defined as an unaffiliated entity of the bidder that will provide services under the program management agreement. The definition of

subcontractor does not include external fund companies, but does include an investment manager that would provide the investment management services requested by the RFP.

11. For purposes of the RFP, are external fund companies which are part of a multi-manager lineup considered sub-contractors? Or are they considered "investment options" and not "sub-contractors?"

See our response to question I.10. above.

12. Is there a requirement for Respondents, who are not formed or currently doing business in Nebraska, to register with the Nebraska Secretary of State in order to submit an RFP proposal, or is such a requirement only necessary upon award of a contract and before services are provided?

There is no requirement for potential bidders to register in the State of Nebraska. Only the successful bidder will be required to ensure proper registration in the State.

13. Provide the state's definition of electronic signatures? Is this just an acknowledgement by clicking a button or is this a true signature that we have to capture?

The State requires the capture of the acknowledgement when an individual clicks their agreement/acknowledgement of the terms and conditions or when authorization of changes occurs. The successful bidder will be required to retain the acknowledgement (the click) data in case of a dispute. The retention of this acknowledgement (the click) can be saved in a database tied to that enrollment or transaction and may also include a date stamp/time stamp.

14. In accordance with Section I, Paragraph A, may a bidder submit a proposal for one specific aspect of the Plan, such as marketing, plan administration, or investment management?

No. The Issuer will only accept bids for the entirety of the Services requested in the RFP. If a potential bidder is interested in one or more specific aspects of the Services, they should seek out other entities to partner with to provide all of the Services requested.

15. Under Section I. "Introduction", the RFP indicates that bidders should submit proposals for the direct-sold plan and advisor-sold plan. Would a provider be considered if it were only able to manage the direct-sold plan?

Please see our response to question I. 14. above.

16. May we respond to provide only the investment options of the 529 plan?

Please see our response to question I. 14. above.

17. If we are able to only provide the investment options of the RFP, will our firm be responsible for finding a partner to satisfy the remainder of the services requested, or will the Provider assign one accordingly?

Please see our response to question I. 14. Above.

18. Section 85-1807(2) of the Nebraska Revised Statutes ("NRS") states that, "each beneficiary under a participation agreement shall receive a pro rata interest in the endowment fund each year after any transfers to the administrative fund have been made. The amount received from the endowment fund shall be in the ratio that the principal amount paid by the participant under the participation agreement.....". Can you provide clarification of this requirement? Is the Provider required to administer it?

CSPN currently does not operate or support an endowment fund as outlined in Section 85-1807(2). However, the successful bidder would be required to provide administrative services to an endowment fund in the event one is established by the Issuer.

19. Section 85-1808(1) of the NRS states that, "the trustee shall determine and collect a refund penalty by deducting the refund penalty from the returned funds. Collected refund penalties shall be deposited in the endowment fund." What is a refund penalty? Is the Provider required to impose the penalty and provide the administrative services?

There is currently no refund penalty as authorized under Section 85-1808(1). Currently, the Issuer has no intent to impose such a penalty.

20. Section 008.1 of Title 429, Nebraska Administrative Code, Chapter 1 provides four methods of distribution from a 529 account. Are each of these four methods of distribution a requirement?

Yes.

21. Does Attachment B need to be completed and signed for the RFP or does it only need to be completed and signed if we win the bid?

No. Attachment B will be completed and signed by the successful bidder following the award of the Contract.

22. Under Section V. "Scope of Work - Direct Plan", subsection A(10)(b) "Investment Strategy and CSPN Goals" states that, "it is the goal of the Issuer that the investment strategy and structure of CSPN ensures availability of funds to meet higher education needs of Beneficiaries, considering the age of each Beneficiary." Can you elaborate on the State's expectations in regard to this provision?

The Issuer desires to ensure that CSPN continues to offer a range of investment options with investment strategies designed to allow account owners to successfully save for the future higher education needs of students of all ages. The goal recognizes that some account owners begin the college savings process early in a student's life while others wait to begin savings until only a few years or less before a student attends college.

