

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING  
ROOM 113 - BILL LUXFORD STUDIO  
THURSDAY, FEBRUARY 18, 2016  
8:30 A.M.**

Commissioners Present: Roma Amundson, Chair  
Todd Wiltgen, Vice Chair  
Larry Hudkins  
Deb Schorr  
Bill Avery

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Dennis Meyer, Budget and Fiscal Officer  
Dan Nolte, County Clerk  
Cori Beattie, Deputy County Clerk  
Ann Taylor, County Clerk's Office

*Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on February 17, 2016.*

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:30 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE MINUTES OF THE FEBRUARY 11, 2016 STAFF MEETING**

**MOTION:** Hudkins moved and Schorr seconded approval of the February 11, 2016 Staff Meeting minutes. Schorr, Hudkins and Amundson voted aye. Avery and Wiltgen were absent from voting. Motion carried 3-0.

**2 ADDITIONS TO THE AGENDA**

None were stated at this time (see Page 3).

### 3 LEGISLATIVE UPDATE - Gordon Kissel and Joe Kohout, Kissel/E&S Associates

Joe Kohout, Kissel/E&S Associates, presented a legislative update and Committee Hearing and Bills of Interest Reports (Exhibits A-C).

Wiltgen arrived at the meeting at 8:34 a.m.

Kohout noted Scott Etherton, Mental Health Crisis Center Director, and Sheli Schindler, Youth Services Center (YSC) Director, had expressed concerns regarding Legislative Bill (LB) 670 (Require a hearing prior to release for persons taken into custody for mental health reasons). The County Attorney's Association, Nebraska Criminal Defense Attorneys Association, and American Civil Liberties Union (ACLU) also had concerns. He said the bill, in its original form, would have required a hearing before a licensed mental health professional could discharge an individual in emergency protective custody (EPC). Senator Bob Krist offered an amendment yesterday that essentially says in a case where a judge wanted an individual referred for an EPC, a notification would be provided to the court prior to discharge (Exhibit D).

Schorr said she testified in opposition at the Revenue Committee's hearing on LB 936 (Change inheritance tax rates and exemption amounts). She said no one testified in support but several letters in support of the bill were read into the record.

Kohout said it was announced yesterday the Education Committee will be prioritizing LB 959 (Change and eliminate provisions relating to school funding, budgets, and levy authority) and Senator Mike Gloor will prioritize, in his personal capacity, LB 958 (Change provisions relating to budgets, the valuation of agricultural land, and levy limitations). **NOTE:** LB 958 affects local governmental units and Dennis Meyer, Budget and Fiscal Officer, testified in opposition at the Revenue Committee's hearing on the bill. Schorr noted there are three components to the bill: 1) Limitations on the budget of restricted funds; 2) Exclusions to the levy limit; and 3) Limiting the state-wide increase in agricultural and horticultural land valuations to three percent and asked whether the Board should be prepared to indicate which would be easiest "to live with." Kohout felt that is advisable. Meyer said the Revenue Committee is willing to talk about the lid and said Larry Dix, Nebraska Association of County Officials (NACO) Executive Director, feels there could be changes.

It was noted Avery testified in support and Pam Dingman, County Engineer, testified in a neutral position at the Appropriation Committee's hearing on LB 960 (Adopt the Transportation Innovation Act and provide transfers from the Cash Reserve Fund). Kohout disseminated copies of an amendment Senator Jim Smith offered at the hearing (Exhibit E).

Avery arrived at the meeting at 8:43 a.m.

Brief discussion took place regarding LB 1031 (Change the levy authority of railroad transportation safety districts). Schorr said Senator Matt Hansen, introducer of the bill, is concerned there may not be sufficient funding for the Railroad and Transportation Safety District (RTSD) project on North 33rd Street, North 35<sup>th</sup> Street and Adams Street. Amundson said NACO is on record in opposition to the bill.

**MOTION:** Schorr moved and Hudkins seconded to oppose Legislative Bill (LB) 1031.

Wiltgen agreed to contact Senator Hansen and share the Board's concerns regarding the bill.

**ROLL CALL:** Hudkins, Wiltgen, Schorr and Amundson voted aye. Avery voted nay. Motion carried 4-1.

Kohout referenced LB 1013 (Change tax on cigarettes and other tobacco products and provide for distribution of proceeds) and said there are indications the Revenue Committee is looking at the bill as a priority "vehicle."

#### **ADDITIONS TO THE AGENDA**

**MOTION:** Schorr moved and Hudkins seconded to add discussion regarding the Community Corrections Director to the agenda. Avery, Wiltgen, Schorr, Hudkins and Amundson voted aye. Motion carried 5-0.

**4 INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2015 FOR THE 401(a) LANCASTER COUNTY EMPLOYEES RETIREMENT PLAN AND THE 475(b) DEFERRED COMPENSATION PROGRAM -**  
Russ Paoletti, Vice President, Key Accounts, Prudential Retirement

Russ Paoletti, Vice President, Key Accounts, Prudential Retirement, presented Lancaster County Plan Review (Exhibit F), referencing the following:

Market Commentary

Paoletti noted the report is as of December 31, 2015 and said the markets have become more turbulent since the beginning of the year.

- Economic Review (Tab I, Page 4)

Paoletti noted the increase in the United States gross domestic product (GDP) and said the U.S. economy is recovering steadily.

- Financial Market Returns (Tab I, Page 5)

Paoletti said the U.S. market has performed better than international markets. Emerging markets, which are commodity focused, have struggled.

- United States Treasury Yield Curve (Tab I, Page 10)

Paoletti said ten-year U.S. Treasuries were about 2.25% at the end of the year and closed yesterday at 1.8%. Thirty-year U.S. Treasuries were about 3.0% at the end of 2015 and closed yesterday at 2.68%. In comparison, the Gibraltar Fund (Guaranteed Stable Value Fund) has a rate of 2.58% this year.

- Economic and Market Outlook (Tab I, Page 11)

Paoletti said Prudential is fairly confident the U.S. economy will continue to grow but at a slower pace than in the past. Growth in the rest of the world is slower than in the U.S.

#### Plan Summary

- Executive Summary - 401(a) Employees Retirement Plan (Tab I, Pages 15-16)

Paoletti noted assets of \$121,764,003 in the plan at the end of the fourth quarter of 2015. As of the close of business yesterday, assets in the plan were down to approximately \$115,800,000. He said the majority of the funds are performing well, adding Prudential is monitoring the performance and/or management of several of the funds (AllianzGI NFJ Dividend Value Instl, Fidelity Advisor New Insights I, and AllianzGI NFJ Small-Cap Value Instl). Paoletti said the two Allianz Funds are deeper value funds and deeper value stocks have struggled. They also have some exposure to energy and energy stocks have struggled. He said they are anticipated to perform better in the first quarter of the year. If they do not, Prudential may recommend replacement. The Fidelity Advisor New Insights I Fund has a higher risk profile and has also struggled. He noted the Royce Pennsylvania Mutual Invmt Fund was also underperforming and those assets were moved into the Vanguard Small Cap Index Adm Fund earlier this month, based on a decision by the Board.

- Executive Summary - 457 Deferred Compensation Plan (Tab I, Pages 17-18)

Paoletti noted assets of \$19,687,184 at the end of the fourth quarter of 2015. As of the close of business yesterday, assets were down to approximately \$18,600,000.

**NOTE:** See Tab I, Pages 19-21 for additional information regarding fund performance.

Paoletti noted both the 401(a) Employees Retirement Plan and 457 Deferred Compensation Plan have approximately a third of their assets in the Gibraltar Fund (Guaranteed Stable Value Fund).

- GoalMaker (401K Asset Allocation Service) Performance (Tab V, Page 3)

Paoletti said 50% of the participants are in GoalMaker (401K Asset Allocation Service). He noted the one-year performance was negative, regardless of whether the investor chose a conservative, moderate or aggressive approach.

- Dashboard Perspective - 401(a) Employees Retirement Plan (Tab III, Pages 1-2)
  - Plan Assets Over 3-Year Period
  - Plan Assets by Age Group as of December 31, 2015
  - Average Account Balance by Age Group Over 3-Year Period
  - GoalMaker Participation Rates
  - GoalMaker Allocations as of December 31, 2015
  - Investment Utilization Over 3-Year Period
- Dashboard Perspective - 457 Deferred Compensation Plan (Tab IV, Pages 1-2)
  - Plan Assets Over 3-Year Period
  - Plan Assets by Age Group as of December 31, 2015
  - Average Contribution Rate by Age Group Over 3-Year Period
  - Average Account Balance by Age Group Over 3-Year Period
  - GoalMaker Participation Rates
  - GoalMaker Allocations as of December 31, 2015
  - Investment Utilization Over 3-Year Period

Paoletti said participation in GoalMaker is increasing slightly in both plans.

- Executive Summary - 457 Deferred Compensation Plan (Tab VI, Pages 1-4)
  - Plan Demographics

Paoletti noted contributions to the plan totaled \$6,042,978 and distributions totaled \$6,396,304.

- Asset Allocation/Net Activity by Age

Paoletti said the average account balance is \$109,765.

- Fund Utilization by Age as of December 31, 2015

Paoletti said there are 200 participants using a single fund, primarily the Gibraltar Fund (Guaranteed Stable Value Fund).

Hudkins inquired about options after retirement. Paoletti said Prudential can provide general education but can't provide advice. Eagan noted it invariably costs employees more to take their money out than to leave it in the plan. Paoletti says fees can be much higher on a retail account than an institutional account. Hudkins suggested that Prudential provide group meetings for employees nearing retirement.

Paoletti also reported on Prudential Pathways, which is a series of seminars, and an on-line financial planning tool. He also pointed out that student loans are one of the things that holds the younger generation back from saving for retirement and said some clients are looking at putting funds into their plans for employees who are paying off student loans.

Kerry Eagan, Chief Administrative Officer and a member of the Pension Review Committee (PRC), said the PRC will bring back recommendations on fund watch lists.

**NOTE:** Other PRC members in attendance were Scott Gaines, Tim Genuchi, and Dennis Meyer.

### **ACTION ITEMS**

- A. Decline Terrorism Coverage for Craig Dodge Statue Insurance Policy

Eagan said Sue Eckley, County Risk Manager, recommends the Board decline the coverage.

**MOTION:** Schorr moved and Wiltgen seconded to decline the terrorism coverage. Wiltgen, Schorr, Hudkins, Avery and Amundson voted aye. Motion carried 5-0.

### **ADMINISTRATIVE OFFICER REPORT**

- A. Nebraska Association of County Officials (NACO) Southeast District Spring Meeting (Tuesday, March 29, 2016 at the Eugene T. Mahoney State Park near Ashland, Nebraska)

There was consensus to cancel the March 29<sup>th</sup> County Board of Commissioners/County Board of Equalization Meeting so the Board can attend the NACO Southeast Spring Meeting.

- B. Revisit Agency Tour Date (Tuesday, April 5, 2016)

There was consensus to reschedule a tour of the Purchasing Department and Records and Information Management to April 12<sup>th</sup>, beginning at 10:00 a.m.

## 5 COUNTY LEGAL PUBLICATIONS - Austin Roper, Hickman Voice News

Schorr said Darren Ivy, Hickman Voice News Publisher, contacted her and asked if the Board would consider placing the County's legal notices in the Hickman Voice News as well as the Lincoln Journal Star Newspaper. She said the Hickman Voice News has become the official newspaper of record for the Lancaster County Court and gets 65% of Lancaster County District Court's business.

Cori Beattie, Deputy County Clerk, explained the County is statutorily required to publish certain notices. Some notices can also be published as a courtesy to the public.

Hudkins inquired about cost. Beattie said Nebraska Revised Statute §33-141, references legal notices and rates. She said the County currently has a contract with the Lincoln Journal Star for publication of legal notices and said the County Clerk's Office spent \$3,000 on legal adds in Fiscal Year (FY) 2015 and \$2,500 so far in FY 2016. Beattie noted the County Engineer asked that the notice for the public hearing on the One and Six Year Road and Bridge Improvement Program be advertised in all of Lancaster County's newspapers, as well as newspapers in Seward and Crete, Nebraska. She said the publication fee for the Journal Star was \$52.88 and publication in the other newspapers ranged in cost from \$13.20 to \$17.18. Beattie said the Voice News has offered to run legal notices at a cost of \$0.25 per line and said the rate the County pays the Journal Star ranges from \$0.46 to \$0.52, based on the duration of the notice. She said if the County opted to supplement the Journal Star with the Voice News it would likely increase the budget by 50%. Bob Walla, Assistant Purchasing Agent, noted the contract with the Journal Star expires in April.

Hudkins noted the Journal Star is the only newspaper that has county-wide coverage.

Austin Roper, Hickman Voice News, said their subscriber base is primarily in southern Lancaster County, with a quarter of their subscribers residing in the Lincoln area. He asked the Board to consider the Voice News as an option, even for less significant items. Beattie said suggested it be looked at on a case-by-case basis.

Amundson noted many people only view the newspaper on-line and asked whether legal notices are available in that format. Wiltgen said state statutes require legal notices to be printed. Walla said there would be an additional cost to publish the legal notices in the digital format, adding there is no reference to digital in the Journal Star's contract. Roper said the Voice News has an on-line version and would be willing to post legal notices on their home page at no cost.

Schorr suggested further education on the legal notice process would be beneficial for the Board.

- 6 POTENTIAL LITIGATION** - David Derbin and Kristy Bauer, Deputy County Attorneys; Pam Dingman, County Engineer; Ken Schroeder, County Surveyor; Mike Thurber, Corrections Director; Doug McDaniel, Human Resources Director

**MOTION:** Schorr moved and Hudkins seconded to enter Executive Session at 10:15 a.m. for the purpose of protecting the public interest with regards to potential litigation. Schorr, Hudkins, Avery, Wiltgen and Amundson voted aye.

The Chair restated the reason for the Board entering Executive Session.

Avery exited the meeting.

**MOTION:** Wiltgen moved and Hudkins seconded to exit Executive Session at 10:44 a.m. Hudkins, Wiltgen, Schorr and Amundson voted aye. Avery was absent from voting. Motion carried 4-0.

- 7 A) CONTRACT WITH ELECTION SERVICES FOR PRINTING, PROGRAMMING AND CODING; AND B) CONTRACT WITH BALLOT ONLINE REGARDING ABSENTEE BALLOTS FOR MILITARY AND OVERSEAS VOTERS** - Dave Shively, Election Commissioner

Dave Shively, Election Commissioner, gave an overview of proposed contracts with Election Systems & Software LLC for election ballot printing, programming and coding services and on-line hosting of absentee ballots for military and overseas voters (Exhibits G and H). The contracts will be scheduled for action on the February 23, 2016 County Board of Commissioners Meeting agenda.

Avery returned to the meeting at 10:47 a.m.

#### **ADMINISTRATIVE OFFICER REPORT**

##### C. Director Evaluations

Amundson offered suggestions for the director evaluation process and a format for questions.

##### D. County Board Meeting Pictures

Amundson suggested that photographs be taken during County Board Meetings, particularly during Special Presentations, for distribution to the media. Gwen Thorpe, Deputy Chief Administrative Officer, offered to take photographs with Commissioners' cell phones so they will be able to post them on Instagram (on-line mobile photo-sharing and video-sharing service) and Facebook (on-line social networking service). Hudkins noted the Board is considering contracting with a media specialist and felt that could be one of their duties.



Schorr said she received an inquiry from another individual who does public relations and is interested in providing media specialist services to the County. She felt the Board should proceed with an informal request for proposal (RFP) for the services.

## **8 BUDGET PROCESS AND BUDGET UPDATE**

**A) DISTRICT COURT CLERK'S FILE REPLACEMENT** - Dennis Meyer, Budget and Fiscal Officer, Troy Hawk, Clerk of the District Court

### **A) District Court Clerk's File Replacement**

Troy Hawk, Clerk of the District Court, noted he was asked to gather more information in relation to his request to replace three Lektrievers (automated vertical filing carousels) that are used to store active District Court files (see February 11, 2016 Staff Meeting minutes). He said he believes \$65,000 is an adequate amount to replace the old filing system, increase storage capacity, reinforce the floor, and complete minor remodeling that would allow the Jury Commissioner to move to the Clerk of the District Court's Office if the judiciary is agreeable. Hawk said he would like to encumber \$35,000 from salary savings in the department's budget to help fund the project. Dennis Meyer, Budget and Fiscal Officer, said the remaining \$30,000 could come from the Building Fund. Avery asked whether the Microcomputer Fund could serve as a funding source for the \$30,000. Meyer said the balance of that fund won't be determined until later in the fiscal year.

**MOTION:** Hudkins moved and Schorr seconded to allow Troy Hawk, Clerk of the District Court, to proceed with the project, stipulating that the department's budget will fund as much of the project as possible and up to \$30,000 will be funded by the County, with either the Microcomputer Fund or Building Fund serving as the funding source for that portion. Avery, Wiltgen, Schorr, Hudkins and Amundson voted aye. Motion carried 5-0.

Hudkins asked Hawk whether his department publishes their legal notices in the Hickman Voice News (see Item 5). Hawk said his department publishes few legal notices but usually utilizes the Lincoln Journal Star Newspaper.

