
OCTOBER 4, 2017

**AGENDA ITEM 8
INFORMATION ITEM**

SCHOLARSHARE INVESTMENT BOARD

Review of Administrative Performance for the ScholarShare 529 College Savings Plan for Second Quarter 2017

Background

The ScholarShare Investment Board (SIB or Board) reviews TIAA-CREF Tuition Financing, Inc.'s (TFI) administrative performance for the ScholarShare 529 College Savings Plan (Plan) relative to pre-established performance criteria. These administrative performance criteria (Benchmarks) serve as performance goals for customer service areas such as correspondence and customer relationships, confirmation and statements, enrollment kit processing, check processing, account processing, website, call center, tax reporting, and systems.

TFI has provided its quarterly administrative performance report comparing its performance during the second quarter of 2017 to the Benchmarks adopted by the Board. For the second quarter, TFI underperformed (by more than two percent) in one performance area, Call Center Answer Time – Within 35 seconds. An explanation for underperformance in this area is included in the memo provided by TFI.

Presenter

Linda English, Senior Director, TIAA-CREF Tuition Financing, Inc.



SCHOLARSHARE

CALIFORNIA'S 529 COLLEGE SAVINGS PLAN

Administrative Performance Report - Period Ending June 30, 2017

| | Benchmark | 4th Quarter 2016 | 1st Quarter 2017 | 2nd Quarter 2017 |
|--|-----------|------------------|------------------|------------------|
| Correspondence & Customer Relationships | | | | |
| Financial Correspondence Received | | 1,082 | 1,385 | 1,148 |
| Timeliness - Within 3 Days | 95% | 100% | 100% | 100% |
| Non-Financial Correspondence Received | | 312 | 197 | 136 |
| Timeliness - Within 7 Days | 99% | 100% | 99% | 100% |
| Email Inquiries Received | | 745 | 935 | 714 |
| Timeliness - Within 1 Day | 85% | 100% | 100% | 100% |
| Timeliness - Within 2 days | 100% | 100% | 100% | 100% |
| Service Concerns & Compliance Inquiries Received | | 9 | 3 | 6 |
| Timeliness - Within 7 Days of receipt | 100% | 100% | 100% | 100% |
| Check Processing | | | | |
| Purchases - Checks Received | | 19,012 | 20,476 | 19,479 |
| Accuracy | 98% | 100% | 100% | 100% |
| Timeliness - Within 1 Day | 98% | 100% | 100% | 100% |
| Confirmations and Statements* | | | | |
| Daily Confirmations | | 157,943 | 182,603 | 198,197 |
| Accuracy | 98% | 100% | 100% | 100% |
| Timeliness - Within 5 Days following the transaction | 100% | 100% | 100% | 100% |
| Quarterly/Annual Account Statements ⁽¹⁾ | | 279,607 | 290,938 | 290,368 |
| Accuracy | 98% | 100% | 100% | 100% |
| Timeliness - Within 5 Days of print approval | 100% | 100% | 100% | 100% |
| Tax Reporting | | | | |
| Federal Tax Reporting | | | | |
| IRS Form 1099-Q (mailed by household) ⁽²⁾ | | N/A | 30,810 | N/A |
| Accuracy | 100% | N/A | 100% | N/A |
| Timeliness - Mailed by January 31st | 98% | N/A | 100% | N/A |
| Account Transaction Records Filed with IRS | | | 44,802 | |
| Accuracy | 100% | N/A | 100% | N/A |
| Timeliness - Delivered to IRS | 98% | N/A | 100% | N/A |
| State Tax Reporting | | | | |
| Account Transaction Records Filed with CA FTB | | | 44,802 | |
| Accuracy | 100% | N/A | 100% | N/A |
| Timeliness - Delivered to FTB according to state law | 98% | N/A | 100% | N/A |
| Enrollment Kit Processing | | | | |
| Enrollment Kits mailed | | 1,491 | 1,152 | 1,873 |
| Timeliness - Within 5 Days of receipt | 98% | 100% | 100% | 100% |
| Call Center | | | | |
| Calls Received | | 20,470 | 21,894 | 19,463 |
| Answer Time - Within 35 Seconds | 85% | 92.2% | 86.7% | 82.2% |
| Abandonment Rate | < 3% | 0.7% | 1.5% | 2.2% |
| Systems | | | | |
| Availability | | 100% | 100% | 100% |
| Notification to the State within 1 Day | 100% | 100% | 100% | 100% |
| Nightly Cycle Timeliness - processed before 8am PT | 98% | 100% | 100% | 100% |
| Account Processing | | | | |
| New Accounts - Enrollment Forms Received | | 548 | 472 | 500 |
| Accuracy - not less than NQR score** | 96% | 100% | 100% | 100% |
| Timeliness - Within 1 Day | 95% | 100% | 100% | 100% |
| Redemptions - Requests Received | | 1,075 | 1,087 | 888 |
| Accuracy - not less than NQR score** | 98% | 100% | 100% | 99% |
| Timeliness - Within 1 Day | 95% | 100% | 100% | 100% |

*Includes printed materials and electronic delivery. Both statements and confirmations are also available electronically and email notifications are sent to the participants.

** NQR is National Quality Review, an independent organization that analyzes transaction quality; benchmark changes qtrly.

(1) Statements are mailed each January, April, July and October, including the previous quarter's activity.

(2) All tax forms are mailed, regardless of eTax preference.



TO: Julio Martinez
Executive Director
ScholarShare Investment Board (SIB)

FROM: Jean Seidel
Director, Operations
TIAA-CREF TFI

cc: Linda English
Senior Director, TIAA TFI

DATE: September 13, 2017

SUBJECT: Q2 2017 Administrative Performance Report – Area of Underperformance

The Call Center was an area that underperformed SIB's administrative benchmark by 2.76 percentage points as follows:

Calls Answered within Service Level
Benchmark: 85% within 35 seconds
Q2 2017 Performance: 82.2% within 35 seconds

The below matrix provides a broader picture of our response time:

| 2017 | April | May | June | 2nd Quarter |
|-------------------------------|--------------|------------|-------------|--------------------|
| Calls Offered | 6,044 | 6,050 | 6,117 | 18,211 |
| Calls Answered immediately | 73.43% | 69.62% | 86.51% | 76.52% |
| Calls Answered 0-35 Sec | 80.24% | 76.89% | 89.60% | 82.24% |
| Calls Answered 0-60 Sec | 83.84% | 80.53% | 91.12% | 85.16% |
| Calls Answered 0-120 Sec | 88.73% | 96.91% | 93.71% | 93.12% |
| Average Speed of Answer (sec) | 43 | 46 | 23 | 37 |

TFI underperformed the benchmark during the second quarter and, more specifically for the months of April and May.

During the course of April and May, we experienced significant spikes in call arrival times which negatively impacted our service level for the period. During those peaks, a number of calls had longer than average wait times. We consistently monitor calls and emails received from account owners and we did not receive any complaints regarding call wait times.

Efforts taken in July have positively impacted the call time service level and, so far in the 3rd quarter, service levels are 87.76% and 90.19% service level for July and August respectively. We will continue to actively manage the call center to ensure your account owners have a positive client experience both in response time and call quality.