23. Under Section II. "Background Information", the RFP states that the CSPN is offered on a nationwide basis. Additionally, under section "V. Scope of Work - Direct Plan", subsection D, the RFP requires that provider must market the CSPN "both in-state and out-of-state year round." Would a provider be considered if they were only able to market and distribute the plan within Nebraska?

No. The Issuer desires to continue to market CSPN on a nationwide basis.

24. Pursuant to Section II, Paragraph B is a new program manager required to continue the partnership with TDA? May a bidder enter into marketing partnerships with other firms, including firms that compete with TDA? Is the TDA partnership exclusive? If so, please provide details of the arrangement?

The Issuer intends to continue to offer the TDA option through CSPN. The Issuer will also consider proposals that offer similar partnerships with other firms.

The current agreement with TDA has some exclusivity provisions. TDA is limited in promoting any other 529 Plan, subject to its suitability obligations. In addition, the Issuer is prohibited from entering into an arrangement with a specified list of TDA competitors for a similar private-label product through CSPN.

25. With respect to demonstrating a Provider’s experience with other state 529 plans, there appears to be some overlap in Section VII(D) among sections 1(f), 3(b)(vii), and 3(b)(viii). If we provide a thorough response to section 1(f), can we refer back to that response when addressing this concept in sections 3(b)(vii) and 3(b)(viii)?

Yes. No repetition is necessary.

26. In Section V(A)(4), a reference is made to “the Treasurer receives...plus amounts the current program manager receives from certain of the underlying mutual funds for its provision of administrative or other shareholder services to Account Owners”. Can you provide more detail regarding the calculation of these additional amounts, including the value of these amounts over the past 3 years?

The referenced fees are 12b-1 fees collected from the underlying funds by the current program manager. Currently, the Treasurer does not have an appropriation to spend the collected 12b-1 fees on marketing or other CSPN support. However, under the new program management agreement, the Issuer will expect the successful bidder to retain similar 12b-1 fees and utilize them to support CSPN marketing efforts.

II. FINANCIAL SERVICES

1. Pursuant to Section II, Paragraph B, is it a requirement that the Direct and TD Ameritrade (TDA) plans have the same investment options or may each distribution channel have a distinct investment lineup?

The Issuer has no objection to considering an alternative investment lineup for the Direct Plan and TDA.

- 2. Section V.B. of the RFP indicates "performance information with regard to each investment option must be updated at least daily on the CSPN website". Are you referring to the current day's price and change from previous day's price or did you have another performance indicator in mind?**

The Issuer is requesting performance information similar to that currently provided on the CSPN website at planforcollegenow.com. This information would include quarterly, year to date, 1 year, 3 year, 5 year, 10 year (if applicable) and since inception returns by portfolio.

- 3. Do any of the current underlying investments and/or investment options have any legacy provision or contractual obligation which would prohibit the complete transfer of assets to new investment options, or which would become the responsibility of a new Program Manager?**

There are currently no guaranteed or insured options that cannot be liquidated, if necessary as part of a transition to a new program manager. In the event that assets under the AIM Plan are transferred to CSPN, please be advised that the current AIM Plan program manager has advanced fees to brokers in connection with the offer and sale of B Shares under the AIM Plan.

III. FEES AND COSTS

- 1. Would you consider a slightly higher fee for Age-based Portfolios and Risk-based Portfolios within the program?**

The Issuer is willing to consider any fee structure that a potential bidder wishes to present as part of a proposal.

- 2. Would the Treasurer see value in having total fees, including expense ratios and management fees, equal for all funds?**

See our response to Question III. 1. above.

IV. MARKETING

- 1. Please discuss your current efforts in marketing the Program to Nebraskans. How does the current program manager support these efforts? Are you satisfied with the level of support you receive?**

The Issuer's current marketing budget is \$25,000 per year. These funds are used to support an annual essay contest and advertisements placed with Husker Sports Network, Big Red Report, and Huskers Illustrated. The current program manager also supports communication for the annual essay contest.