### **Budget Process and Budget Update**

Meyer discussed the memorandum that will be sent to County departments regarding Fiscal Year (FY) 2016-17 budget requests (see Exhibit I). He also reviewed the proposed department budget hearing schedule (see Exhibit I) noting the length of time for each hearing has been expanded to one hour. The exceptions are the County Engineer and Corrections Department. Those departments will serve as pilots for zero-base budgeting and their budget hearings are anticipated to last at least four hours each. Meyer noted all departments are asked to provide additional information, covering the past three years, including non-mandatory functions, specific employee information (number of full-time, part-time, temporary and on-call employees; unfilled positions; number of employees who are within the step-plan and eligible to receive

merit increases; overtime costs; retirement payouts; and a breakdown of insurance costs), costs for any unfunded mandates, fees that cannot be increased to cover costs due to statutory limits, and capital costs. Schorr said she would also like information regarding rent and Information Services (IS) costs.

There was consensus to reschedule the County Engineer and Corrections budget hearings from June 1<sup>st</sup> to June 6<sup>th</sup> and 7<sup>th</sup>, respectively, due to scheduling conflicts. Those hearings will begin at 1:00 p.m.

Beattie asked that the department budget hearing process begin earlier in May in future years, especially in 2018, as the County Clerk's Office, which staffs the budget hearings, is anticipated to have a heavier workload due to the county-wide property revaluation.

Avery exited the meeting at 11:25 a.m.

## **9 ACTION ITEMS**

- A. Decline Terrorism Coverage for Craig Dodge Statue Insurance Policy

Item was moved forward on the agenda.

## **10 CONSENT ITEMS**

There were no consent items.

## **11 ADMINISTRATIVE OFFICER REPORT**

- A. Nebraska Association of County Officials (NACO) Southeast District Spring Meeting (Tuesday, March 29, 2016)
- B. Revisit Agency Tour Date (Tuesday, April 5, 2016)
- C. Director Evaluations
- D. County Board Meeting Pictures

Items A-D were moved forward on the agenda.

- E. County Extension Open House Breakfast (Thursday, March 10, 2016, 7:45-9:00 a.m. at the Nebraska State Capitol)

There was consensus to delay the start of the County Board Staff Meeting scheduled on March 10<sup>th</sup> to 9:00 a.m. and to reschedule the Management Team Meeting scheduled on that date to March 17<sup>th</sup>.

- F. Appointment of Ruth Lavin to the Mental Health Crisis Center Advisory Board

The Board scheduled the appointment on the February 23, 2016 County Board of Commissioners Meeting.

Avery returned to the meeting at 11:30 a.m.

#### G. TRIM Update

Thorpe said Erik Willsey, Kapish North American Services, Inc., is tentatively scheduled to provide a demonstration of HP Records Manager (HPRM), an Electronic Document and Records Management System formerly known as TRIM, and an analysis of how the County is using the product to the Board on March 3<sup>rd</sup>. User training and additional testing will also take place.

### ADDITIONS TO THE AGENDA

#### A. Community Corrections Director

Schorr noted the Board has occasionally awarded a director a merit increase and felt one should be awarded to Kim Etherton, Community Corrections Director, in recognition of how her duties and responsibilities over the years have changed, an increase in the number of staff she supervises, and the number of federal grants she has brought in during her tenure. She referenced a market analysis performed by the Human Resources Department (see Exhibit D to the December 17, 2015 County Board Staff Meeting minutes) and said the Douglas County, Nebraska (includes Omaha) Community Corrections Director receives \$109,000. **NOTE:** The Douglas County, Nebraska Community Corrections Director salary range is \$70,301 to \$105,404 per the market analysis. Schorr said the other counties in the salary survey that have a Community Corrections Director are Sedgwick County, Kansas (includes Wichita) and Shawnee County, Kansas (includes Topeka) and said their salaries are \$122,000 and \$76,000, respectively. **NOTE:** The Sedgwick County, Kansas Community Corrections Director salary range is \$81,432 to \$122,148 and the Shawnee County, Kansas Community Corrections Director salary is \$76,200 per the market analysis. She said Etherton's current salary is \$91,000. **NOTE:** Etherton's 2016 salary is \$92,085 (see Attachment A to County Resolution No. R-16-0002 approved by the County Board on January 5, 2016). Schorr noted she also reviewed the salaries for the other Lancaster County directors, the number of employees they supervise, and how their duties and responsibilities have changed over the years. She said after reviewing all the data she feels a \$3,000 merit increase, which would be approximately a three percent raise, would be appropriate.

Hudkins questioned whether a \$3,000 increase is sufficient.

Amundson proposed a \$5,000 increase for Etherton.

Hudkins said he also has concerns regarding the Corrections Director's salary and said he would like the Human Resources Department to review those salaries again and bring back recommendations on both positions.

Wiltgen expressed concern that other requests for salary adjustments would be brought forward and said the Board might as well open up discussion of all of the directors'

salaries and include it as part of the budget process. Schorr said she was just evaluating one program that has changed significantly over a period of ten years.

**MOTION:** Schorr moved and Wiltgen seconded to: 1) Award a \$3,000 merit increase to Kim Etherton, Community Corrections Director, effective the first pay period in 2016, based upon the justification provided; and 2) Schedule formal action on the February 23, 2016 County Board of Commissioners Meeting agenda.

**AMENDMENT:** Hudkins moved to amend the motion to include the same terms and conditions for Mike Thurber, Corrections Director.

Avery felt Thurber is already at a comparable salary.

The amendment failed due to the lack of a second.

**AMENDMENT:** Hudkins moved and Amundson seconded to amend the motion to increase the amount of the merit increase for Kim Etherton, Community Corrections Director, from \$3,000 to \$5,000.

**ROLL CALL ON THE AMENDMENT:** Hudkins and Amundson voted aye. Avery, Wiltgen and Schorr voted nay. Motion failed 2-3.

**ROLL CALL ON THE ORIGINAL MOTION:** Wiltgen, Schorr and Amundson voted aye. Hudkins and Avery voted nay. Motion carried 3-2.

**NOTE:** Kim Etherton, Community Corrections Director, was also present for the discussion.

## **12 PENDING**

There were no pending items.

## **13 DISCUSSION OF BOARD MEMBER MEETINGS**

A. Information Services Policy Committee (ISPC) - Wiltgen

Meeting was cancelled.

B. Parks and Recreation Advisory Board - Hudkins

Hudkins said they discussed the status of Lincoln City Golf and conversion of unused tennis courts to pickle-ball, which is a cross between badminton, tennis and ping-pong.

C. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Amundson

Amundson said she reported on the average daily jail population, zero-based budgeting, and remodel of the 605 Building and Benesh Building. She said Pam Dingman, County Engineer, also discussed road and bridge issues.

D. Parks and Recreation Futures Meeting - Hudkins

Meeting was cancelled.

**14 EMERGENCY ITEMS AND OTHER BUSINESS**

Hudkins and Schorr reported they attended the Lincoln Chamber of Commerce's Growth and Development Forum, noting the primary topic of discussion was LB 960 (Adopt the Transportation Innovation Act and provide transfers from the Cash Reserve Fund).

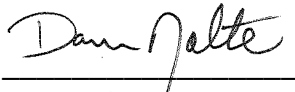
**RETURNING TO ITEM 3**

Eagan said Kohout contacted him and asked whether the Board would like to take a position of support on LB 998 (Provide for emergency community crisis centers and change provisions relating to emergency protective custody). Schorr noted NACO has taken a position of support on the bill.

**MOTION:** Hudkins moved and Wiltgen seconded to support Legislative Bill (LB) 998. Schorr, Hudkins, Avery, Wiltgen and Amundson voted aye. Motion carried 5-0.

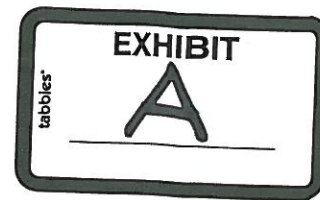
**15 ADJOURNMENT**

**MOTION:** Schorr moved and Hudkins seconded to adjourn the meeting at 11:57 a.m. Hudkins, Avery, Wiltgen, Schorr and Amundson voted aye. Motion carried.



Dan Nolte  
Lancaster County Clerk





**KISSEL/E&S**  
ASSOCIATES

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LEGISLATIVE MEMORANDUM

TO: Lancaster County Board of Commissioners

FROM: Gordon Kissel  
Joseph D. Kohout  
Jonathan G. Bradford  
Ryan MacDonald

DATE: February 18, 2016

RE: Weekly Update on the 2015 Legislature

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This is your seventh weekly update of the Nebraska Legislature for 2016. Today is day 28. Select file was held up yesterday with debate on LR26CA via bracket motion by Senator Chambers. All of the bills that were placed on Consent Calendar bills were advanced to Select File on Tuesday.

On Tuesday and Wednesday, there were hearings on several bills of interest to Lancaster County which we note below.

We would like to apprise you of some important dates that are coming up:

- February 18, 2016, adjournment – Senators must submit request for Speaker Priority Designations
- February 19, 2016, adjournment – Senators must submit Senator Priority Designations; Committee Priority Requests due
- February 22, 2016, adjournment – Speaker announces Speaker Priority Bills
- February 26, 2016 – Recess Day
- March 3, 2016 – Tentative last day for Committee Hearings

Below, please find the latest legislation of particular note to Lancaster County:

**HIGH PRIORITY BILLS**

LB 188 - Change provisions relating to innocent third parties injured during a vehicular pursuit

Introduced by Senator Dan Watermeier of Syracuse

Committee: Judiciary

Hearing Date: January 23, 2015

Placed on General File with AM 374; Cloture Invoked on February 10, 2016 with 37 votes;

Advanced to Select File with AM374 on February 10, 2016

POSITION: QUIET SUPPORT

The bill states that a passenger in a fleeing vehicle shall not be considered to be an innocent third party if the passenger (a) enters with knowledge the driver is under the influence (b) fails to take steps to persuade the driver of the fleeing vehicle to stop the vehicle (c) promotes or provokes the driver to flee (d) are themselves subject to arrest or (e) is engaged in illegal activity that would itself give rise to arrest. AM374 would include a passenger that enters "onto" a vehicle in the new subsection (5)(a).

**LB 670 – Require a hearing prior to release for persons taken into custody for mental health reasons.**

Introduced by Senator Bob Krist of Omaha

Hearing Date: February 17, 2016

Committee: Judiciary Committee

LB 670 strikes language making a more strict interpretation of the release of a juvenile from temporary custody. The bill also inserts additional language that requires a mental health professional to immediately notify the county attorney if the juvenile is not deemed mentally ill and dangerous or a dangerous sex offender in which the county attorney shall proceed to a hearing before the court within 24 hours regarding the juvenile's release.

**LB 711 – Change provisions of the Noxious Weed Control Act and create the Riparian Vegetation Management Task Force**

Introduced by Senator Dan Hughes of Venango

Hearing Date: February 18, 2016

Committee: Natural Resources

POSITION: WEED CONTROL SUPPORTS

LB 711 establishes the Riparian Vegetation Management Task Force to be housed within the Department of Agriculture. Starting FY 2016-2017 appropriation of \$2million dollars annually for the management of vegetation within the banks of a natural stream. Governor will appoint members of the task force; one surface water project representative from each river basin; one representative from Dept. of Agriculture; Department of Environmental Quality; Department of Natural Resources; office of the Governor; office of the State Forester; Games and Parks; and the University of Nebraska. Two representatives nominated by Association of Resources Districts; two representatives nominated by Nebraska Weed Control Association; one riparian landowner from congressional districts; one representative from the Nebraska Environmental Trust. Any member of the Legislature may serve as an ex officio at his or her option. Meetings are to be held in communities within the Republican River and Platte River basins. Report submitted to the Governor each year on June 30<sup>th</sup>. First report would be due on 6/30/2017

**LB 742– Change county population thresholds**

Introduced by Senator Matt Hansen of Lincoln

Hearing Date: February 4, 2016

Committee: Government

POSITION: SUPPORT / NACO SUPPORT

*We received word late on Wednesday that the bill was advanced to General File on a 6-0 vote by the Government, Military and Veterans Affairs Committee; Sen. Hansen has indicated that he is requesting a Speaker Priority Status on the bill.*

LB 742 would bring current language addressing those growing counties nearing the 400,000 inhabitants threshold as determined by the federal census. Currently, this would immediately address the needs of Lancaster County.

LB 765 - Increase original certificate of title fees for vehicles transferred to Nebraska from another state or country

Introduced by Senator Tommy Garrett of Bellevue

Hearing Date: January 26, 2016

Committee: Transportation & Telecommunications

POSITION: SUPPORT THROUGH THE LANCASTER COUNTY TREASURER

LB 765 would amend Section 60-154 by increasing fees related to each original certificate of title issued by a Nebraska county or the Department of Motor Vehicles for a motor vehicle, all-terrain vehicle, a utility-type vehicle, minibike, or trailer being titled in Nebraska from another state or country by increasing the current \$10 fee to \$25 for these types of vehicles receiving an original certificate of title.

LB 777- Change provisions relating to partial payments for property taxes held in escrow

Introduced by Senator Mike Gloor of Grand Island

Hearing Date: January 21, 2016

Committee: Revenue

POSITION: OPPOSE THROUGH COUNTY TREASURER

LB 777 requires County Treasurers to accept partial payments for property taxes. The bill removes the language any county board may pass a resolution and replaces it with the county treasurer shall.

LB 894 – Change provisions relating to appointment of Counsel in juvenile cases

Introduced by Senator Patty Pansing-Brooks of Lincoln

Hearing Date: January 20, 2016

Committee: Judiciary

*Prioritized by the Judiciary Committee. Placed on General File with AM1962 and AM2053 on February 10, 2016. AM 1962 takes provisions from LB 675, LB 709, LB 845 and LB 893; Coash AM2053 would strike all provisions except for those contained in the original bill.*

LB 894 would allow for a minor to have a court appointed attorney if the guardians of the child can't afford one upon a court petition being filed.

LB 915 - Create a veterans treatment court pilot project

Introduced by Senator John McCollister of Omaha

Committee: Judiciary

Hearing: February 5, 2016

POSITION: NEUTRAL

LB 915 creates a three-year pilot program for treatment of veteran's in Douglas County. After conclusion of the three-year study, the Nebraska Supreme Court would make recommendations for the model to be used in other counties.



LB 919 – Change provisions relating to problem solving court programs.

Introduced by Senator Matt Williams of Gothenburg

Hearing Date: February 5, 2016

Committee: Judiciary

POSITION: SUPPORT

*Senator Williams Priority*

In LB 919, the Legislature declares that problem solving court programs, including drug, veterans, mental health, driving under the influence, reentry, and other problem solving court programs, help in reducing recidivism. The bill states problem solving court programs offer a person accused of drug alcohol and other alternative to traditional criminal justice proceedings or juvenile justice dispositions. LB 919 would use funds already appropriated to Nebraska Supreme Court to be used to look into evidence-based interventions, including medication-assisted treatment.

LB 936 – Change inheritance tax rates and exemption amounts.

Introduced by Senator Laura Ebke of Crete

Hearing Date: February 17, 2016

Committee: Revenue

POSITION: OPPOSE / NACO OPPOSE – COMMISSIONER SCHORR TESTIFY IN OPPOSITION

LB 936 changes inheritance tax to one percent for everything above one hundred thousand dollars and anything below that limit will not be taxed.

LB 940 - Adopt the Tax Stabilization Act

Introduced by Senator Jerry Johnson of Wahoo

Committee: Revenue

Hearing Date: February 4, 2015

POSITION: OPPOSE / NACO OPPOSE

LB 940 creates the Tax Stabilization Act to provide property tax relief to property owners across that state and to give the Legislature time to consider appropriate changes to state law that would reduce the reliance on property taxes for the funding of school districts in the state of Nebraska.

LB 958- Change provisions relating to budgets, the valuation of agricultural land, and levy limitations

Introduced by Senator Gloor at the request of the Governor

Committee: Revenue

Hearing Date: February 4, 2016

POSITION: OPPOSE / NACO OPPOSE

*We received word on Wednesday that Senator Gloor is likely to make LB958 his personal priority bill.*

LB 958 strikes the allowable growth percentage from exceeding a levy that may be approved at the same meeting as a vote to exceed the limits of a final levy. Limitations do not apply to restricted funds budgeted for capital improvements, or restricted funds from a qualified sinking fund for acquisition or replacement of tangible personal property. The bill increases any budget adopted by a governmental unit by an amount equal to the restricted funds budgeted for the

immediately prior fiscal year for capital improvements, the restricted funds budgeted for the immediately prior fiscal year and the restricted funds expended in the immediately prior fiscal year. The Property Tax Administrator shall provide information to the commission necessary to determine the adjustments for agricultural land and horticulture.

**LB 960 – Adopt the Transportation Innovation Act and provide transfers from the Cash Reserve Fund**

Introduced by Senator Jim Smith of Papillion at the request of the Governor

Hearing Date: February 16, 2016

Committee: Appropriations

Position – SUPPORT / NACO SUPPORT

*Senator Brasch Priority Bill; Commissioner Avery appeared in support; Engineer Dingman testified neutral.*

Under LB 960 Transportation Innovation Act is created. Design build is created as an alternative method when considering projects. A transportation infrastructure bank is created from reserved funds in the amount of \$150 million to accelerate projects. A capital improvement program is created as well to speed up capital improvements. The county bridge match program is created for repair and replacement of county bridges. This includes matching requirements.

