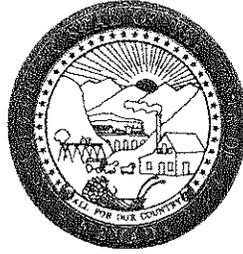


Kate Marshall
State Treasurer



Steve George
Chief of Staff

Mark Winebarger
Chief Deputy Treasurer

STATE OF NEVADA
OFFICE OF THE STATE TREASURER

March 22, 2010

RE: Future of Gov. Guinn Millennium Scholarship

Dear Members of the Nevada State Legislature:

The Gov. Guinn Millennium Scholarship Program (GGMS) has served more than 59,000 Nevada high school graduates since its inception. In the current college year, there are presently 20,570 millennium scholars taking advantage of the program.

The budget decisions made during the 2009 Legislative Session and during the February 2010 Special Session—the elimination of the transfer of \$7.6 million to the GGMS from the Unclaimed Property Program and the \$5 million transfer from the program's trust fund to the state's General Fund—has left the program financially unsustainable as of Fiscal Year 2011. The result of these budget decisions is that the GGMS will not be available to seniors graduating this spring, as funding for the 2011 school year, which begins in September cannot be assured.

Our current yearly payout to the Nevada System of Higher Education for millennium scholars is approximately \$25 million per fiscal year. According to our analysis and assuming tobacco revenues continue as projected, due to the impact of these budget decisions, the GGMS Fund will have a negative balance of about \$167,000 by the end of Fiscal Year 2011.

With this in mind, as Chair of the Board of Trustees of the College Savings Plans of Nevada (Board), I asked the members of the Board at our March 18, 2010 meeting to consider a one-time transfer of \$200,000 to the GGMS Trust Fund from the Nevada College Savings Trust Fund to make the program whole through Fiscal Year 2011. My purpose in requesting a vote on this issue was to provide the Legislature with the ability to thoughtfully review the financial health and future of the GGMS during the 2011 Legislative Session.

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STATE TREASURER PROGRAMS
Governor Guinn Millennium Scholarship Program
Nevada Prepaid Tuition Program
Unclaimed Property
Upromise College Fund 529 Plan

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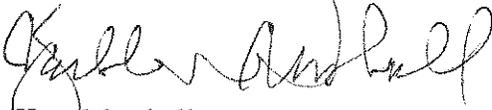


Although it was not a unanimous vote, the Board did pass the motion, thus assuring the financial solvency of the GGMS until the end of the school year in June 2011, allowing me to inform current Nevada high school seniors that at least through the next Nevada System of Higher Education school year (September 2010 through June 2011), the GGMS will be available.

Obviously, funding decisions are difficult today, and will be more difficult during the 2011 Legislative Session. I do not envy your situation as you are placed in the position of making life-altering decisions that will affect the lives of many Nevadans. One of those decisions will be determining if this program should remain in tact, be modified, or simply eliminated.

I would be happy to supply you with charts outlining the funding projection models we have created. Please contact my Chief of Staff, Steve George, at sggeorge@nevadatreasurer.gov if you would like more information.

Respectfully,

A handwritten signature in cursive script, appearing to read "Kate Marshall". The signature is written in black ink and is positioned above the printed name.

Kate Marshall
State Treasurer