The current program manager supports several other marketing efforts. The total program manager spend was approximately \$300,000 in 2008 for marketing and promotion. In addition, value-added marketing totaled approximately \$1.2 million in 2008.

The Issuer is always interested in increasing marketing efforts in order to educate Nebraskans and others about CSPN.

- 2. What kind of expectations do you have for local market development?**

The Issuer is open to any marketing plan that will reach all Nebraskans.

- 3. What is the desired frequency of the "grass roots" calling and presenting programs throughout the State?**

The Issuer would like to see at least one item/promotion per month.

- 4. Can you provide a sense for how much the CSPN Program Manager is expected to spend, both time and money, on outreach efforts to low and moderate income families?**

The Issuer is open to a reasonable amount of marketing dollars focused on low and moderate income families.

- 5. Are there any restrictions to contacting existing CSPN customers regarding other products and services provided by the program manager?**

Yes, the successful bidder must have authorization from the Treasurer, as trustee prior to contacting existing customers.

6. How is the current newsletter distributed?

The newsletter is issued on a quarterly basis. It is enclosed with the participant's quarterly statements.

7. What is the annual cost to maintain the Peterson's link on the website?

This service is provided to CSPN by the current program manager. The annual cost is unavailable.

8. What is the annual cost to maintain the Market Alerts from Standard & Poors? Can another source be utilized?

Please see our response to IV.7 above. The Issuer is open to suggestions on how to effectively provide market alerts or other information to investors.

9. Does the state have dedicated marketing personnel and if so, how many?

Currently, the only State employee dedicated to CSPN is Rachel Biar, Assistant Treasurer, College Savings Program & Long Term Care Savings Plan.

10. What marketing support exists for the current program(s)? What are your expectations for the Program Manager going forward in regards to offerings and marketing for the current program(s)?

With the exception of the support provided by the Treasurer's office, the current program manager markets CSPN. The TD Ameritrade Plan is marketed on a limited basis by TDA. The State Farm College Savings Plan (State Farm Plan) is currently marketed by State Farm and their distributor.

The Issuer is open to considering marketing plans which focus on the Direct Plan and the Advisor Plan with some support to the other Plans.

11. What benchmarks do you currently use to measure the success of the Program's marketing efforts? Are there tactics you've found to be particularly effective or ineffective?

The current program manager looks at the Rate of Returns on Statewide TV and Radio. In addition, the number of new accounts added each year is also reviewed.

12. Does the Nebraska Treasurer's office currently work with, or have the desire to work with, any in-state marketing or public relation agencies?

The Issuer currently works with the following firms: Snitily Carr and The Minnow Project. The Issuer is willing to work with a reputable marketing firm the bidder may suggest as part of their proposal.

13. Please discuss the current marketing field support efforts. How much time is spent by the current Program Manager providing marketing field support? On average, how many events require field support each year? Are you satisfied with this current level of marketing field support?

Throughout the year, the current program manager participates and conducts statewide marketing and promotion events; including community events, advisor calls, service group presentations, children's events, the Nebraska State Fair, tradeshow, athletic events, etc. The current program manager assists the Issuer with the Nebraska State Fair, athletic promotion events, and any other public relations event that occurs. The Issuer is interested in receiving an increased level of marketing field support.

14. Are any of your brochures or marketing materials currently provided in another language? If so, is this expected to continue?

No.

15. Has Nebraska utilized focus groups in the past? If so, what were the findings and describe the expectations for using focus groups in the future.

No.

16. Please provide a copy of your 2009 Marketing plan (or any previous marketing plans for the College Savings Plan of Nebraska).

A copy of the 2009 marketing plan will be made available on the Treasurer's website no later than August 4, 2009.

17. What were the marketing campaign results?

Total accounts increased by 7.5% and the total penetration rate in the State of Nebraska increased by 5.7%.

18. In the event a new program manager is selected, which existing outreach relationships would the Nebraska Treasurer’s office like to see continued?