**LB 992 – Provide a restriction on installment contracts for the purchase of real or personal property by political subdivisions**

Introduced by Senator Laura Ebke of Crete

Hearing Date: February 17, 2016

Committee: Government

**POSITION: OPPOSE THROUGH A LETTER / NACO MONITOR – LETTER OF OPPOSITION SUBMITTED THROUGH STEVE HUBKA TESTIMONY IN OPPOSITION.**

LB 992 states no political subdivision, with statutory authority can enter into an installment contract for the purchase of property, if already an obligation exist of twenty-five million dollars or more from previous contracts. If a debt does exist above twenty-five million dollars, the subdivision cannot enter into a new contract.

**LB 976 – Change provisions relating to jury sequestration**

Introduced by Senator Les Seiler of Hastings

Hearing Date: NA

Committee: Judiciary

**POSITION: LETTER OF SUPPORT**

*Bill Withdrawn*

Under LB 976, a court may order that a jury be sequestered during a trial or after final argument by the motion of the court or party if good cause is shown.

**LB 1031 – Change the levy authority of railroad transportation safety districts**

Introduced by Senator Matt Hansen of Lincoln

Hearing Date: February, 25 2016

Committee: Revenue

**POSITION: / NACO OPPOSE**

LB 1031 removes the levy authority away from the county board and places it with the Railroad Transportation Board, which is made up of 3 county board members and 3 city council members. The move would free up two cents to the county board levy authority.

LB 1032 – Adopt the Transitional Health Insurance Program Act and provide duties for the Department of Health and Human Services

Introduced by Senator John McCollister of Omaha

Hearing Date: February 10, 2016

Committee: Health and Human Services.

Prioritized by the Health and Human Services Committee

POSITION: SUPPORT – COMMISSIONER ADMUNSON TESTIMONY / NACO SUPPORT

*Senator McCoy filed AM2163, 2164, 2166, 2168, and 2169.*

LB 1032 would provide health care coverage to individuals who cannot qualify for Medicaid. Medicaid funds would be used to buy private health insurance for those individuals making up one hundred thirty-three percent of the federal poverty level with no insurance. The bill allows for small contributions from enrollees and would take funds from the state health care cash fund to extend coverage up to seventy-seven thousand Nebraskans.

LB 1042 – Change provisions relating to tax-increment financing

Introduced by Senator Friesen

Hearing Date: February 9, 2016

Committee: Urban Affairs

POSITION: MONITOR

*INDEFINITELY POSTPONED*

LB 1042 gives another layer of approval to tax-increment financing (TIF) projects. Before approval is made by the governing body of the TIF project, as described in 18-2116, the county board of equalization of the county that would be directly affected by the financing project, may approve the plan if it meets all statutory requirements for TIF imposed under the Community Development Law.

LB 1042 also changes the property valuation information certified by the Property Tax Administrator to the State Department of Education, which is used to determine the adjusted valuation of school districts for purposes of allocating state aid through the Tax Equity and Educational Opportunities Support Act. The bill requires that excess valuation for properties that qualify for tax increment financing will be included in the assessed valuation of school districts for state aid purposes.

#### LEGISLATION TO BE HEARD BEFORE THE NEXT STAFF MEETING

LB 1000 – Require certain law enforcement agencies to adopt policies on the use of the body-worn cameras, provide that recordings from such cameras are not public records, and prohibit certain conduct involving such recordings.

Introduced by Senator Heath Mello of Omaha

Hearing Date: February 18, 2016

Committee: Judiciary

LB 1000 states that police departments with body cameras must adopt policies regarding training and equipping cameras, as how to be worn in a prominent place on the uniform. An officer would have to notify an individual they approach that the camera is recording.

**LB 920 – Add members to the Nebraska Police Standards Advisory Council**

Introduced by Senator Patty Pansing- Brooks of Lincoln

Hearing Date: February 18, 2016

Committee: Judiciary

LB 920 adds nine members to the council starting January 1, 2017. The seventh member of the council will be either a member of the Jail Standards board or from the public at large. The eighth and ninth members will be full time officers from a state law agency with a rank no higher than sergeant. The eighth and ninth members of the council will be appointed by the Governor.

**LB 797 – Change provisions relating to the accrual of interest on denied and reduced homestead exemption.**

Introduced by Senator Burke Harr of Omaha

Hearing Date: February 18, 2016

Committee: Revenue Committee

LB 797 states 30 days after the county assessor received approval by the county board to remove or reduce the exemption from the tax rolls of the county, the rate from time to time can be adjusted by the Legislature.

**LB 825 – Provide reporting requirements for tax-exempt property.**

Introduced by Senator Al Davis of Hyannis

Hearing Date: February 18, 2016

Committee: Revenue

LB 825 By April 1 of each even-numbered year, the owner of each parcel of property that is exempt from property taxes shall file with the county assessor of the county in which the property is located a form containing the following information: name and address, legal description of property, date of acquisition of the property, description of any improvements on the property, whether the property was leased or not, and the owners estimate of the fair market value of the property on January 1 of the even numbered year. The bill adds that by July 1 of each even-numbered year, the county assessor of each county shall complete and deliver to the Department of Revenue a form on which the county assessor estimates the fair market value of tax-exempt property, classified by the type of owner, within his or her county and that the Department of Revenue shall prescribe the forms to be used for purposes of the value ranges for estimating the fair market value of property. The Department of Revenue will prepare an estimate of the fair market value of tax-exempt property in this state by category of owner. All persons required to file a report with all pay a reasonable fee that is sufficient to defray costs to the county of distributing and reviewing the forms. IF the form is not received by April 1 of the even-numbered year, the county assessor will send the owner of the property a notice, by certified mail, stating that the property for, which the form is required, will be appraised at the owner's expense.

**LB 1097 - Change provisions relating to sexual assault forensic testing**

Introduced by Senator Adam Morfeld of Lincoln

Hearing Date: February 18, 2016

Committee: Judiciary

LB1097 would create a fund to collect federal money and for an administrator for that fund to pay

expenses for medical exams for rape victims. The fund would cover costs for physical trauma exams, patient interviews, collection and evaluation of evidence, emergency room and laboratory fees. Victims would also get emotional and mental health care. Medical personnel would also be trained in practices for collecting evidence for prosecutions.

**LB 916 – Provide immunity from criminal or civil liability for removal of an animal from a motor vehicle by forcible entry as prescribed.**

Introduced by Senator Sara Howard of Omaha

Hearing Date: February 19, 2016

Committee: Judiciary

LB 916 allows for an individual who rescues an animal from a locked car or the animal is trapped inside the car, that individual is immune from criminal or civil liability for damage to the automobile.

**LB 1044 – Terminate the Commission of Industrial Relations.**

Introduced by Senator Laura Ebke of Crete

Hearing Date: February 22, 2016

Committee: Business and Labor

LB 1044 would abolish the CIR that was created to resolve labor disputes involving public employees. The bill would continue to protect the right of the public employee in Nebraska to strike in the event of an unresolved dispute.

**LB 1013 – Change tax on cigarettes and tobacco products and provide for distribution of proceeds.**

Introduced by Senator Mike Gloor of Grand Island

Hearing Date: February 11, 2016 Continued Feb. 24.

Committee: Revenue

Possible Senator Gloor Priority

**POSITION: SUPPORT – AUTHORIZE HEALTH DEPARTMENT TO SUPPORT**

LB 1013 would increase cigarette tax by one dollar and fifty cents, this would bring the total sales tax to two dollars and fourteen cents a pack. It is estimated that this tax increase would bring in a one hundred and twenty million dollars. Forty five million of that would go to the Property Tax Credit Fund; Forty five million to personal property tax exemption; and thirty million to the Health Care Cash Fund.

**LB1055 - Open grand jury proceedings to the public as prescribed and change procedures in cases of death during apprehension by law enforcement officers while in custody**

Introduced by Senator Ernie Chambers of Omaha

Committee: Judiciary

Hearing Date: February 24, 2016

**POSITION: / NACO Position Monitor**

LB 1055 permits all proceedings before grand juries to be open to the public. The case shall be treated as an open, ongoing matter until all evidence, reports, and other relevant material, which has been assembled are transferred to a prosecuting attorney appointed. The court shall appoint a prosecuting attorney who shall be the county attorney or a member of his or her staff who has had at least five years' experience in criminal litigation, including felony litigation.

**LB 1107 – Create the Nebraska Election System Initiative**

Introduced by Senator Tommy Garrett of Bellevue

Hearing Date: February 24, 2016  
Committee: Government

LB 1107 states the current vote tabulation and ballot-marking equipment in Nebraska will soon be outdate. The bill would establish the Nebraska Election System. The goal is to examine the voting process, in Nebraska. Review methods of polling sites, early voting, equipment; disabled, minority and young voters; campaigns; and cost of replacing current system.

**LB 952 – Require availability of emergency medical services and change membership of the Board of Emergency Medical Services.**

Introduced by Senator Dan Watermeier of Syracuse

Hearing Date: February 24, 2016

Committee: Health and Human Services

LB 952 states starting January 1, 2016, a county board is responsible to make sure emergency medical services are available for all county residents. The bill states that the county can contract for medical emergency and public safety services. The Board of Emergency Medical Services in regards to the seven out of hospital care providers, two will be emergency medical responders, two will be medical technicians, two will be paramedics and one will be an advanced medical technician. Members appointed after January 1, 2017, three of them will be volunteer emergency medical care providers.

**LB 998 - Provide for emergency community crisis centers and change provisions relations to emergency protective custody**

Introduced by Senator Paul Schumacher of Columbus

Hearing Date: February 24, 2016

Committee: Health and Human Services

LB 998 includes the definition of emergency community crisis center as a medical assistance program. The demand for inpatient behavioral health beds exceeds the supply of such beds in Nebraska. Hospital emergency departments are not equipped to address the behavioral health needs and delays in receiving behavioral health crisis stabilization services significantly increase the risk of emotional deterioration. Further, appropriate, timely resources should be available to persons in need of behavioral health. The bill calls for an establishment of five emergency community crisis centers across the state.

#### LEGISLATION HEARD SINCE LAST STAFF MEETING

**LB 968 – Change provisions relating to an agriculture promotion and development program**

Introduced by Senator Johnson

Hearing: February 16, 2016

Committee: Agriculture

LB 968 allows the Department of Agriculture to cooperate and coordinate with producer organizations, state and local governments, and public and private economic development entities to identify opportunities for private sector investment in new livestock, dairy, and agricultural commodities processing facilities or expansion or repurposing of existing processing facilities within the state, to actively recruit such processing investment, and to advise and assist local communities where such investment may be sought or considered.

**LB 806 - Adopt the Riverfront Development District Act**

Introduced by Senator Heath Mello of Omaha

Committee: Revenue

Hearing: February 16, 2016

LB 806 creates the Riverfront Development District Act that provides a means by which such historic river cities may be effectively funded, managed, promoted, and developed within their corporate limits. A riverfront development district may be created through the adoption of an ordinance that names the river, boundaries of the district, qualifications and terms of the office, statement that the business shall be subject to the general occupations tax or real property will be subject to special assessment, the proposed method of assessment will be imposed within the district, and penalties will be imposed for failure to pay the occupation tax or special assessment. After the creation of a district, the mayor, with the approval of the city council, shall appoint a riverfront development authority to oversee and manage the district.

**LB 925 – Change provisions relating to issuing a treasurer’s tax deed and bringing a tax lien foreclosure action as prescribed.**

**Introduced by Senator Burke Harr of Omaha**

**Hearing Date: February 17, 2016**

**Committee: Revenue**

Andy will testify in opposition. Has several concerns.

LB 925 states at any time within 9 months after the expiration of two years after the date of sale of any real estate for taxes or special assessments if such real estate is not legally occupied and deemed vacant or abandoned. Vacant and abandoned real estate is defined by local ordinance or determined by the appropriate local governing body. Conditions of real estate include overgrown or dead vegetation, trash and waste and /or visible deterioration.

**LB 995 – Repeal provisions relating to the special valuation of agricultural land and provide for the agricultural value of agricultural land.**

**Introduced by Senator Al Davis of Hyannis**

**Committee: Revenue**

**Hearing: February 17, 2016**

LB 995 local governments would tax cropland based on agricultural value instead of seventy-five percent of the actual value. Bill defines agricultural value as the actual value of land for agricultural and horticultural purposes without regard to actual value the land would have for other uses. This is an attempt to lower property tax for farmers and ranchers.

**LB1037 - Change property tax provisions relating to agricultural land and horticultural land**

**Introduced by Senator Lydia Brasch of Bancroft**

**Committee: Revenue**

**Hearing: February 17, 2016**

LB1037 strikes land associated with buildings. It excludes wasteland lying in or adjacent to and in common ownership or management with other agricultural land and horticulture land. It does allow farm sites and farm home sites lying in or adjacent to and in common ownership or management with other agricultural land and horticultural land.

**LB 1010 – Change provisions relating to juvenile court petitions**

**Introduced by Senator Matt Williams of Gothenburg**

**Hearing Date: February 17, 2016**

**Committee: Judiciary**

LB 1010 calls for a written petition for juvenile court will be signed by the county attorney setting forth the facts. The petition would replace the verification of affidavit.

#### LEGISLATION OF NOTE

**LB 673 – Change provisions relating to appointment of guardians ad litem.**

Introduced by Senator Bob Krist of Omaha

Hearing Date: January 20, 2016

Committee: Judiciary Committee

LB 673 states that if there is a guardian ad litem division, appointments will first be directed to them and if a conflict exists the court may appoint a guardian ad litem outside of the division. It also replaces the court hearing of an application with the county board.

**LB 675 – Change provisions relating to placement and detention of juveniles.**

Introduced by Senator Bob Krist of Omaha

Hearing Date: January 20, 2016

Committee: Judiciary Committee

LB 675 adds language that prohibits a juvenile from being placed in a rehabilitation center unless an immediate and urgent reason persists. It also ensures that a juvenile will not be detained unless there is a legitimate threat to the security of anyone in the community or if it is necessary to ensure that the juvenile will appear at the next hearing due to a trend of absences at a hearing over a period of 12 months. It states that no juvenile under the year of 12 years old will at any time under any circumstance be placed in detention; to allow a parent or guardian to avoid legal responsibility, punish treat or rehabilitate the juvenile, permit more convenient administrative access to the juvenile, facilitate further interrogation or investigation of the juvenile, due to lack of more appropriate facilities, or satisfy the demands of a victim, law enforcement, or the community.

**LB 687 - Provide procedures for recall of state elective officers**

Introduced by Senator Bloomfield

Committee: Government

Hearing Date: February 4, 2016

LB 687 provides that a recall petition is reviewed by the state and that the state is responsible for all costs of the recall procedure, any special election, or costs incurred related to a canceled election. The bill strikes language that excluded trustees of sanitary and improvement districts, members of a political subdivision, member of a governing body of a city, village, county, irrigation district, natural resource district, public power district, school district, community college, education service unit, hospital district, and metropolitan utility district. The bill also includes the process to bring about a petition against an elected official whether elected or appointed and that petition needs to be authorized by the filing clerk.

**LB 717 – Change provisions relating to the assessment and valuation of real property.**

Introduced by Senator Mike Groene of North Platte

Hearing Date: February 4, 2016

Committee: Revenue

LB 717 States that the actual value of real property for purpose of taxation means the value to be determined by the use of professionally accepted mass appraisal methods. It removes language of “market value of real property in the ordinary course of trade”. Legislation states, except for assessment occurring



on January 1, 2016, the assessed value shall be the same as the assessed value on January 1, 2015, in relation to assessing tax on real property.

**LB 768 – Provide for Choose Life License Plates**  
Introduced by Senator Tommy Garrett of Bellevue  
Hearing Date: February 9, 2016  
Committee: Transportation

LB 768 would require the DMV to design license plates to be known as “Choose Life” License Plates.

**LB 795 – Establish the Wireless in Nebraska Program under the Nebraska Telecommunications Universal Service Fund Act.**  
Introduced by Senator Burke Harr of Omaha  
Hearing Date: February 9, 2016  
Committee: Transportation and Telecommunications.

LB 795 adds the definition of wireless carrier to mean a telecommunications company providing mobile radio service, radio paging service, or wireless telecommunications service for a fee in Nebraska intrastate commerce. It removes the section that requires the state treasurer to transfer funds from the Nebraska Telecommunications Universal Service Fund to the General Fund upon certification by the Director of Administrative Services. It further removes the section that states any transfer under this subsection not reversed within thirty days after the initial transfer shall accrue interest in the amount of five percent annually. It replaces those sections with granting the commission the power to establish the Wireless in Nebraska Program and states that the purpose of the Wireless in Nebraska Program is to promote the provision of the universal wireless telecommunications services throughout the state by providing assistance from the Nebraska Telecommunications Universal Service Fund to eligible wireless communications towers. It also requires a wireless carrier that receives funds to file a report with the commission by June 1 of each year, which includes information on investments for the previous year.

**LB 910 – Change provisions relating to parole administration**  
Introduced by Senator Kate Bolz of Lincoln  
Hearing Date: February 4, 2016  
Committee: Judiciary  
Prioritized by Judiciary Committee

LB 910 states starting January 1, 2017, the Office of Parole Administration will be moved to the Board of Parole. The board and director will meet once a month to prepare a plan for legislative review to cover budget, transitions, board policies and procedures with coordination for community based services.

**LB 1023 – Require development of treatment protocols for and a needs assessment of committed offenders and correctional facilities**  
Introduced by Senator Laura Ebke of Crete  
Hearing Date: February 4, 2016  
Committee: Judiciary

Under LB 1023, corrections and the division of behavioral health of DHHS would develop protocols for coordination of mental health and substance abuse treatment for a committed offender during incarceration until discharge. Protocols will cover pre-release planning; mental health and substance abuse treatment needs, supervisor plan and necessary community support services. Community based services can be used during incarceration. Corrections will provide to the Appropriations Committee of

the Legislature, a needs assessment pertaining to programming in facilities before January 1<sup>st</sup> of odd numbered years.

