

1. Who is the current 529 Consultant for HESAA?
HESAA currently does not have a 529 Consultant. As an entity of the State administering a statutorily mandated 529 college savings plan, the New Jersey Department of Treasury, Division of Investment provides guidance and Franklin Templeton is HESAA's NJBEST/529 Investment Manager.
2. What is the current advisory fee for services?
Since HESAA does not currently engage a 529 Consultant there are no current advisory fees for services.
3. How many meetings per year is the selected consultant expected to attend? Are there Board meetings in addition to regular quarterly meetings?
HESAA will require the 529 Consultant to attend the annual State of the Program presentation provided to HESAA by the Investment Manager, as well as the Investment Manager's quarterly updates. HESAA will schedule additional meetings with the selected consultant.
4. Can HESAA provide a sample of the current reporting?
HESAA will share current reporting documents with the selected 529 Consultant.
5. Please provide additional information on what HESAA is looking for relating to the request to "Review, monitor, and report on at least an annual basis the extent to which the NJBEST Program has made a college education accessible and affordable to families across New Jersey. " What type of deliverable is required?
HESAA is looking for, at a minimum, an annual report and presentation with accompanying data critically analyzing the overall annual performance of investment vehicles utilized by NJBEST/529 accountholders, independent of the Investment Manager's annual reporting. Additionally, HESAA would like an analysis of account contribution and withdrawal rates annually as compared to similar college savings programs available.
6. What goals does HESAA have during the next contract period?
HESAA's goals for the contract period are:
 - Increased participation rate from New Jersey low and moderate income level households as well as increased utilization of NJBEST scholarships for account beneficiaries who choose to attend in-state institutions of higher education.
 - Enhanced industry recognition of the merits of the NJBEST program as an attractive, affordable college savings vehicle for New Jersey family investors.
7. Are meetings scheduled on a certain day every quarter? If so, what is the schedule for upcoming meetings? (same as #3)
The annual State of the Program meeting and Quarterly meetings are scheduled based on the availability of all stakeholders. Additional meetings are scheduled as needed.
8. What is the typical format for quarterly meetings (in-person or virtual)?

The annual State of the Program meeting is conducted in person and the quarterly meetings are conducted virtually.

9. Do you schedule annual on-site meetings with Morningstar, and if so, would the investment consultant be expected to participate?

To date interaction with Morningstar has been conducted virtually or telephonically. The selected 529 Consultant is expected to participate in the meeting.

10. What is the reason for this RFP being issued?

HESAA issued this RFP to engage a 529 Consultant to provide objective, third party advice and counsel that will enable HESAA to make well-informed and well-educated decisions regarding New Jersey's 529 program.

11. What are the top three priorities and challenges for the NJ Best and New Jersey Franklin Templeton 529 College Savings Plan programs?

HESAA's priorities and challenges with the NJBEST/529 program are:

- Product awareness for New Jersey residents, in particular awareness of the NJBEST Match program for lower- and moderate-income level households, as well as the NJBEST scholarship for beneficiaries who attend in-state institutions of higher education;
- Product affordability in comparison to other college savings programs available; and
- Positive recognition of the NJBEST/529 program as an attractive investment vehicle by industry publications such as Morningstar.

12. Will you consider a response that includes delegation of the implementation decisions to the Consultant (manager selection, structure, rebalancing, operations) if it can be shown that delegation would be expected to save the Plan significant costs? The Plan(s) in this case would retain its most important asset allocation and policy decisions.

HESAA will review all responses on the bidder's ability to meet the requirements put forth in the RFP. Innovative proposals that meet such requirements will be evaluated on their merits in comparison to all other responses received.

13. Please clarify if the same IT standards that apply to a program manager or record keeper who has PII still apply to an advisor who does not maintain or have access to any PII or have control over accounts. Since these items do not apply to us, we have not undergone a SOC2 or ISO27001 certification.

To the extent the 529 Consultant handles any PII, the 529 Consultant is expected to maintain confidentiality of the information. The Standards for Safeguarding Customer Information under the Federal Trade Commission Gramm-Leach-Bliley Acts would apply to protect the privacy and personal information of consumers. See 16 C.F.R. Part 314

14. Please also clarify if the following additional IT requirements apply to this engagement:

- a. security awareness and confidentiality trainings provided by NJ HESAA and required for all staff

Yes, if the 529 Consultant has access to PII, unless the 529 Consultant verifies to HESAA that it provides comparable training to its staff.

- b. undergoing security audits by HESAA and the requirement to enter into good faith discussions to implement any changes recommended by any Security Audit (7.9.C Security Plan and 7.9.B10 Security Audit)

Yes, if the 529 Consultant has access to PII.

define/clarify what security and infrastructure review processes are required of the NJ Office of Information Technology (NJOIT).

The Standards for Safeguarding Customer Information under the Federal Trade Commission Gramm-Leach-Bliley Acts. See 16 C.F.R. Part 314

- 15. Please define/clarify the “industry standards” referenced in section “4.2 Insurance” of the HESAA Standard Terms and Conditions: “In addition, Contractor shall maintain cyber security and data breach insurance at industry standard levels.” We would also propose a separate section on Cyber security insurance with a specified limit of \$2,000,000.

The reference industry standards are the National Institute of Standards and Technology (NIST) SP 800-53 Rev 5 standards.