The Issuer would continue to request assistance with the Nebraska State Fair as well as other events scheduled by the Issuer. The Issuer also expects the program manager to market the plan statewide by printed materials, TV, radio, outreach events, materials to Advisors, etc. The Issuer would also desire to continue its relationships with Husker Sports Network and Big Red Report.

19. Do you have any market research on the College Savings Plan of Nebraska brand names?

No.

20. Do you have any strategic partnerships for the promotion of the plan in place? If so, who are the partners?

The Issuer would like to maintain their partnerships with our current advertisers – Husker Sports Network, Big Red Report, and any other partnerships entered into by the Issuer.

21. In the introduction to Section D – Marketing, a reference is made to marketing efforts facilitating “cross-selling opportunities”. Can you provide further explanation as to what products you envision being cross-sold, and how the distribution of these products would be supported?

The Issuer would generally prefer to see the CSPN program manager take advantage of value added and cross-selling opportunities, such as partnerships with Nebraska businesses and sports teams, sponsorships of key events and other co-branding opportunities.

V. CUSTOMER SERVICE

1. Is the current toll free number owned by the Treasurer’s Office or by the current provider?

The current program manager maintains and operates the toll free number on behalf of CSPN.

2. Is there any flexibility on the customer service hours?

The Issuer will consider proposals offering alternative customer service hours.

3. Which transaction types are currently allowed online and via telephone for each plan?

For CSPN and TDA:

Online: Enrollment; contributions; withdrawals; investment change; address change; automatic deduction set up, modify or stop.

Phone: Address change; Investment change; withdrawal less than \$25,000; automatic deduction stop or change amount (excluding set up or change of bank information).

Form required for: Enrollment form if didn't enrolled online; change of account owner, change of beneficiary, change of successor account owner, rollover, fund transfer between accounts, name change.

For State Farm Plan:

Online: address/phone number changes – owner and beneficiary; add/delete bank information; change future investment allocations; monetary transactions including: one-time investment change; one-time contribution; set-up automatic investment plan; one-time withdrawals.

Phone: systematic withdrawals; systematic exchanges.

Form required for: owner or beneficiary change; transfer between accounts.

VI. REPORTS

Under Section V. "Scope of Work - Direct Plan", subsection A(8) "Disbursements" states that, "the provider must supply to the Treasurer an itemized list of disbursements and tax withholdings and, as the Treasurer's agent, affect the proper tax reporting forms." Please define "disbursements".

Disbursements refer to all qualified and non-qualified distributions from accounts during a tax year.

VII. ADVISOR PLAN

1. What is the expectation of annual Advisor growth by the Treasurer's Office?

The Issuer is interested in seeing the annual Advisor sales grow of at least 10%.

2. What Advisor support capabilities are you expecting from the Program Manager? Are there specific reports and timeframes that need to be met?

As discussed in the RFP, the Issuer is requesting that the successful bidder provide similar Services and reports to the Advisor Plan as outlined for the Direct Plan. Specifically, the Issuer expects the successful bidder to provide complete investment, account administration, customer service and marketing services to the Advisor Plan and would prefer to have a dedicated Advisor Plan marketing and/or relationship representative within the State of Nebraska.

VIII. TRANSITION

As outlined in Section V, Paragraph G, are there any extenuating circumstances that require a one-year transition period? Is the State Treasurer open to transferring assets earlier than December 2010?

Subject to contractual restraints, the Issuer would be willing to review any reasonable requests to transfer assets, if needed, earlier than December 2010.

IX. AGGREGATION SERVICES

1. Under Section V. "Scope of Work - Direct Plan", subsection C states, "the Provider will also be expected to provide account aggregation services for the other qualified tuition programs offered by the State as well as other administrative services related to these plans, including the development of interface systems to monitor account balances, review of training materials used by distributors and selling agents, review of enrollment materials, marketing materials and forms, and quarterly aggregation reports to the Issuer." Does CSPN expect one program manager in the Nebraska 529 Network to assume the above-stated responsibilities of all other (unaffiliated) program managers in the Network?