**LB 1094 – Change provisions relating to evidence, sentencing, certain criminal penalties, criminal mischief, assault, theft, forgery, and probation.**

Introduced by Judiciary Committee and others

Hearing Date: February 4, 2016

Committee: Judiciary

POSITION: MONITOR

LB 1094 addresses matters extending from LB 605. The bill addresses custodial sanctions; administrative sanctions; defined duties of a probationer officer when determining a possible violation of probation and court proceedings. LB 1094 repeals section (5) of LB 605 relating to duties of a probationer officer, setting forth new language.

**LB 1102 – Authorize legislative performance audits of tax-increment financing projects.**

Introduced by Senator Al Davis of Hyannis

Hearing Date: February 5, 2016

Committee: Executive Board

LB 1102 includes any authority as defined in section 18-2103 that uses tax-increment financing as authorized in section. 18-2147

**LB 911 – State intent relating to fund transfers for behavioral health systems.**

Introduced by Senator Kate Bolz of Lincoln

Hearing Date: February 8, 2016

Committee: Appropriations

LB 911 appropriates two hundred thousand dollars for fiscal year 2016-2017 to program 268, Behavioral Health Administration for creating a plan of system care for adults using behavioral health services.

**LB 931 - Provide for financial incentives for certain assisted-living facilities and change distribution of the Behavioral Health Services Fund**

Introduced by Senator Kate Bolz of Lincoln

Committee: Appropriations

Hearing Date: February 8, 2016

LB 931 appropriates two hundred fifty thousand dollars for fiscal year 2016-2017 and 2017-2018 to the Department of Health and Human Services. The allocation of funds will provide incentives for certain assisted-living facilities for adults with mental illness or a primary diagnosis of Alzheimer's disease or related dementia.

**LB 922 - Change terms of Public Employees Retirement Board members as prescribed**

Introduced by Senator Mark Kolterman of Seward

Committee: Retirement

Hearing Date: February 5, 2016

LB 922 requires member to serve five years to ensure an experienced and knowledgeable board. It provides that a member appointed to any of the Nebraska retirement systems will serve five years

including the; School Employees Retirement System, Retirement System for Nebraska Counties, and Nebraska State Patrol Retirement System.

**LB 935 – Change provisions relating to the Auditor of Public Accounts**

Introduced by Senator Ken Schilz of Ogallala

Committee: Government

Hearing Date: February 5, 2015

LB 935 states information not received by the auditor by December 31<sup>st</sup> of a calendar year will be considered delinquent. A political subdivision will be notified of the delinquency. If the necessary material is not received within thirty days of the December 31<sup>st</sup>, a five hundred dollars will be withheld from the next state aid payment to that that political subdivision and continue for each additional thirty days of delinquency. Upon delinquency, the auditor can make an audit of the political subdivision at which the cost will be billed to the political subdivision.

**LB 986 - Change duties of the Public Employees Retirement Board relating to an annual valuation report and experience study**

Introduced by the Nebraska Retirement Systems Committee

Committee: Nebraska Retirement

Hearing: February 5, 2016

Under LB 986, the director will provide draft copies of each annual valuation report to the Nebraska Retirement Systems Committee and Governor, as required. Copies are deemed confidential. Starting in 2016, and every four years thereafter will request an experience study from the Public Employee retirement board.

**LB 1001 – Change provisions relating to a compensation schedule for injuries resulting in disability**

Introduced by Senator Ebke

Hearing Date: February 8, 2016

Committee: Business and Labor

LB 1001 adds that loss or loss of means permanent loss of physical function of an arm, a leg, an ear, an eye or nose.

**LB 912 – Change requirements for presentation of identification for purposes of voting.**

Introduced by Senator Jim Smith of Papillion

Hearing Date: February 10, 2016

Committee: Government

LB 912 states an individual, prior to voting must present valid photo identification and two of the following: a valid utility bill, bank statement, payment check or other government document. Documents presented must be within sixty-days of the present day with matching address to vote in that precinct.

**LB 951 - Adopt the Affordable Housing Tax Credit Act**

Introduced by Senator Harr

Committee: Revenue

Hearing Date: February 10, 2016

LB 951 creates the Affordable Housing Tax Credit Act to provide an owner of an affordable housing project to apply for an affordable housing tax credit. A qualified taxpayer shall be allowed a

nonrefundable tax credit if the authority determines that the project for which tax credits are sought is a qualified project.

**LB 984 - Change provisions relating to mandatory minimum sentencing and sentencing of habitual criminals**

Introduced by Senator Schumacher

Committee: Judiciary

Hearing Date: February 10, 2016

LB 984 a three-judge panel would decide mandatory minimum sentences. A sentencing judge can request the three judge panel to make a finding that a habitual criminal or mandatory minimum sentence would not apply.

**LB 989 - Change provisions relating to motor vehicles**

Introduced by Senator John Murante of Gretna

Committee: Transportation and Telecommunications

Hearing Date: February 9, 2016 (9:00am)

LB 989 provides that the Director of Motor Vehicles shall designate an implementation date, which is on or before January 1, 2020. If the title is electronic, then the following changes may be made; changing the name of an owner, removing the name of an owner, or adding as an owner of the immediate family member of an owner. The department may adopt and promulgate further rules and regulations governing the eligibility of dealers to participate in the electronic dealer services system, setting forth practices, procedures, and requirements necessary to implement such system, and setting forth requirements and practices for dealers participating in such system.

**LB1036: Change provisions of the Credit Services Organization Act, the Delayed Deposit Services Licensing Act, and the Nebraska Installment Loan Act.**

Introduced by Senator Campbell

Hearing Date: February 09, 2016

Committee: Banking, Commerce, and Insurance

LB 1036 states notwithstanding any other provisions of law, charge any brokerage fees or any other fees or charges whatsoever in connection with a loan governed by the Nebraska Installment Loan Act. It defines the annual percentage rate, default, and delayed deposit. The Department of Banking and Finance will document each delayed deposit loan transaction by a written agreement signed by both the licensee and the borrower.

**LB 1059 – Require certain disclosures under the Community Development Law and the Local Option Municipal Economic Development Act**

Introduced by Senator Sue Crawford of Bellevue

Hearing Date: February 9, 2016 (9:00 am)

Committee: Urban Affairs

Placed on General File on February 17 W/AM2067

AM2067 incorporates the provisions of LB 1059 as well as the provisions of two other bills heard by the committee: LB 808 and LB 860.

LB 1059 states that prior to a redevelopment contract, the developer has to indicate if he or she has or intends to file for tax incentives under the Nebraska Advantage act; seeking a refund from the city's local

option sales tax; estimate of total amount he or she is expecting from tax incentives; and if the project has been approved under the Nebraska Advantage act.

**LB 693 – Change limitations of action provisions under the Political Subdivisions Tort Claims Act.**

Introduced by Senator Adam Morfeld of Lincoln

Hearing Date: January 28, 2016

Committee: Judiciary Committee

LB 693 extends from one year to two years every tort claim against a political subdivision.

**LB 703 – Change provisions relating to nuisances in cities and villages.**

Introduced by Urban Affairs Committee

Hearing Date: January 19, 2016

Committee: Urban Affairs Committee

*Advanced to Select File*

LB 703 states a city or village must establish method of notice by ordinance. If done by US mail first class, it must contain a mark indicating importance. Within five days of receipt, owner/occupant of the ground may request a hearing on the nuisance. Hearing would be set within fourteen days of the appeal filing and a hearing officer has five business days to render a decision.

**LB 704 – Change building code provisions applicable to political subdivisions**

Introduced by Urban Affairs

Hearing Date: January 19, 2016

Committee: Urban Affairs

*Advanced to General File on January 20, 2016*

LB 704 would make a series of technical changes to the building code statutes by doing the following. Clarifying that local building or construction codes must be adopted and enforced as provided under the Building Construction Act; Clarifying that counties and municipalities must keep a copy of their local building code available for use and examination by the public as long as the code is in effect; Clarifying that only counties and municipalities may adopt a local building code; Defining "component" for purposes of the Building Construction Act; Streamlining the process for local building code adoption, allowing counties and municipalities to either adopt the state building code or a code that conforms generally with the state building code; Clarifying that a prior edition of a component of the state building code does not conform generally with the state building code; and striking language that provides for unconstitutional delegation of legislative authority by municipalities.

**LB 709 – Provide for an alternative to detention for juveniles.**

Introduced by Senator Sara Howard of Omaha

Hearing Date: January 20, 2016

Committee: Judiciary Committee

LB 709 – Provides for alternate detention of increased supervision for a youth to ensure the youth attends court and avoids future law infractions. Supervision includes electronic monitoring, day/evening reporting centers, house arrest and temporary shelter placement. Placement does not include facilities that allow for physical restraint or ingress and egress for placement.

**LB 714 – Provide for and change a provision relating to sufficient cause of nonuse of a water appropriation.**

Introduced by Senator John Stinner of Gering

Hearing Date: January 22, 2016  
Committee: Natural Resources

LB 714 – states that for sufficient cause for nonuse shall be deemed to exist for up to fifteen consecutive years if such nonuse was a result of one or more of the following(adds) the appropriation is temporarily transferred to a natural resources district or other competent authority for the purpose of depletion offsets, aquifer recharge, stream augmentation, or maintenance of instream flow

LB 716 – Provide and eliminate provisions regarding pedestrians and bicyclists.  
Introduced by Senator Rick Kolowski of Omaha  
Hearing Date: January 25, 2016  
Committee: Transportation and Telecommunications.

LB 716 states a pedestrian lawfully entering designed bike or walk path of a highway intersection or adjacent to intersection of two highways controlled by traffic signal has the right-of-way within the crossing with respect to vehicles and bicycles. Bicyclist cannot suddenly leave a curb or safety path into the path of a car that it is so close it is impossible for the driver to stop. Nothing in the subsection relieves a bicyclist or driver from duty of care.

LB 722 – Adopt the Stroke System of Care Act  
Introduced by Senator Roy Baker of Lincoln  
Hearing Date: January 22, 2016  
Committee: Health and Human Services

LB 722 creates the Stroke System of Care Act. In an effort to meet the increase of Stokes in the state of Nebraska, this bill creates an effective stroke system of care to be provided to individuals. The bill requires the Department of Health and Human Services to adopt rules and regulations that include the criteria for designation of a hospital as a comprehensive stroke center, primary stroke center, or acute stroke-ready hospital. The American Heart Association, the Joint Commission on Accreditation of Healthcare Organizations, or another nationally recognized stroke care organization will approve the certification.

LB 723 – Change sales and use tax collection fees  
Introduced by Senator Paul Schumacher of Columbus  
Hearing Date: January 22, 2016  
Committee: Revenue

LB 723 changes the date of October 1, 2002 to read on and after January 1, 2017 and doubles the 2.5% to 5% of the first three thousand dollars remitted each month and two and one-half percent of the next three thousand dollars remitted each month as reimbursement for the cost of collecting the tax. The bill also states that taxes collected prior to January 1, 2017 will be deducted and withheld from the amount of taxes collected two and one-half percent of the first three thousand dollars remitted each month as reimbursement for the cost of collecting the tax.

LB 724 – Change sales and use tax collection fees.  
Introduced by Senator Paul Schumacher of Columbus  
Hearing Date: January 22, 2016  
Committee: Revenue Committee

LB 724 states that for all sales tax collected by a taxpayer on/after 1/1/2017, he or she will withhold 5% of the first \$6,000 remitted each month for reimbursement of collecting the tax.

LB 720 – Change certain invasions of privacy provisions to include unmanned aircraft or unmanned aircraft systems.

Introduced by Senator Kuehn of Heartwell

Hearing Date: February 25, 2016

Committee: Judiciary Committee

LB 720 states an individual is liable for invasion of privacy for flying an unmanned aircraft below 200ft of privately owned property without permission of the owner of the property in the act of capturing any form of visual image/recording. Individual is responsible for reasonable damage caused by the invasion.

LB 746 – Adopt the Nebraska Strengthening Families Act, change provisions for guardian ad litem and services for children, and create the Normalcy Task Force.

Introduced by Senator Kathy Campbell of Lincoln

Hearing Date: January 21, 2016

Committee: Health and Human Services

*Senator Campbell of Priority Bill; Placed on General File with AM1903 on February 5, 2016.*

AM1903 creates an operative date of July 1, 2016, and includes a federal reference regarding credit reports. LB746 implements provisions of the federal Preventing Sex Trafficking and Strengthening Families Act regarding the promotion of "normalcy" among children and youth in foster care. Normalcy is intended to mean age and developmentally appropriate activities and experiences essential to the healthy development of children and youth. The bill creates the Nebraska Strengthening Families Act for the following reasons: To ensure foster children can participate in extracurricular and social activities such as field trips, sports, school clubs, religious groups, family vacations and photos, sleepovers, and obtaining a driver's license. To ensure foster parents are able to make decisions about such activities using a reasonable and prudent parent standard. To involve birth parents in such decisions. To require the Department of Health and Human Services to ensure children are made aware of their rights and responsibilities and have access to certain documents before aging out, to ensure foster parents are trained and supported in making determinations as to reasonableness, and report on progress. To require juvenile courts to ensure children's rights are protected and that children are able to engage in such activities, and to make certain findings part of the child's record. To eliminate the use of Another Planned Permanent Living Arrangement as a permanency goal for youth under age 16.

LB 776 – Change revenue and taxation provisions

Introduced by Senator Mike Gloor of Grand Island

Hearing Date: January 21, 2016

Committee: Revenue

*Advanced to Select File*

LB 776 includes food that ordinarily requires additional cooking to finish the product to its desired final condition in the definition of what food means in the bill. The bill also exempts that there will be subtracted interest received by the owner of obligations of the State of Nebraska or its political subdivisions or authorities which are Build America Bonds to the extent includable in gross income for federal income tax purposes. The federal adjusted gross income or federal taxable income shall be reduced by contributions to an account established under the achieving a better life experience program made for the benefit of a beneficiary. It increases the federal taxable income for any withdrawals by the owner of an account established under the achieving better life experience program for nonqualified expenses or to terminate such account. The bill includes that a refundable income tax credit is considered an overpayment even if the taxpayer has no income tax liability prior to applying the refundable credit. LB 776 adds that if an individual is granted a homestead exemption that individual is

not required to submit the certification required under this subdivision in succeeding years.

**LB 780 – Change provisions relating to emergency protective custody**

Introduced by Senator Paul Schumacher of Columbus

Hearing Date: February 3, 2016

Committee: Judiciary

POSITION: MONITOR

Department of HHS would be required to take charge of a mentally ill individual who are taken into emergency protective custody. Bill would make it a misdemeanor for HHS Behavioral Health Division to refuse custody of a person.

**LB 783 – Provide for registration of public power district vehicles as prescribed.**

Introduced by Senator Brett Lindstrom of Lincoln

Hearing Date: February 22, 2016

Committee: Transportation and Telecommunication

LB 783 creates a public power district license plate to be issued and used by each motor vehicle and trailer operated by a public power district. The application will be accompanied by a fee of three dollars for each motor vehicle and three dollars for each trailer. Any public power district vehicle will display a distinctive license plate provided by the department. The license play will be placed on both the front and back of the motor vehicle and to the rear of the trailer. The renewal for the license plate will be two dollars and will be collected every year after they are issues. If a permanent license plate is lost or destroyed, the owner will submit an affidavit to that effect to the county treasurer. A fee of one dollar will be applied to any lost or stolen license plate. All funds collected by the department will be remitted to the State Treasurer for credit to the Highway Cash Fund.

**LB 784 – Change provisions relating to deficit expenditures by county boards**

Introduced by Senator Kurt Friesen of

Hearing Date: January 27, 2016

Committee: Government

Placed on General File on February 1, 2016

LB 784 harmonizes language in the County Budget Act and the Nebraska Budget Act. Currently both Acts proportionally limit expenditures from each budgeted fund between July 1 and the adoption of the budget in September.

The Nebraska Budget Act also provides a mechanism to exceed such proportional expenditures upon an express finding of the governing body that the expenditures are necessary to meet statutory duties and responsibilities. LB 784 would add this concept to the County Budget Act.

**LB 786 – Change requirements for completion of death certificates and cremation permits.**

Introduced by Senator Tyson Larson of O'Neill

Hearing Date: January 20, 2016

Committee: Health and Human Services

*Advanced to Select File*

LB 786 removes the handwritten option of a funeral director, embalmer, physician, physician assistant or nurse practitioner when signing a medical death certificate. Legislation allows for an electronic signature in place of handwritten signature. LB 786 states before any dead body may be cremated, permit of cremation will be signed electronically by the county attorney or designee.



LB 787 – Allow a voter to photograph and reveal a marked ballot  
Introduced by Senator Adam Morfeld of Lincoln  
Hearing Date: January 28, 2016  
Committee: Government

LB 787 would allow for a voter to photograph his or her ballot.