Yes. The CSPN program manager is expected to continue to provide the specified aggregation services for each 529 Plan offering by the State of Nebraska.

2. Under Section V. "Scope of Work - Direct Plan", the first sentence reads as follows, "the Provider will provide the Services to the Issuer and the participants in CSPN, and, as applicable, the participants in the AIM Plan and the State Farm Plan." What services would the provider need to provide to participants in other plans offered by Nebraska? Please clarify.

These services include development of interface systems to monitor account balances, review of training materials used by distributors and selling agents, review of enrollment materials, marketing materials and forms, and quarterly aggregation reports to the Issuer.

3. What specifically are the duties and responsibilities of the Program Manager in relationship to the TD Ameritrade Plan?

Please see our response to Question IX. 2. above.

X. CSPN DATA REQUESTS BY CATEGORY – PLEASE BREAK DOWN BY ADVISOR AND DIRECT AS MUCH AS POSSIBLE

A. GENERAL

1. Please provide a copy of the Council’s Statement of Investment Philosophy referenced in the Nebraska Administrative Code.

A copy of the Nebraska Investment Council’s Statement of Investment Philosophy is provided as a separate document on this webpage.

2. How much has Union Bank & Trust grown the program in the past 5 years?

as of June 30	2005	2006	2007	2008	2009
Market Value	\$1.08 bil	\$1.41 bil	\$1.88 bil	\$1.97 bil	\$1.73 bil
Accounts	120,184	133,703	149,436	164,512	172,562

B. ACCOUNT LEVEL INFORMATION

1. What percentage of accounts have been enrolled online?

College Savings Plan of Nebraska (2009)	48%
TD Ameritrade (2009)	64%

2. Can you provide a breakdown of accounts by registration type? (eg. Individual, trust)

The following numbers represent account by registration type for CSPN and TDA.

Individual	95%
Trust	1%
UTMA	4%

3. What is the average number of new accounts established per month?

The Nebraska College Savings Program has a total of 172,562 accounts as of June 30, 2009. Since the Program launch in January 2001 - that equates to a monthly average of 1,692 accounts.

4. How many of those enrolled are active contributors? Inactive?

Active - College Savings Plan of Nebraska	55,068
Active - TD Ameritrade 529	11,140

5. Please provide average initial contribution and subsequent contributions for the past 5 years.

Average initial contribution	2009	2008	2007	2006	2005
CSPN Direct	\$2,211	\$3,958	\$4,548	\$4,040	\$3,979
CSPN Advisor	\$3,126	\$3,498	\$4,305	\$4,159	\$3,895
TD Ameritrade 529	\$2,083	\$2,932	\$3,599	\$3,321	\$3,515

Please see the **June 30 Management Report** provided as a separate document on this webpage for total contribution information.

- 6. Please provide the total number of accounts owned by Nebraska residents in each Nebraska zip code. What percentage of assets is owned by Nebraska residents or on behalf of Nebraska beneficiaries?**

Please see the **Nebraska ZIP file** provided as a separate document on this webpage.

- 7. Please provide average number of new accounts established per month for the last 5 years.**

Net monthly new accounts (average) = 1,202

- 8. Please provide median account size for the past 5 years.**

The following numbers represent the total program (CSPN, TDA, State Farm and AIM Plan) median account size for the past 5 years.

2009	\$10,046
2008	\$12,023
2007	\$12,578
2006	\$10,373
2005	\$ 8,973

- 9. What percent of CSPN assets are held by NE residents? Which 5 states' residents (other than NE) have the most assets in the CSPN plan? What percent of total assets is held by these 5 states?**

Nebraska residents hold 28% of CSPN assets. California, Massachusetts, New Jersey, Pennsylvania, and Texas represent approximately 28.8% of assets.

- 10. Can you confirm whether the number of Total Accounts (172,080 as of 5/31/09) reflects the unique number of participant/beneficiary relationships (as opposed to portfolio holdings)?**

If multiple portfolios are held in the same account it is counted as 1 account.