LB 845 - Provide requirements relating to confinement of juveniles and provide a duty for the Inspector General of Nebraska Child Welfare  
Introduced by Senator Patty Pansing-Brooks of Lincoln  
Hearing Date: January 20, 2016  
Committee: Judiciary

LB 845 includes section 6 stating that the Legislature creates a system of investigation and performance review in order to provide increased accountability and oversight regarding the use of room confinement for juveniles in a juvenile facility. All confinement incidents must be documented and include the race, ethnicity, age, and gender of the juvenile, the reason for confinement, an explanation of why less restrictive means were unsuccessful, the ultimate duration of the placement in room confinement, and any incidents of self harm or suicide committed by the Juvenile while he or she was isolated.

LB 848 – Change provisions relating to courts  
Introduced by Senator Patty Pansing-Brooks of Lincoln  
Hearing Date: March 2, 2016  
Committee: Judiciary  
*Advanced to General File with AM2014*

LB 848 defines fee record, general index, Judge's notes, Judgment index, register of actions, and case type when filing of complaints or petitions and subsequent pleadings and date of such filings, including orders and judgments of the court. The bill states that the county court shall file the following with the district court within ten days after entry of the transfer order: Certification of the proceedings; all original documents of the action; certification of the transcript of the register of actions; and certification of the court costs with the clerk of the district court. The clerks of the district court shall use the court's electronic case management system provided by the state, which shall be the record of receipts and reimbursements. The bills strikes the foreman and secretary from filing in the office of the clerk of the district court in section 35 101. The bill also requires the case file to contain the pleadings, orders, court actions, judgments, post judgment actions, and other documents. The case file can be maintained either electronically or on paper file. It removes the requirement to hold a separate docket for the purpose to be unopened for inspection by any person except upon order of the court for good cause shown. attorney if the guardians of the child can't afford one upon a court petition being filed.

LB 884 - Change the Convention Center Facility Financing Assistance Act and the Sports Arena Facility Financing Assistance Act.  
Introduced by Senator Jim Scheer of Norfolk  
Hearing Date: January 22, 2016  
Committee: Revenue

LB 884 would increase the recapture zone from 200 to 600 yards for the Omaha arena and from 400 yards to 600 yards for Lincoln. It would require that ten percent of such funds appropriated to a city of the primary class may be invested in areas with a high concentration of poverty to assist with low-income housing needs. Applications for state assistance submitted prior to the operative date of this act, the area that is located within six hundred yards of an eligible sports arena facility, measured from the facility but

not from any parking facility or other structure. Applications submitted on or after the operative date of this act, a map identifying the program area, including any unbuildable property within the program area or take into account in adjusting the program area as described.

**LB 886 – Adopt the Volunteer Emergency Responders Incentive Act and provide income tax credits.**

Introduced by Senator Al Davis of Hyannis

Hearing Date: February 3, 2016

Committee: Revenue

LB 886 creates the Volunteer Emergency Responders Incentive Act. For taxable years on or after January 1, 2017, a volunteer on the list will receive a refundable credit against income tax imposed in an equal amount to two hundred fifty dollars beginning with the second taxable year the volunteer is on the list. A point system of one hundred possible points, per year, is created for an active emergency responder, active rescue squad member or active volunteer firefighter. Various methods to accumulate points are available for an individual. To name a few, responding to ten percent of emergency calls; participation in training courses and participation in drills.

**LB 888 – Change provisions relating to tax credits under the Nebraska Job Creation and Mainstreet Revitalization Act.**

Introduced by Senator Health Mello of Omaha

Hearing Date: January 27, 2016

Committee: Revenue

*Advanced to General File*

LB 888 states that a taxpayer who claims a tax credit will not pay additional retaliatory tax as described under section 44-150 for claiming a tax credit. Any tax claim will be considered a payment of tax as in subsection (1) of 77-2734.03

**LB 893 – Modify jurisdiction of juvenile courts and change provisions relating to temporary custody and disposition of juveniles.**

Introduced by Senator Patty Pansing-Brooks of Lincoln

Hearing Date: January 22, 2016

Committee: Judiciary

This bill would require that a juvenile would have to be at least eleven (11) years old to be prosecuted or adjudicated for a criminal law violation or to be prosecuted as ungovernable, in juvenile or adult court. Instead, the juvenile court in each county, shall have jurisdiction of children who are 10 and younger, who engage in conduct which would otherwise be considered as a law violation under 43-247(3)(a)

**LB 896 – Require pay increases for state employees to recognize length of service.**

Introduced Senator Matt Hansen of Lincoln

Hearing Date: February 1, 2016

Committee: Business and Labor

LB 896 states that state employees would get a raise every five years. Raises would be at 6.25cents/hr(five years); 12.5cents/hr(ten years); 18.75cents/hr (fifteen years); 25 cents/hr (20 years); 31.25 cents/hr(twenty five years); 37.5 cents (thirty years); 43.75 cents/hr (thirty five years); 50 cents/hr (forty years)

**LB 905 – Adopt the Commission on Fathers, Men and Boys Establishment Act of 2016.**

Introduced by Senator Laura Ebke of Crete

Hearing Date: No date assigned yet  
Committee: Health and Human Services

LB 905 establishes the Commission on Fathers, Men and Boys. The commission will be made up of ten members. Five members appointed by the Governor and five ex officio appointed by the Executive Board of the Legislature. Commission will advocate, make recommendations to the Governor and Legislature on issues and concerns raised by fathers, men and boys. The commission will address issues of socioeconomic concerns raised.

LB 906 – Adopt the Law Enforcement Education Act authorizing tuition waivers.  
Introduced by Senator Brett Lindstrom of Omaha  
Hearing Date: January 25, 2016  
Committee: Education  
Advanced to General File W/AM2118

LB 906 waives 30 percent of resident tuition for law enforcement officers attending a university, college or community college. An officer has to maintain an acceptable performance level with the agency.

LB 918- Provide for the redistribution of motor vehicle taxes as prescribed.  
Introduced by Senator John Murante of Gretna  
Hearing Date: January 26, 2016  
Committee: Transportation

LB 918 transfers on one percent of the collected motor vehicle tax to the Vehicle Title and Registration System Replacement and Maintenance Cash Fund.

LB 927 - Change provisions relating to surcharges for 911 services  
Introduced by Senator Bob Hilkemann of Omaha  
Hearing Date: February 1, 2016  
Committee: Transportation and telecommunications

LB 927 changes the uniform service charge for 911 services to say: except that the monthly uniform service surcharge shall not exceed one dollar per month. It strikes language that states a surcharge of up to fifty cents on all active telephone numbers every month from users or wireless service shall remit the surcharge.

LB928 - Change provisions relating to discriminatory wage practices based on sex.  
Introduced by Senator Heath Mello of Omaha  
Committee: Business and Labor  
Hearing: February 1, 2015

LB 928 addresses wage discrimination between a man and a women in effort to close the gap. The bill also removes current employee size exemption and addresses definitions of enforcement.

LB 929 – Update certain references to federal regulations regarding motor vehicles and motor carriers.  
Introduced by Senator Lydia Brasch of Bancroft  
Hearing Date: January 25, 2016  
Committee: Transportation and Telecommunication.  
*Advanced to Select File*

LB 929 updates effective date from January 1, 2015 to January 1, 2016. Adds language making self-propelled CMV's and intermodal equipment will not apply to forum trucks and forum truck-tractors registered and operated solely in intrastate commerce.

**LB 934 – Change provisions relating to the Office of Public Guardian**  
Introduced by Senator Colby Coash of Lincoln  
Hearing Date: February 3, 2016  
Committee: Judiciary

LB 934 defines multidisciplinary team means a team of professionals hired by the Public Guardian. Public Guardian will be an attorney licensed to practice law in Nebraska. Public Guardian will hire a multidisciplinary team. The team will be made up of professionals in public guardian and trained in the area of law.

**LB 937 – Eliminate a prohibition on marriage of persons with venereal disease.**  
Introduced by Senator Laura Ebke of Crete  
Hearing Date: January 27, 2016  
Committee: Judiciary

LB 937 strikes the language stating that no person with a venereal disease shall be married in Nebraska.

**LB 938 - Adopt the 911 Service System Act and transfer funds from the Enhanced Wireless 911 Fund to the 911 Service System Fund**  
Introduced by Senator Jim Smith of Papillion  
Hearing Date: February 1, 2016  
Committee: Transportation and Telecommunications

LB 938 creates the 911 Service System Act to establish the Public Service Commission as the statewide implementation and coordinating authority to plan, implement, coordinate, manage, maintain, and provide funding assistance for a statewide next-generation 911 service capability.

**LB 943 – Update references with respect to husband and wife**  
Introduced by Senator Matt Hansen of Lincoln  
Hearing Date: January 27, 2016  
Committee: Judiciary

LB 943 changes references of husband and wife to “spouses in a marriage relationship.”

**LB 944 – Change terminology relating to parentage and marital relationships.**  
Introduced by Senator Matt Hansen of Lincoln  
Hearing Date: January 27, 2016  
Committee: Judiciary

LB 944 addresses last year's United Supreme Court ruling of legalizing same sex marriage and changes some references to “parents”

**LB 954 – Change provisions relating to access to records for and investigations by the Inspector General of Nebraska Child Welfare.**  
Introduced by Senator Bob Krist of Omaha  
Hearing Date: January 22, 2015  
Committee: Executive Board

*Advanced to Select File with ER162*

LB 954 states the Office of Inspector General of Nebraska Child Welfare can submit a written request to the Probation Administrator for access of juvenile records pertaining to a particular case. Those records will be turned over with approval via a court order. All juvenile cases as defined in sections 43-246 and 43-247, of the juvenile court will provide confidential information to the Foster Care Review Office. If upon investigation, the Inspector General finds misconduct by the juvenile services division, the probation administrator will immediately notified.-

**LB 977- Change provisions relating to implements of husbandry on highways**  
Introduced by Senator Jim Smith of Papillion  
Committee: Transportation and Telecommunications  
Hearing Date: February 1, 2016  
Smith AM1895 Filed

LB 977 makes an exemption for the weight and load limitations for a farm tractor, self-propelled equipment, and additional agricultural machinery. The bill includes specific weight limits for the vehicles mentioned in the bill.

**LB 1024 – Change a provision of the Nebraska Political Accountability and Disclosure Act relating to an interest of a government contract**  
Introduced by Senator Tyson Larson of O’Neill  
Hearing Date: February 25, 2016  
Committee: Government

LB 1024 states that no member of a public official or employer’s family may enter into a business contract valued at one hundred thousand dollars in a given year. As of January 1, 2017, and every year thereafter the contract value will be adjusted for inflation.

**LB 1034 – Change provisions relating to the Nebraska Children’s Commission**  
Introduced by Senator Kathy Campbell of Lincoln  
Hearing Date: February 19, 2016  
Committee: Health and Human Services

LB 1034 adds juvenile justice to the strategic plan of reform of the Nebraska Child Welfare Commission to review and evaluate the juvenile justice system.

**LB1036 - Change provisions of the Credit Services Organization Act, the Delayed Deposit Services Licensing Act, and the Nebraska Installment Loan Act.**  
Introduced by Senator Kathy Campbell of Lincoln  
Hearing Date: February 9, 2016  
Committee: Banking, Commerce, and Insurance

LB 1036 states notwithstanding any other provisions of law, charge any brokerage fees or any other fees or charges whatsoever in connection with a loan governed by the Nebraska Installment Loan Act. It defines the annual percentage rate, default, and delayed deposit. The Department of Banking and Finance will document each delayed deposit loan transaction by a written agreement signed by both the licensee and the borrower.

**LB 1058 – Change provisions relating to enforcement of certain tobacco restriction provisions.**  
Introduced by Senator Sue Crawford of Bellevue

Hearing Date: February 25, 2016  
Committee: Judiciary

LB 1058 states with compliance checks, an individual between the ages of fourteen and eighteen years of age may be authorized to assist officers or private contractors with compliance checks. The individual under the age of eighteen and older than 14 years has to be an employee, intern or volunteer with a local or state law agency.

LB1103 - Change provisions relating to Medicaid reimbursements, provide for a lien, and change estate procedures.

Introduced by Senator Paul Schumacher of Columbus

Committee: Judiciary

Hearing Date: February 3, 2016

LB 1103 requires a notice shall be provided to the department in a manner and at an address designated by the department, which manner may include email. Any notice that fails to meet this requirement is void and constitutes neither notice to the department nor a waiver application for purposes of any statute or regulation that requires that a notice or waiver application be provided to the department.

LR 389CA – Constitutional amendment to remove provisions regarding marriage from the Constitution of Nebraska.

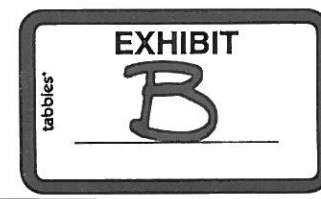
Introduced by Senator Burke Harr of Omaha

Hearing Date: January 27, 2016

Committee: Judiciary

U.S. Supreme Court, in *Obergefell v. Hodges*, ruled that marriage is a fundamental right for same-sex couples by both the Due Process Clause and the Equal Protection Clause of the Fourteenth Amendment of the U.S. Constitution. LR389CA places on the ballot the removal of a provision of the Nebraska State Constitution, which by virtue of preemption by the U.S. Constitution is moot and not enforceable.

KISSEL/ES Associates  
 Bills of Interest Report  
 Client: LC



LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB30	McCoy		Prohibit disclosure of any applicant or permit holder information regarding firearms registration, possession, sale, or use as prescribed	Judiciary	3/19/2015	General File w/AM29		x		
LB37	Krist		Adopt the Prescription Drug Safety Act and change and transfer pharmacy, prescription, and drug provisions	Health and Human Services	1/21/2015	General File w/AM140; AM140 Adopted; Select File w/ER41; Krist AM470 Filed; AM470 Adopted; Final Reading w/ST13; Passed on Final Reading 43-0-6; Approved		x		
LB43	Coash		Provide for standby guardians and recovery of assets under the Nebraska Probate Code	Judiciary	1/21/2015	General File w/AM72; AM72 Adopted; Select File 2/5; Final Reading 2/17; Passed on Final Reading 48-0-1; Approved		x		
LB61	Bolz		Change funding for county offices relating to administration of public assistance programs	Government, Military & Veterans Affairs	1/29/2015		LB61 would seek to repeal a provision in statute that currently requires counties to pay for rental costs or provide space to the Department of Health and Human Services for services that were provided by counties prior to those responsibilities being transferred to the	x		[LC Priority] Support

KISSEL/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB65	Schumacher		Change provisions relating to termination of township boards	Government, Military & Veterans Affairs	1/21/2015	General File; Select File w/ER5; Shumacher AM67 Filed; AM67 Adopted; Passed on Final Reading w/E-clause 49-0-0		X		
LB94	Smith		Provide for issuance of printed motor vehicle certificate of title for nonresidents as prescribed	Transportation & Telecommunications	1/27/2015	General File 1/29; Select File 2/9; Final Reading 2/20; Passed on Final Reading 46-0-3; Approved		X		[LC Priority] Support
LB98	Bolz		State intent regarding appropriations for tobacco use prevention control	Appropriations	3/16/2015		Include in the appropriation to Agency No. 25 and Program No 30, for FY 2015-16, \$7 million Cash Funds and for FY 2016-17, \$7 million Cash Funds use for tobacco use prevention control from the Nebraska Health Care Cash Fund	X		



KISSEL/ES Associates  
 Bills of Interest Report  
 Client: LC

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB106	Watermeier	Watermeier	Adopt the Livestock Operation Siting and Expansion Act and change powers of counties relating to zoning	Government, Military & Veterans Affairs	2/12/2015	Watermeier AM698; Watermeier AM643 Filed; General File w/AM521; Groene AM1018 Filed; Watermeier AM997 Filed; Davis AM1034 Filed; Watermeier AM1029 Filed; AM1018 Withdrawn; AM997 Withdrawn; AM1034 Withdrawn; AM1029 Withdrawn; Watermeier AM1099 Filed; AM1099 Adopted; AM643 Withdrawn; Final Reading 4/15	LB 106 creates the Livestock Operating Siting and Expansion Act and to be implemented by the creation of the Livestock Operation Siting Review Board	X		Support
LB113	Larson	Larson	Provide a co-payment for correctional inmates' health care services	Judiciary	2/18/2015	General File w/AM508	An inmate who request medical treatment will make a copayment of not less than \$10.00 when receiving non-emergency service. The visit shall be deducted from the inmate account as part of copayment. If the account has insufficient funds at the time of the non-emergency treatment, fifty percent of any future deposit shall be withheld until copayment amount owed is paid in full	X		

KISSEL/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB119	Schumacher		Change where certain sentences of imprisonment may be served	Judiciary	2/12/2015		All sentences of imprisonment for classified felonies and sentences of more than 1 year and any lesser sentence shall be served concurrently or consecutively with such sentences. Sentence of 1 year or less may be served in a county jail	X		Neutral
LB120	Schumacher		Provide for seizure of license plates of certain uninsured motor vehicles or trailers as prescribed	Judiciary	1/28/2015		LB120 would authorize law enforcement to seize license plates from a vehicle if at the time the vehicle is pulled over and the driver is unable to produce proof of insurance. The citation issued would serve as a temporary plate for 10 days. If the vehicle was not insured at the time of the stop, in addition to other penalties and fees, the owner of the vehicle would pay \$50 to get the vehicle plates back. The result is that the vehicle remains conspicuous and more likely to be reticketed if it remains uninsured	X		Oppose

KISSEL/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB122	Schumacher		Change provisions relating to operation of utility-type vehicles	Transportation & Telecommunications	1/27/2015	General File 1/29; Select File 2/9; Bloomfield AM407 Filed; AM407 Adopted; Final Reading 2/23; Passed on Final Reading 46-0-3; Approved		X		[LC Priority] Support
LB126	Nordquist		Change a combined contribution retirement benefit rate as prescribed	Nebraska Retirement Systems	1/20/2015	General File w/AM12; AM12 Adopted; Select File w/ER1; Final Reading; Passed on Final Reading 49-0; Approved		X		
LB131	Craighead		Change provisions relating to annexation and prohibit sanitary and improvement districts from spending certain assets	Urban Affairs	1/27/2015	General File w/AM405	This bill provides financial guidance to Sanitary and Improvement Districts (SIDs) once the intent of their annexation by an adjacent qualifying city is made. This bill changes the restrictions on SIDs to enter into or extend contracts once they have been notified that a city is proposing the annex of the SID. After such, notification, the SID will need to seek the approval of the City before entering into any contracts.	X		

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Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB132	Ebke	Government, Military and Veterans Affairs	Change joint public agency bonding powers and procedures	Government, Military & Veterans Affairs	1/29/2015	General File w/AM582; AM582 Adopted; Select File w/ER75; AM1327 Filed; AM1327 Adopted; Final Reading 4/29	links Joint Public Agency bond issuance procedures to taxing powers. It requires Joint Public Agencies follow the bond issuance procedures a participating public agency would be required to follow to bond the particular revenue stream	X		
LB135	Johnson		Change provisions relating to termination of township boards	Government, Military & Veterans Affairs	1/21/2015			X		Oppose
LB139	Johnson	Banking Commerce & Insurance	Change and eliminate provisions relating to the Real Property Appraiser Act	Banking Commerce & Insurance	1/27/2015	General File w/AM119; AM119 Adopted; Schumacher AM893 Filed; AM893 Adopted; Select File w/ER51; Final Reading 3/31; Passed on Final Reading 45-0-4; Approved		X		Monitor
LB142	Schilz		Create the Aquatic Invasive Species Program and provide funding	Natural Resources	1/21/2015	General File w/AM45; AM45 Adopted; Select File w/ER20; Schilz AM255 Filed; AM255 Adopted; Final Reading w/ST8; Passed on Final Reading w/E-Clause 46-1-2; Approved	To create the Nebraska Aquatic Invasive Species Program to be used by Game and Parks to prevent and mitigate damage caused by aquatic invasive species such as the zebra mussel, silver carp, and other such species	X		

KISSEL/ES Associates  
Bills of Interest Report  
Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB146	Crawford		Provide for disposition of unclaimed cremated remains in a veteran cemetery	Health and Human Services	1/29/2015	General File w/AM142; AM142 Adopted; Select File w/ER42; Final Reading 3/10; Passed on Final Reading 44-0-5; Approved	LB 146 establishes a voluntary process for funeral homes to work with veteran service organizations to locate, identify and inter unclaimed cremated remains of veterans and their dependents for the purposes of burial in a veteran cemetery	x		Monitor
LB148	Crawford		Provide for medical assistance program coverage for certain youth formerly in foster care	Health and Human Services			Under Section 2004 of the Patient Protection and Affordable Care Act (PPACA), foster youth who age out of the foster care system in Nebraska without reunification with their families or adoption are eligible for Medicaid coverage until age 26. This mirrors the provision in the PPACA allowing young adults to stay on their parents' insurance plan until age 26	x		
LB158	McCollister		Deny compensation under the Nebraska Workers' Compensation Act in situations of false representation	Business and Labor	3/2/2015		No compensation shall be allowed if, at the time of or in the course of entering into employment or at the time of receiving notice of the removal of conditions from a conditional offer of employment	x		Monitor
LB172	Chambers		Eliminate certain mandatory minimum penalties	Judiciary	2/11/2015			x		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB173	Chambers	Seiler	Change habitual criminal provisions	Judiciary	2/11/2015	General File w/AM472; AM472 Adopted; Select File w/ER82;		X		Support
LB186	Bolz		Adopt the Property Tax Circuit Breaker Act	Revenue	1/29/2015		This bill allows for a resident or partial-year resident of Nebraska who owns or rents his primary residence to apply for a refundable income tax credit. The applicant must have resided at the property he or she is requesting for consideration for at least six months	X		
LB188	Watermeier		Change provisions relating to innocent third parties injured during a vehicular pursuit	Judiciary	1/23/2015	General File w/AM374	The bill states that a passenger in a fleeing vehicle shall not be considered to be an innocent third party if the passenger (a) enters with knowledge the driver is under the influence (b) fails to take steps to persuade the driver of the fleeing vehicle to stop the vehicle (c) promotes or provokes the driver to flee (d) are themselves subject to arrest or (e) is engaged in illegal activity that would itself give rise to arrest	X		
LB202	Davis		Provide for partisan ballots for unaffiliated voters at primary elections	Government, Military & Veterans Affairs	2/26/2015			X		Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB209	Hilkemann		Adopt the Political Subdivisions Mandatory Mediation Act	Judiciary	1/23/2015	Indefinitely Postponed		X		
LB210	Ebke		Change provisions relating to housing agencies and taxation of mixed-use developments	Revenue	2/12/2015		<i>Relating to low income housing</i>	X		
LB212	Chambers		Prohibit use of restraints in juvenile courts as prescribed	Judiciary	2/25/2015		Restraints shall not be used on a juvenile during a juvenile court proceeding and removed prior to the juvenile's appearance before the juvenile court. Unless there is cause to show the need of restraints in the court proceeding	X		
LB213	Schumacher		Provide for withholding of insurance proceeds for demolition purposes	Banking Commerce & Insurance	2/17/2015	Indefinitely Postponed		X		
LB214	Schumacher		Provide for electronic signatures on initiative and referendum petitions	Government, Military & Veterans Affairs	2/18/2015			X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB224	Harr		Provide and change restrictions relating to electioneering	Government, Military & Veterans Affairs	2/4/2015		LB 224 would require the placement of flags on the day of any election to indicate the area within 200 feet of a polling place unless that area is across a public thoroughfare or private property. It would also require the designation of an approximately ten feet by five feet yard- sign zone within the 200 foot area which would allow for any person to display a campaign sign in the zone beginning at 7 a.m. and ending at 9 p.m. on the day of the election	X		
LB230	Mello		Change provisions relating to partition actions	Revenue	2/19/2015	General File w/AM752		X		
LB236	Coash		Change and eliminate provisions relating to collection of judgments and public retirement plans	Nebraska Retirement Systems	1/27/2015			X		
LB237	Coash		Appropriate funds for correctional facilities	Appropriations				X		
LB241	Stinner		Change provisions relating to conveyances of cemetery lots	General Affairs	1/26/2015	General File 1/29; Select File 2/9; Final Reading 2/19; Passed on Final Reading 47-0-2; Approved		X		



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB244	Pansing Brooks		Change provisions relating to motions for new trial based upon discovery of new evidence	Judiciary	1/30/2015			X		
LB245	Pansing Brooks		Change provisions relating to DNA testing of biological material	Judiciary	1/30/2015	General File w/AM197; AM197 Adopted; Select File w/ER46; Harr FA29 Filed; Harr AM827 Filed; FA29 withdrawn; Harr AM843 Filed; AM843 Adopted; Final Reading w/ST15; Krist FA37 Filed; Pansing Brooks AM1045 Filed; Returned to Select File; AM1070 Adopted; Final Reading Second 4/7; Passed on Final Reading 4-2-3; Approved	This bill allows the court to order DNA testing, pursuant to a motion filed, that the biological material was not previously tested; material was tested, but current technology may provide more accurate findings	X		
LB250	Larson		Eliminate time restrictions on keno	General Affairs	1/26/2015			X		
LB253	Morfeld	Craighead	Change acknowledgment requirements relating to homesteads	Judiciary	2/6/2015	General File w/AM278; AM278 Adopted; Select File 4/28; Final Reading 5/5;		X		
LB256	Bloomfield		Change the sales tax rate and the distribution of sales tax revenue	Revenue	2/20/2015		LB 256 would raise the state sales and use tax from the current five and one-half percent to six percent as of October 1, 2015.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB259	Gloor	Revenue	Adopt the Personal Property Tax Relief Act	Revenue	1/29/2015	General File w/AM824; Gloor AM1252 Filed; AM824 Adopted; AM1252 Adopted; Gloor FA58 Filed; FA58 Adopted; Select File w/ER118;	To exempt the first \$25,000 worth of personal property value for each personal property tax return filed with a county assessor	X		
LB260	Gloor		Authorize the Property Tax Administrator to correct certain errors	Revenue	1/23/2015	General File 1/29; Select File 2/9; Final Reading 2/19; Passed on Final Reading w/E-clause 46-0-3; Approved	To expand the time frame to three years from date of certified valuation for errors regarding valuation to be corrected by the Property Tax Administrator or to recertify said valuation within three years of distribution of the tax to a county	X		
LB265	Campbell	Judiciary	Change provisions relating to juveniles and child welfare	Judiciary	2/27/2015	General File w/AM878; AM878 Adopted; Krist AM1014 Filed; AM1014 Adopted; Select File w/ER61; Final Reading w/ST26	LB 265 states a guardian ad-litem(GAL) will make a reasonable effort to become familiar with the needs of a juvenile by consultation with juvenile in his or her respective placement within 2 weeks of appointment and every 3 (was 6) months thereafter	X		
LB266	Crawford		Change provisions relating to jurisdiction for municipalities to enforce ordinances	Urban Affairs	2/3/2015	General File w/AM122; AM122 Adopted; Select File w/ER30; Final Reading 2/19; Passed on Final Reading 47-0-2; Approved	Municipalities currently have the authority to regulate nuisances within their extraterritorial zoning jurisdiction. LB 266 amends various nuisance statutes to clarify this existing authority	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB277	Harr		Change tax deed lien priority	Revenue	2/12/2015	Select File w/ ER103; Final Reading 5/7;	to clarify that SID special assessments also survive the tax deed method so that SID special assessments are treated the same no matter which method a tax certificate holder uses to exercise his or rights to the property purchased at a tax sale	X		
LB282	Baker		Change provisions relating to closed sessions for public bodies	Government, Military & Veterans Affairs	2/11/2015	Indefinitely Postponed		X		
LB288	Ebke		Prohibit public employers from making certain deductions from wages	Business and Labor	3/9/2015		Any collective-bargaining agreement involving a public employer entered into, renewed, or extended on or after the effective date of this act shall not contain provisions requiring or allowing the deduction of dues	X		
LB290	Coash		Eliminate certain notification requirements under the Sex Offender Registration Act and eliminate the offense of unlawful use of the Internet by a prohibited sex offender	Judiciary	2/12/2015	General File 2/20		X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB293	Schnoor		Change valuation of agricultural land and horticultural land	Revenue	2/19/2015		LB 293 would reduce the value of agricultural and horticultural land for taxation purposes. The rate would be reduced down to 65%, currently the range is between 69% to 75%.	X		
LB295	Scheer		Require municipalities to have county approval before enforcing ordinances in the extraterritorial zoning jurisdiction	Urban Affairs	2/3/2015	General File w/AM323; Crawford AM556 Filed;	requires that cities of all classes and villages receive approval from county boards, with jurisdiction over an extraterritorial zoning jurisdiction, before they are able to enforce ordinances, bylaws, rule, regulations, and resolutions within said extraterritorial zoning jurisdiction unless otherwise provided by law	X		
LB308	Kolowski		Provide for preregistration to vote	Government, Military & Veterans Affairs	2/27/2015	Indefinitely Postponed		X		
LB309	Davis		Appropriate additional funds to the Property Tax Credit Cash Fund	Appropriations	2/27/2015		In addition to other appropriations for FY2016-17 to the Property Tax Credit Cash Fund, the State Treasurer shall transfer \$25,000,000 from the General Fund to the Property Tax Credit Cash Fund	X		
LB319	Smith		Change provisions relating to elections conducted by mail	Government, Military & Veterans Affairs	2/5/2015		LB 319 states all registered voters of the political subdivision or a district or ward of the political subdivision are eligible to vote on all candidates and issues submitted to voters	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB325	Davis	Speaker Hadley	Change levy provisions for rural and suburban fire protection districts	Revenue	2/26/2015	General File 3/10	Makes changes to the provisions dealing with rural and suburban fire protection districts	X		
LB331	Nordquist		Adopt the Bioscience Impact Opportunity Act	Revenue	2/11/2015			X		[DC Priority]
LB332	Kuehn		Appropriate funds for the statewide prescription drug disposal project	Appropriations	3/16/2015			X		
LB333	Gloor		Adopt the Health Care Services Transformation Act	Health and Human Services	3/11/2015			X		Support
LB337	Harr		Rename and change the Low-Income Home Energy Conservation Act	Natural Resources	2/5/2015		Several changes are proposed to change the use of the Act to include energy demand reduction projects. Those eligible for funding would include any natural person, political subdivisions, corporations or other businesses that receive energy service from an eligible entity at a building that receives no greater than a one thousand kilowatt demand. Funding for the program is increased from \$250,000 to \$500,000	X		
LB340	Brasch		Provide signage requirements and duties for the Nebraska State Patrol under the Concealed Handgun Permit Act	Judiciary	3/20/2015		The Nebraska State Patrol will design a standardized sign for use by any person, entity, or employer in control of property prohibiting a permit holder from carrying a concealed handgun in or on the place or premises	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB341	Howard		Provide requirements relating to health benefit plan coverage for insureds in jail custody	Banking Commerce & Insurance	3/9/2015		states that an insurer may not cancel coverage or deny reimbursement for services covered by the plan for an individual in jail. LB 341 allows for reimbursement of a political subdivision by the insurer for services covered of an individual in custody. Coverage can be denied if the injuries occurred as a result of violation of law	X		
LB344	Kolowski		Provide natural resources districts with the power to issue general obligation bonds	Natural Resources	3/6/2015		LB 344 gives Natural Resource Districts (NRDs) the power and authority to issue general obligation bonds for the purpose of financing all or part of the cost of non-revenue-producing water projects authorized by law	X		
LB345	Kolowski		Adopt the Property Tax Relief Act	Revenue	2/12/2015		The bill creates the Property Tax Relief Act to provide property tax relief for property taxes levied against homesteads. Homestead is to mean residence or mobile home and the land surrounding it	X		
LB347	Krist	Speaker Hadley	Expand the jurisdiction of the Inspector General to the juvenile justice system	Judiciary	2/26/2015	General File w/AM598; AM598 Adopted; Select File w/ER63; Final Reading 4/14; Krist AM1490 Filed; Krist AM1547 Filed;		X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB350	Brasch	Brasch	Change valuation of agricultural land and horticultural land	Revenue	2/19/2015		This bill decreases valuations by 10% from 75% to 65%	x		
LB356	Harr	Revenue	Change provisions relating to the assessment of certain rent-restricted housing projects	Revenue	2/26/2015	General File w/AM803; Harr AM867 Filed; AM803 Adopted; AM867 Withdrawn; Harr AM930 Filed; AM930 Adopted; Select File w/ER54; Harr AM977 Filed; AM977 Adopted; Final Reading 3/31; Passed on Final reading 45-0-4; Approved	provide safe, decent and affordable rent-restricted housing in Nebraska. LB 356 prescribes standards and methods for the determination of value of real property at uniform and proportionate values	x		
LB357	Smith	Smith	Change income tax rates and transfer funds from the Cash Reserve Fund	Revenue	2/18/2015			x		
LB359	Johnson		Change a fee collected from dog licensees	Agriculture	2/17/2015	General File w/AM1147	LB 359 increases a state fee collected by local subdivisions assessed upon licensure of cats and dogs	x		
LB376	Hansen		Provide that public charitable corporations are subject to the Deferred Building Renewal Act	Executive Board	2/17/2015		The purpose of LB 376 is to allow for Public Charitable Corporations to request funding under the Deferred Building Renewal Act	x		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB383	Hansen		Permit registered voters moving within Nebraska without re-registering to vote provisionally	Government, Military & Veterans Affairs	2/27/2015			X		
LB384	Lindstrom		Provide for reclassification of agricultural land and horticultural land	Revenue	2/19/2015		<i>Land owner with 160 acres of crop land may have 30 acres to 160 acres valued as pasture if planted to perennial cover</i>	X		
LB387	Schnoor		Transfer funds from the Cash Reserve Fund to the Property Tax Credit Cash Fund	Appropriations	2/27/2015		The State Treasurer shall transfer sixty million dollars from the Cash Reserve Fund to the Property Tax Credit Cash Fund on or before December 15, 2015	X		
LB391	Crawford		Change sales tax collection fees for motor vehicles	Revenue	2/27/2015		LB 391 adds an additional tax in 77-2703(1)(I)(iii) to read: <u>plus an additional one-half of one percent of all amounts in excess of three thousand dollars</u>	X		
LB398	Harr		Exempt all tangible personal property from property tax	Revenue	3/5/2015		This bill sets forth that beginning January 1, 2017, all tangible personal property shall be exempt from property tax. Property owned and used for agricultural and horticultural societies, educational, religious, etc	X		Support