11. Please provide the percentage of your accounts enrolled in Automatic Investment Plans for the past 5 years.

The following numbers represent the percentage of accounts enrolled in Automatic Investment Plans for CSPN and TDA.

2009	30%
2008	27%
2007	22%

12. Please provide assets and # of accounts for the past 5 years.

Please see our answer to Question X. A. 2 above.

13. Please provide average growth rate for the past 5 years.

Please see our answer to Question X. A. 2 above.

C. INVESTMENT OPTIONS/ TRANSACTION INFORMATION

1. Please provide the CSPN transaction volumes by transaction type, by month, for the last 24 months?

Please see the **Transaction Information Report** provided as a separate document on this webpage.

2. Can you provide a breakdown of the CSPN program assets and accounts by investment option?

Please see the **Assets by Investment Option Report** provided as a separate document on this webpage.

3. Please provide historical transaction volumes by type, each month for the last 12 months. Please break volumes down by online vs. paper, where appropriate.

Please see the **Transaction Information Report** provided as a separate document on this webpage.

- 4. Please provide assets as of June 2009 for the CSPN Direct Program broken down by portfolio and underlying funds.**

Please see the **Assets by Investment Option Report** provided as a separate document on this webpage.

- 5. Please provide gross contributions and redemptions for the past 5 years.**

Please see the **June 30 Management Report** provided as a separate document on this webpage.

- 6. Please provide a breakdown of current CSPN assets by investment option, and by plan/channel (i.e. Direct, Advisor, TDA).**

Please see the **Assets by Investment Option Report** provided as a separate document on this webpage.

- 7. Please provide historical transaction volumes by plan, by type, each month for the last 12 months. Please break volumes down by online vs. paper, where appropriate.**

Please see the **Transaction Information Report** provided as a separate document on this webpage.

- 8. Please provide the asset breakdown of the current plan by portfolio and underlying fund investments.**

Please see the **Assets by Investment Option Report** provided as a separate document on this webpage.

- 9. Please provide the latest quarterly report.**

Please see the **June 30 Management Report** provided as a separate document on this webpage.

D. EMPLOYER BASED ACTIVITY

- 1. Please provide statistics, by plan, on employer-based activity: number of accounts contributing via payroll deduction, methods of employee contribution (i.e. check & roster, ACH), and number of companies participating.**

For the Direct Plan and the Advisor Plan, 482 employers have sent dollars in year to date 2009 via payroll deduction, check and roster, or via ACH. Additional employees have established accounts directly with the Plan.

- 2. Please provide statistics on the Payroll Deduction program (i.e. what are the volumes, methods of employee contributions, number of companies participating, etc.) Are there specific areas of the Payroll Deduction program that you would like to see improved?**

Employees contribute via AIP, check, online, payroll deductions, employer wire, or employer ACH. 482 employers have sent contributions in 2009.

We would like recommendations and suggestions from bidders on expanding payroll deduction.

E. MARKETING

- 1. What has been your annual marketing budget been over the past 5 years?**

The annual contractual commitment has been \$200,000 in 2008 and 2009 and \$175,000 in 2005, 2006, and 2007.

- 2. Please provide the amount of annual marketing expenditures for the past 5 years, broken down by category (e.g., print, radio, collateral material production, TV, direct-mail, online, events, etc.). What methods have you found to be particularly effective/ineffective?**

	<u>2008</u>	<u>2007</u>
TV/Radio	\$ 61,500	\$ 48,000
Print/Communications	\$117,000	\$122,000
Internet/Web	\$ 16,000	\$17,000
Materials	\$176,000	\$170,000
Sponsorships	\$ 19,000	\$ 16,000

3. Could you provide samples of recent marketing and Program metrics reports for each of the plans?

Please see the **June 30 Management Report** provided as a separate document on this webpage.