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB406	Morfeld		Change provisions relating to actions for the recovery of vacant, platted, and subdivided real property as prescribed	Judiciary	2/19/2015		An action would not be taken against an individual for the recovery of vacant, platted, and subdivided real property, if that person has been in actual possession for twenty years	X		
LB414	Harr	Harr	Provide a property tax exemption for fraternal benefit societies	Revenue	3/5/2015	General File; Chambers MO84 Indefinitely Postpone Filed; Select File 4/10; MO84 Fails; Harr MO93 Invoke Cloture Filed; MO93 Prevails; Final Reading 5/1;	Every society organized or licensed is a charitable and benevolent institution, with all funds and property being exempt from all and every state, county, district, municipal and school tax	X		
LB415	Pansing Broo	Speaker Hadley	Change provisions relating to the Uniform Interstate Family Support Act	Judiciary	2/19/2015	General File w/AM200; AM200 Adopted; Select File w/ER65; Final Reading 4/15; Passed on Final Reading w/E-clause 45-2-2; Approved		X		
LB416	Pansing Brooks		Change provisions relating to transfers of property upon death	Judiciary	2/6/2015			X		
LB420	Crawford		Require acknowledgments from purchasers of real estate in a sanitary and improvement district	Urban Affairs	2/10/2015	General File 2/18	LB 420 would require a salesperson or real estate broker or owner to have acknowledgement from purchaser he or she understands property lies within an SID	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB425	Riepe		Provide for earned time and discontinue the use of good time	Judiciary	2/18/2015			X		
LB427	Groene		Provide for payment of probation office costs by the state	Government, Military & Veterans Affairs	1/29/2015		This bill allows for the state to pay the cost of probation offices and those facilities performing in their official capacity. Actual and necessary expenses shall be paid	X		
LB428	Garrett		Provide an exemption from motor vehicle taxation for certain veterans	Revenue	2/27/2015	General File w/AM733		X		Support
LB432	Baker		Change provisions relating to access to and copying of public records	Government, Military & Veterans Affairs		Baker MO7 Withdraw Bill Filed; Bill Withdrawn	Makes changes including allowing the custodian of the records to provide the requested materials in an electronic format	X		[LC Priority] Support
LB442	Bolz		Appropriate additional funds to the Property Tax Credit Cash Fund	Appropriations	2/27/2015		Appropriation for FY 2015-16 for 20,000,000 to the property Tax Credit Cash Fund. Second appropriation of same amount for FY 2016-17.	X		Monitor
LB460	Nordquist		Provide for licensure of charter bus and limousine services and pedal-pub vehicles for the consumption of alcohol	General Affairs	2/2/2015	General File w/AM396	This bill would create a licensure process for "party buses" as well as pedal vehicles where you can consume alcohol	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB472	Campbell	Health and Human	Adopt the Medicaid Redesign Act	Health and Human Services	2/25/2015	General File w/AM676; AM676 Los; McCoy MO85 Indefinitely Postpone Filed; Chambers MO87 Bracket until 6/5 Filed; MO85 Prevails	This year's Medicaid expansion effort also includes a redesign of Medicaid.	X		
LB476	Davis		Provide duties for county assessors and the Property Tax Administrator relating to tax-exempt real property	Revenue	3/5/2015		On or before December 1 each year, the county assessor will compile a list of parcel of real property in the county exempt from the property tax, and determine the estimated market value	X		Support
LB479	Bloomfield		Change provisions relating to memorials to veterans	Government, Military & Veterans Affairs	2/20/2015	General File w/AM485; AM485 Adopted; Select File 4/30;	<b>Removes:</b> all counties, townships, cities, and villages of Nebraska that may erect or aid in the erection of statues, monuments, or other memorials commemorating the services of the members of the Armed Forces of the Civil, Spanish – American, or World Wars or the Korean or Vietnam conflict to be located upon the public lands or within the public buildings within such county, township, city or village	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB482	Krist	Judiciary	Change provisions relating to juveniles	Judiciary	2/25/2015	General File w/AM691; AM691 Adopted; Select File w/ER64; Final Reading 4/14; Passed on Final Reading 4-2-3; Approved		X		Monitor
LB483	Pansing Brooks		Change provisions relating to indeterminate sentencing	Judiciary	2/11/2015	General File 4/16		X		
LB491	Morfeld		Provide for an election day voter registration pilot project	Government, Military & Veterans Affairs	2/27/2015			X		
LB492	Morfeld		Change provisions relating to fees charged by the register of deeds	Government, Military & Veterans Affairs	2/12/2015			X		
LB499	Krist		Provide duties for the Department of Health and Human Services relating to behavioral and mental health services	Health and Human Services	3/4/2015		This bill is a shell bill that will be utilized by Krist if needed to address the recommendations of either the LR434 Investigative Committee or the CSG Report. He suggested that LB500 is also part of this equation.	X		
LB500	Howard	Speaker Hadley	Require application for medicaid state plan amendment for multisystemic therapy and functional family therapy	Health and Human Services	3/4/2015	General File w/AM650; AM650 Adopted; Select File3/26; Schilz AM1041 Filed; AM1041 Adopted; Final Reading 4/14;	On or before July 1, 2015, the department shall submit an application to the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services	X		[DC Priority]

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB502	Krist		State intent to establish a family court pilot project	Judiciary	2/26/2015		Legislature declares family courts programs to be working and that the Supreme Court shall establish a pilot project of family court in Douglas County	X		
LB514	Craighead		Change provisions relating to registering to vote and voting early at the same time	Government, Military & Veterans Affairs	2/5/2015	General File 2/23	Legislative Bill 514 amends Nebraska Revised Statute 32-942 by adding an option for voters who wish to register to vote and vote early on the same day	X		
LB518	Riepe		Provide for changes to the medical assistance program	Health and Human Services	3/18/2015		LB 518 establishes the Nebraska Health Savings Account Plan to provide state funds for eligible recipients	X		
LB539	Watermeier	Speaker Hadley	Change provisions relating to the office of Legislative Audit and the Auditor of Public Accounts	Government, Military & Veterans Affairs	2/6/2015	General File w/AM487; Crawford AM653 Filed;	LB 539 states that the Auditor of Public accounts shall have access to any and all information and records, confidential or otherwise, including privileged communications, unless otherwise denied such access by federal law or explicitly named and denied access by state law	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB543	Harr		Provide for certification of community paramedics and reimbursement under medicaid	Health and Human Services	2/6/2015		LB 543 establishes criteria and requirements for certification for community paramedics. To be eligible for certification, an individual must be a licensed paramedic and completed a paramedic education program from a board approved university or college	X		
LB544	Harr		Adopt the Community Gardens Act	Agriculture	2/24/2015	General File w/AM697		X		Support
LB549	Campbell		Adopt the Health Care Transformation Act	Health and Human Services	2/20/2015		LB549 creates the Health Care Transformation Act to encourage collaboration among all health care system stakeholders in the state to create a 15 year vision to include the Building Blocks of Health Care	X		
LB556	Kolowski		Waive workers' compensation as the exclusive remedy if an employer is willfully negligent	Business and Labor			, at the option of the employee, make the exclusive remedy protection for the employer inapplicable in cases where the Nebraska Workers' Compensation Court has made a determination that the injury is due to the willful negligence of the employer	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB560	Williams		Appropriate funds to the University of Nebraska and create a fund	Appropriations	3/3/2015		Appropriation of \$25,000,000 from the General Fund for FY2015-16 to the Board of Regents of the University of Nebraska for building projects at the Nebraska Innovation Campus	X		
LB561	Stinner	Stinner	Name the Irrigation District Act and change election provisions for irrigation districts	Government, Military & Veterans Affairs	2/12/2015	General File 2/23; Final Reading 4/29;		X		
LB564	Lindstrom		Change duties and obligations relating to the mowing of weeds along county roads	Transportation & Telecommunications	3/3/2015		LB 564 states that roadside mowing be done on a scheduled rotational basis with no more than one-third of the county property mowed within a one year	X		
LB567	Johnson		Permit transfer of prescription information between pharmacies as prescribed	Health and Human Services	2/11/2015		LB 567 seeks to establish legislative intent of the law and to clarify the section	X		
LB570	Brasch		Change operation restrictions on golf car vehicles	Transportation & Telecommunications	2/10/2015	General File w/AM398; AM398 Adopted; Select File w/ ER106; Final Reading 5/7;	LB 570 states that between sunrise and sunset, a city, county, or village may implement standards for golf car vehicles for use. This includes that if an operator is found guilty of a violation and having no limited liability insurance would be guilty of a Class IV misdemeanor	X		Oppose

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB574	Davis		Adopt the Intangible Personal Property Tax Act	Revenue	3/12/2015	Indefinitely Postponed	<i>Intangible Property Tax Act</i>	X		
LB575	Murante	Government, Military and Veterans Affairs	Change provisions relating to ballots for early voting, write-in candidates, and filling vacancies	Government, Military & Veterans Affairs	2/5/2015	General File w/AM1276; AM1276 Adopted; Select File w/ER99; Schumacher AM1424 Filed; Murante AM1510 Filed; AM1424 Lost; AM1510 Adopted;		X		
LB577	Murante	Speaker Hadley	Permit counties to regulate peddlers, hawkers, and solicitors	Government, Military & Veterans Affairs	2/18/2015	General File w/AM189		X		
LB578	Murante		Change provisions relating to elections	Government, Military & Veterans Affairs	2/5/2015		LB 578 states that any judge or clerk of election, precinct or district inspector or temp election worker may choose not to be paid for the hours he or she works	X		
LB579	Murante		Change traffic accident reporting requirements as prescribed and authorize a fee for a copy of a peace officer report	Transportation & Telecommunications	2/17/2015			X		
LB587	McCollister		Change the motor vehicle tax schedules	Revenue	3/18/2015		Changes the motor vehicle tax schedule for motor vehicles other than passenger cars; automobiles and motorcycles. Operative date of January 1, 2016	X		



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB588	Pansing Brooks		Provide for electronic application for ballots to vote early by mail	Government, Military &Veterans Affairs	2/27/2015			X		
LB590	Friesen		Change provisions relating to a taxable value certified under the Tax Equity and Educational Opportunities Support Act	Education	2/2/2015		LB 590 states when the county assessor provides the total taxable value by a school district in the county for the current assessment year, the county assessor is to include the assessed valuation of any taxable real property having it's property taxes divided, rather than property's redevelopment project valuation	X		
LB592	Bolz		Change provisions relating to corrections and parole and mentally ill offenders	Judiciary	2/20/2015		LB 592 in one of six legislative bills introduced this session to address issues raised by the Interim Study report 424. LB 592 adds "personality disorder" to the definition of a mentally ill	X		
LB593	Nordquist		Appropriate funds to the University of Nebraska to study current health data systems	Appropriations	3/3/2015		LB 593 Appropriates \$250,000 from the General Fund FY 2015-2016, to the Board of Regents of the University of Nebraska to fund the University of Nebraska Medical Center for a current study of Nebraska health data systems	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB602	Nebraska Retirement Systems Committee		Change collection provisions relating to judges retirement fees	Judiciary	2/4/2015	General File w/AM308	LB 602 adds that Nebraska Retirement Fund for Judges fee goes from \$6 to \$8 and shall be taxed as costs in pretrial diversion in a criminal cause of action or traffic misdemeanor or infraction in such courts beginning October 1, 2015	X		
LB603	Bloomfield		Provide for processing and certification of federal firearms forms as prescribed	Judiciary	3/19/2015			X		
LB604	Bloomfield		Change provisions relating to reimbursement to political subdivisions under the Governor's Emergency Program	Government, Military & Veterans Affairs		Bloomfield MO26 Withdraw Bill Filed; Bill Withdrawn		X		
LB605	Mello	Speaker Hadley	Change classification of penalties, punishments, probation and parole provisions, and provisions relating to criminal records and restitution and provide for a special legislative committee	Judiciary	2/20/2015	General File w/AM1010; AM1010 Adopted; Seiler AM1242 Filed; AM1242 Adopted; Select File w/ER81; Harr AM1330 Filed; Seiler AM1530 Filed;	LB 605 is the first part of recommendations stemming from the CSG working group that was created at the end of last session	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB606	Mello		Adopt the Office of Inspector General of the Nebraska Correctional System Act, change provisions relating to the Public Counsel, and mandate a declaration by the Governor of a correctional system overcrowding emergency as prescribed	Judiciary	2/20/2015			X		
LB609	Smith		Adopt the Nebraska Bridge Repair Act	Transportation & Telecommunications	3/9/2015		The bill creates a mechanism for priority of bridge repairs in Nebraska and to have broad representation in the prioritization. This is a high priority bill for many of the road users, contractors and others	X		
LB610	Smith	Friesen	Change motor fuel excise taxes	Revenue	3/6/2015	General File 3/11; Select File 4/2; Final Reading 4/15	This bill would increase the motor vehicle fuel excise tax by \$1.50 over the course of four years. The funding would go in part to cities, counties and the state. The state portion would go towards LB609 which creates a bridge bank and allows for the prioritization of bridge repair and replacement	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB615	Kintner		Provide a property tax exemption for homesteads of certain persons	Revenue	2/12/2015		LB615 would require the frozen assessed value to be adjusted after any substantial improvements by the owner to the homestead	X		Oppose
LB623	Nordquist	McCollister	Provide for issuance of motor vehicle operators' licenses and state ID cards to persons with lawful status	Transportation & Telecommunications	3/3/2015	General File w/AM1203		X		Support
LB626	Campbell		Create a fund and change motor vehicle fees and taxes and their distribution	Transportation & Telecommunications	3/9/2015		Is intended to increase the registration fee for vehicles and move an amount into a Bridge Bank	X		
LB630	Krist		Provide duties for the Nebraska State Patrol regarding criminal history record information checks	Judiciary	2/5/2015		LB states upon request for a criminal history record, the Nebraska State Patrol undertakes a search for criminal history record information of applicant to include fingerprint's of the applicant to the FBI for a national criminal history check	X		
LB631	Scheer		Change medicaid provisions relating to acceptance of and assent to federal law	Health and Human Services	3/18/2015		LB 631 states that the state shall accept the provisions of the Federal Patient Protection and Affordable Care Act, public law 111-148	X		
LB633	Stinner		Appropriate funds for state aid to municipalities and counties	Appropriations	3/18/2015	Stinner AM880 Filed;	Appropriates \$20,000,000 to counties and \$20,000,000 to cities for infrastructure projects	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB639	Garrett		Provide authority for the Department of Roads to issue permits to control roadside vegetation as prescribed	Transportation & Telecommunications	3/3/2015		Department may require permits for the control of vegetation in the vicinity of advertising signs, displays or devices placed	X		
LB646	Kintner		Eliminate provisions for secret ballots for leadership under the Open Meetings Act	Government, Military & Veterans Affairs	2/25/2015			X		Support
LB649	Kintner	McCoy	Require all votes taken by public officials to be a public record as prescribed	Government, Military & Veterans Affairs	2/25/2015	General File w/AM821; Chambers MO88 Bracket until 6/5 Filed; MO88 Prevails	LB 649 states that all votes taken by public officials in the course of their public duties shall be considered public record.	X		
LB651	Bloomfield		Change liability for certain court costs as prescribed	Judiciary	2/5/2015	Indefinitely Postponed		X		
LB656	Speaker Hadley		Provide for deficit appropriations	Appropriations	2/23/2015	General File w/AM828; Select File w/ER113; Mello AM1501 Filed; AM1501 Adopted;		X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB657	Speaker Hadley		Appropriate funds for state government expenses	Appropriations	2/23/2015	General File w/AM829; Mello AM1484 Filed; AM1484 adopted; Select File w/ER114; Mello AM1508 Filed; Mello AM1566 Filed; AM1508 Withdrawn; AM1566 Adopted;		X		
LB658	Speaker Hadley		Appropriate funds for salaries of members of the Legislature	Appropriations	2/23/2015	General File 4/28; Select File 5/5;		X		
LB659	Speaker Hadley		Appropriate funds for salaries of constitutional officers	Appropriations	2/23/2015	General File w/AM1191; Select File 5/5;		X		
LB660	Speaker Hadley		Appropriate funds for capital construction and property acquisition	Appropriations	2/23/2015	General File w/AM830; Select File w/ER116; Mello AM1502 Filed; AM1502 Adopted;		X		
LB661	Speaker Hadley		Provide fund transfers, create a fund, and authorize certain transfers	Appropriations	2/23/2015	General File w/AM831; Mello AM1486 Filed; AM1486 adopted; Chambers AM1434 Filed; McCoy AM1486 Filed; Seselect File w/ER117; AM1488 Adopted;		X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB662	Speaker Hadley		Provide for transfers from the Cash Reserve Fund	Appropriations	2/23/2015	General File w/AM1246; Chambers AM1435 Filed; Select File 5/5; Mello AM1538 Filed; AM1538 Adopted;		x		
LB663	Speaker Hadley		Change the salaries of Supreme Court judges	Judiciary	2/4/2015	General File w/AM885; Select File 5/5;	This bill raises the salary for the Chief Justice and judges of the Supreme Court in Nebraska by 2.25% on July 1, 2015 and by 2.40% on July 1, 2016	x		
LB670	Krist		Require a hearing prior to release for persons taken into custody for mental health reasons	Judiciary	2/17/2016		LB 670 strikes language making a more strict interpretation of the release of a juvenile from temporary custody. The bill also inserts additional language that requires a mental health professional to immediately notify the county attorney if the juvenile is not deemed mentally ill and dangerous or a dangerous sex offender in which the county attorney shall proceed to a hearing before the court within 24 hours regarding the juvenile's release.	X	Oppose	
LB671	Krist		Repeal the Build Nebraska Act and change the distribution of sales tax revenue Introduced by Krist	Revenue	2/5/2016	IPP	LB 671 changes the termination date of the State Highway Critical Improvement Fund on the effective date of this act and all money in the fund shall be transferred to the General Fund.		Oppose	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB672	Krist		Eliminate Fees on Tires as Prescribed	Natural Resources	1/21/2016		LB 672 includes that various subdivisions terminate on January 1, 2017 regarding the Waste Reduction and recycling Incentive Act and that an imposed fee of one dollar on each tire of every new motor vehicle, trailer, or semitrailer will be assessed prior to October 1, 2016.		Oppose	
LB673	Krist		Change provisions relating to appointment of guardians ad litem Introduced by Krist	Judiciary	1/20/2016		LB 673 states that if there is a guardian ad litem division, appointments will first be directed to them and if a conflict exists the court may appoint a guardian ad litem outside of the division. It also replaces the court hearing of an application with the county board.	X	Support	