F. CUSTOMER SERVICE

1. Please provide call center, email and instant messaging statistics, by month, for the last 24 months?

Month	# Calls	# Emails
July-07	4684	128
August-07	4891	104
September-07	4290	177
October-07	5118	211
November-07	3952	143
December-07	6052	151
2007 Total	28987	914
January-08	6241	200
February-08	4565	124
March-08	4131	138
April-08	4720	163
May-08	4163	143
June-08	3706	107
July-08	4670	117
August-08	4567	127
September-08	4092	106
October-08	5004	123
November-08	3132	91
December-08	5817	74
2008 Total	54808	1513
January-09	5926	97
February-09	4332	74
March-09	4598	82
April-09	4101	61
May-09	3320	51
June-09	3533	34
2009 Total	25810	399

2. **How many calls does each participant make in a year, on average? What is the average talk time for incoming service calls?**

The College Savings Plan of Nebraska and TD Ameritrade 529 College Savings Plan received 54,808 calls in 2008, 54,722 in 2007, and 25,810 year to date in 2009. The average talk time in 2009 has been 220 seconds (CSPN) and 263 seconds (TDA).

3. **Can you provide examples of customer reporting, examples of statements, confirms, other?**

We look to the bidder to provide recommendations and samples.

4. **What percentage of participants receive communication via e-delivery?**

Currently participants receive hard copy statements and communications.

5. **What percentage of participants are registered for online account access?**

34%

G. REPORTS

Please provide examples of any monthly reports currently provided.

Please see the **June 30 Management Report** provided as a separate document on this webpage.

H. ADVISOR PLAN

1. Can you please provide a list of the top broker/dealers/sellers of the CSPN Advisor program?

- MML Investor Services
- Wells Fargo Investments
- Northwestern Mutual Investment Services
- Raymond James
- Thrivent Financial
- Weston Securities
- PrimeVest Financial Services
- Securities America
- LPL Financial
- Securian Financial Services

2. Can you please provide a breakdown of the assets within the CSPN advisor program via the various share classes?

Fee Structure A	\$162.4 mil
Fee Structure C	\$115.3 mil
Fee Structure H	\$ 11.9 mil

3. How many Advisors are currently in the network?

11,900 includes AIM and College Savings Plan of Nebraska

4. Which Firms are the most significant contributors?

See answer 1 above.

XI. QUESTIONS PRESENTED DURING PRE-PROPOSAL CONFERENCE

- 1. The Treasurer mentioned during his opening remarks that he was interested in maintaining some type of open architecture. Can you expand on that?**

The Issuer does require an open architecture program designed so that CSPN does not offer only one fund family. However, CSPN does not need to continue to offer as many options as are currently offered under the Plan. The Issuer believes that the number of investment options can be limited while maintaining the flexibility desired for CSPN.

- 2. Please talk about your vision for the structure of CSPN going forward for Direct Plan versus the Advisor Plan. Currently they are fairly identical Plans. What are you looking to do with those two programs?**

The Issuer does not have a specific objective in mind with regard to the Direct Plan and Advisor Plan in terms of consistency of investment offerings. The Issuer understands that it can be difficult for advisors to offer a product to their clients that investors can also obtain on their own at a lower cost. The Issuer recognizes that many college savers do not desire to make college savings decisions on their own and need the support and assistance of an advisor. For these reasons, the Issuer is very flexible as to how the Direct and Advisor Plans are presented in a bidder's proposal.

- 3. One of your stated requirements is to distribute this product on a national basis. Can you provide more clarity on what you mean by that with regarding to the Direct Plan and the Advisor Plan?**

The Issuer's main focus for CSPN is on college savers in the State of Nebraska. The Issuer does not have an unreasonable expectation for a national marketing campaign. However, there is a continued desire to market CSPN outside of Nebraska.

- 4. Do you desire to have correspondence from plan participants to go to a P.O. Box within the State of Nebraska?**

The Issuer believes it would be helpful for Nebraskans to have a P.O. Box in the State of Nebraska for purposes of communication with CSPN. If you are not able to provide a P.O. Box within the State or believe another approach is appropriate, please explain in your proposal.