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB687	Bloomfield		Provide procedures for recall of state elective officers	Government, Military & Veterans Affairs	2/4/2016		LB 687 provides that a recall petition is reviewed by the state and that the state is responsible for all costs of the recall procedure, any special election, or costs incurred related to a canceled election. The bill strikes language that excluded trustees of sanitary and improvement districts, members of a political subdivision, member of a governing body of a city, village, county, irrigation district, natural resource district, public power district, school district, community college, education service unit, hospital district, and metropolitan utility district. The bill also includes the process to bring about a petition against an elected official whether elected or appointed and that petition needs to be authorized by the filing clerk.	X		
LB693	Morfeld		Modify jurisdiction of juvenile courts and change provisions relating to temporary custody and disposition of juveniles	Judiciary	1/28/2016		LB 693 extends from one year to two years every tort claim against a political subdivision.	X	Oppose	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB696	Howard		Provide for a medicaid state plan waiver to provide coverage for treatment of opioid abuse.	Health and Human Services	2/10/2016		LB 696 makes changes to include the date of January 1, 2016 for the Department of Health and Human Services to submit a state plan amendment to the federal Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act to implement a demonstration project to access cost-efficient treatment for opioid abuse.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB699	Mello		Change the Nebraska Municipal Land Bank Act	Urban Affairs	1/19/2016	Select File	LB 699 requires at least one member to represent a chamber of commerce, one member with experience in banking, one member with experience in real estate development, one member with experience as a realtor, one member with experience in nonprofit or affordable housing, one member with experience in large-scale property rental, and a single voting member may satisfy more than one of the requirements provided in subdivision of this section if they have the required qualification. The bill adds the priority of use for urban agricultural activities including the establishment of community gardens as defined in section 2-303.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB703	Urban Affairs Committee		Change provisions relating to nuisances in cities and villages	Urban Affairs	1/19/2016	Select File	LB 703 states a city or village must establish method of notice by ordinance. If done by US mail first class, it must contain a mark indicating importance. Within five days of receipt, owner/occupant of the ground may request a hearing on the nuisance. Hearing would be set within fourteen days of the appeal filing and a hearing officer has five business days to render a decision.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB704	Urban Affairs Committee		Change building code provisions applicable to political subdivisions	Urban Affairs	1/19/2016	General File	LB 704 restricts the city council in cities of metropolitan class within the corporate limits of the city or within three miles of the corporate limits. IT requires any building or construction code implemented under this section shall be adopted and enforced. It designates the power for the city council and city or village board of any village to adopt by ordinance the conditions, provisions, limitations, and terms of a plumbing code, an electrical code, a fire prevention code, a building or construction code, and any other standard code which contains rules and regulations. It removes the authority of the legislative body of any city of the first or second class or any village from adopting the items mentioned above.	X		
LB707	Coash		Increase the number of judges of the separate juvenile court	Judiciary	3/2/2016		LB 707 – states that counties with a population of four hundred thousand or more will have six juvenile judges.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB709	Howard		Provide for an alternative to detention for juveniles	Judiciary	1/20/2016		Provides for alternate detention of increased supervision for a youth to ensure the youth attends court and avoids future law infractions. Supervision includes electronic monitoring, day/evening reporting centers, house arrest and temporary shelter placement. Placement does not include facilities that allow for physical restraint or ingress and egress for placement.	X	Monitor	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB711	Hughes		Change provisions of the Noxious Weed Control Act and create the Riparian Vegetation Management Task Force	Natural Resources	2/18/2016		Riparian Vegetation Management Task Force to be housed within the Department of Agriculture. Starting FY 2016-2017 appropriation of \$2million dollars annually for the management of vegetation within the banks of a natural stream. Governor will appoint members of the task force; one surface water project representative from each river basin; one representative from Dept. of Agriculture; Department of Environmental Quality; Department of Natural Resources; office of the Governor; office of the State Forester; Games and Parks; and the University of Nebraska. Two representatives nominated by Association of Resources Districts; two representatives nominated by Nebraska Weed Control Association; one riparian landowner from congressional districts; one representative from the Nebraska Environmental Trust. Any member of the Legislature may serve as an ex officio at his or her option. Meetings are to be held in communities within the	X	Support	Weed Control Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB714	Stinner		Provide for and change a provision relating to sufficient cause for nonuse of a water appropriation	Natural Resources	1/22/2016		states that for sufficient cause for nonuse shall be deemed to exist for up to fifteen consecutive years if such nonuse was a result of one or more of the following(adds) the appropriation is temporarily transferred to a natural resources district or other competent authority for the purpose of depletion offsets, aquifer recharge, stream augmentation, or maintenance of instream flow	X		
LB716	Kolowski		Provide and eliminate provisions regarding pedestrians and bicyclists	Transportation & Telecommunications	1/25/2016		LB 716 states a pedestrian lawfully entering designed bike or walk path of a highway intersection or adjacent to intersection of two highways controlled by traffic signal has the right-of-way within the crossing with respect to vehicles and bicycles. Bicyclist cannot suddenly leave a curb or safety path into the path of a car that it is so close it is impossible for the driver to stop. Nothing in the subsection relieves a bicyclist or driver from duty of care.	X		



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB717	Groene		Change provisions relating to the assessment and valuation of real property	Revenue	2/4/2016		LB 717 States that the actual value of real property for purpose of taxation means the value to be determined by the use of professionally accepted mass appraisal methods. It removes language of "market value of real property in the ordinary course of trade". Legislation states, except for assessment occurring on January 1, 2016, the assessed value shall be the same as the assessed value on January 1, 2015, in relation to assessing tax on real property.	X	Oppose	
LB720	Kuehn		Change certain invasion of privacy provisions to include unmanned aircraft or unmanned aircraft systems	Judiciary	2/25/2016		LB 720 states an individual is liable for invasion of privacy for flying an unmanned aircraft below 200ft of privately owned property without permission of the owner of the property in the act of capturing any form of visual image/recording. Individual is responsible for reasonable damage caused by the invasion.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB722	Baker		Adopt the Stroke System of Care Act	Health and Human Services	1/22/2016		LB 722 creates the Stroke System of Care Act. In an effort to meet the increase of strokes in the state of Nebraska, this bill creates an effective stroke system of care to be provided to individuals. The bill requires the Department of Health and Human Services to adopt rules and regulations that include the criteria for designation of a hospital as a comprehensive stroke center, primary stroke center, or acute stroke-ready hospital. The American Heart Association, the Joint Commission on Accreditation of Healthcare Organizations, or another nationally recognized stroke care organization will approve the certification.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB723	Schumacher		Change sales and use tax collection fees	Revenue	1/22/2016		LB 723 changes the date of October 1, 2002 to read on and after January 1, 2017 and doubles the 2.5% to 5% of the first three thousand dollars remitted each month and two and one-half percent of the next three thousand dollars remitted each month as reimbursement for the cost of collecting the tax. The bill also states that taxes collected prior to January 1, 2017 will be deducted and withheld from the amount of taxes collected two and one-half percent of the first three thousand dollars remitted each month as reimbursement for the cost of collecting the tax.			Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB724	Schumacher		Change sales and use tax collection fees	Revenue	1/22/2016		LB 724 Changes the date from October 1, 2002 to on or after January 1, 2017 for all taxes deducted and withheld from the amount of taxes collected five percent, opposed to the previous two and on half percent, of the first six thousand dollars remitted each month as reimbursement for the cost of collecting the tax. The bill also states that taxes collected prior to January 1, 2017 will be deducted and withheld from the amount of taxes collected two and one-half percent of the first three thousand dollars remitted each month as reimbursement for the cost of collecting the tax.	X	Support	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB731	Johnson		Change provisions relating to the Real Property Appraiser Act	Banking, Commerce & Insurance	1/25/2016	General File	from January 1, 2015 to January 1, 2016. It also adds the compliance with the Uniform Standards of Professional Appraisal Practice in a report performed by the real property appraiser. The bill further adds any salaried employee of the entities listed in subdivisions a through d of the subdivision who is a credentialed real property appraiser and who does not sign a report as a credentialed real property appraiser shall include a disclosure prominently with such report. It adds language stating that any person who is appointed to serve as an appraiser is subject to the Uniform Standards of Professional Appraisal Practice, excluding standards 1 through 10. The bill states that in order to qualify for an initial credential the applicant must certify that disciplinary proceedings are not pending, certify that he or she has not surrendered an appraiser credential, certify that his or her appraiser credential, has not been revoked, they not have been convicted of a felony, crime of fraud, crime	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB742	Hansen		Change county population thresholds	Government, Military & Veterans Affairs	2/4/2016		LB 742 does not require a county board of commissioners to increase their members from 5 to 7 as a result of an increase in population that exceeds 300,000 persons.	X	Support	Support
LB746	Campbell	Campbell 2016	Adopt the Nebraska Strengthening Families Act, change provisions for guardians ad litem and services for children, and create the Normalcy Task Force	Health and Human Services	1/21/2016	General File W/AM1903	Adopt the Nebraska Strengthening Families Act, change provisions for guardian ad litem and services for children, and create the Normalcy Task Force.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB750	Lindstrom		Change Uniform Credentialing Act provisions relating to confidentiality and prohibit retaliation as prescribed	Health and Human Services			LB 750 introduces language that prohibits an individual or a business pursuant to the Uniform Credentialing Act from retaliating against any person who make a report to the department of Health and Human Services relating to an act or omission of the credential holder to the License Assistance Program. The act ensures that the identity of someone who makes a report is confidential. Further, any person making a report is immune from criminal or civil liability of any nature. The bill restricts a health care facility pursuant to the Health Care Facility Licensure Act from retaliating against any person who makes a report under the Uniform Credentialing Act relating to an individual employed or under contract with a health care facility.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB765	Garrett		Increase original certificate of title fees for vehicles transferred to Nebraska from another state or country	Transportation & Telecommunications	1/26/2016		LB 765 would amend Section 60-154 by increasing fees related to each original certificate of title issue by a Nebraska county or the Department of Motor Vehicles for a motor vehicle, all terrain vehicle, a utility-type vehicle, minibike, or trailer being titled in Nebraska from another state or country by increasing the current \$10 fee to \$25 for these types of vehicles receiving an original certificate of title. Percentage of those fees are distributed to Motor Vehicle Cash fund; General Fund; HHS Cash fund for programs related to brain injury; Motor Vehicle Fraud Cash Fund; Motor Carrier Division Cash Fund and Nebraska State Patrol Fund.	X	Support	Support through treasurer



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB768	Garrett		Provide for Choose Life License Plates	Transportation & Telecommunications	2/9/2016		Would allow for personal license plates for individuals supporting a Pro Life stance. Money raised from sale of the personal plates would go into a new state fund, Choose Life Pregnancy and Adoption fund. Fund would be used to provide grants for organizations providing counseling, pregnancy testing and training related to pregnant women considering adoption.	X		
LB770	Groene		Change the termination date of the Nebraska Exchange Transparency Act	Banking, Commerce & Insurance	2/8/2016	General File	LB 770 changes the amount of time an appointed member of the Nebraska Exchange Transparency Act from four years to three years.	X		
LB777	Gloor		Change provisions relating to partial payments for property taxes held in escrow	Revenue	1/21/2016		LB 777 Requires County Treasurers to accept partial payments for property taxes. The bill removes the language any county board may pass a resolution and replaces it with the county treasurer shall.	X	Oppose	Oppose

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB779	Schumacher		Change provisions relating to the partisan status of certain political subdivision offices	Government, Military & Veterans Affairs			LB 779 prevents the county clerk from being elected on the partisan ballot if as otherwise provided in section 32-707. This section states; unless at least one of the two political parties which polled the most votes cast for Governor in the most recent gubernatorial election holds a county convention in an even-numbered year and has attendance of at least two percent of the registered voters affiliated with that party in that county. It also prevents the county clerk from being elected if the offices in the county are nonpartisan pursuant to the most recent gubernatorial election.	X	Oppose	
LB780	Schumacher		Change provisions relating to emergency protective custody	Judiciary	2/3/2016		Department of HHS would be required to take charge of a mentally ill individual who are taken into emergency protective custody. Bill would make it a misdemeanor for HHS Behavioral Health Division to refuse custody of a person.	X	Monitor	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB784	Friesen		Change provisions relating to deficit expenditures by county boards	Government	1/27/2016		states that a county board may exceed their authorized expenditures in order to meet their statutory obligations. Approval of expenditures must be take place in an open public meeting of the county board.	X	Support	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB785	Friesen		Change provisions relating to the Motor Vehicle Operator's License Act	Transportation and Telecommunications	1/25/2016	General File	section two and relocates the section regarding application made by the department personnel in any county and the personnel conduct the examination of the applicant down to page 21. It does allow for personnel in counties in which the county treasure collects the fees and issues receipts to conduct an examination of applicants and deliver successful applicants an issuance of certificate or receipt. The department is required to remit the county portion of the fees to the State Treasurer for credit to the Department of Motor Vehicles Cash fund id the department issues an operator's license or a state identification card and collects the fees. Section 8 of the bill grants the Department of Motor Vehicles to cancel or refuse to issue or renew the operator's license or state identification card if the fee is not honored or accepted by any form of payment. The license will remain cancelled until the full amount can be paid. The applicant for identification will be notified by first-class mail if the action is insufficient at the time of	X		Cond. Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB786	Larson		Change requirements for completion of death certificates and cremation permits	Health and Human Services	1/20/2016	Select File	LB 786 – removes the handwritten option of a funeral director, embalmer, physician, physician assistant or nurse practitioner when signing a medical death certificate. Legislation allows for an electronic signature in place of handwritten signature. LB 786 states before any dead body may be cremated, permit of cremation will be signed electronically by the county attorney or designee.	X		
LB787	Morfeld		Allow a voter to photograph and reveal a marked ballot	Government	1/28/2016		would allow for a voter to photograph his or her ballot.	X		
LB797	Harr		Change provisions relating to the accrual of interest on denied and reduced homestead exemptions	Revenue	2/18/2016		LB 797 states 30 days after the county assessor received approval by the county board to remove or reduce the exemption from the tax rolls of the county, the reate from time to time can be adjusted by the Legislature.	X	Support	
LR389CA	Harr		Constitutional amendment to remove provisions regarding marriage from the Constitution of Nebraska	Judiciary	1/27/2016		Put to the vote of the people the repeal of the state's ban on same-sex marriage.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB806	Mello		Adopt the Riverfront Development District Act	Urban Affairs	2/16/2016		<p>LB 806 creates the Riverfront Development District Act that provides a means by which such historic river cities may be effectively funded, managed, promoted, and developed within their corporate limits. A riverfront development district may be created through the adoption of an ordinance that names the river, boundaries of the district, qualifications and terms of the office, statement that the business shall be subject to the general occupations tax or real property will be subject to special assessment, the proposed method of assessment will be imposed within the district, and penalties will be imposed for failure to pay the occupation tax or special assessment. After the creation of a district, the mayor, with the approval of the city council, shall appoint a riverfront development authority to oversee and manage the district.</p>		Cond. Oppose	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB807	Williams		Allow counties of all sizes to waive quarterly reports by county attorneys	Government, Military & Veterans Affairs	1/27/2016	Select File	LB 807 removes language that states counties with less than two hundred thousand population may waive the duty to make a annual inventory statement.			Support
LB811	Brasch		Change provisions relating to counties' use of alphanumeric and county number system license plates	Transportation and Telecommunications	1/19/2016	Select File	LB 811 changes provisions to the motor vehicle registration providing an operative date. The bill declares in counties having a population of one hundred thousand inhabitants or more, the registration of motor vehicles shall be in alphanumeric system. In all other counties it will be left to the county board to decide on an alphanumeric system or county number system.			Neutral

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB825	Davis		Provide reporting requirements for tax-exempt property	Revenue	2/18/2016		<p>even-numbered year, the owner of each parcel of property that is exempt from property taxes shall file with the county assessor of the county in which the property is located a form containing the following information: name and address, legal description of property, date of acquisition of the property, description of any improvements on the property, whether the property was leased or not, and the owners estimate of the fair market value of the property on January 1 of the even numbered year. The bill adds that by July 1 of each even-numbered year, the county assessor of each county shall complete and deliver to the Department of Revenue a form on which the county assessor estimates the fair market value of tax-exempt property, classified by the type of owner, within his or her county and that the Department of Revenue shall prescribe the forms to be used for purposes of the value ranges for estimating the fair market value of property. The Department of Revenue will prepare an estimate of the fair</p>		Oppose	



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB827	Harr		Allow county treasurers to receive fees for services rendered to sanitary and improvement districts	Government, Military, and Veteran Affairs	1/27/2016		LB 827 allows each county treasurer to receive on behalf of the county the collection of all sums of money, general or bonded, of sanitary and improvement districts, two percent of the sums so collected.		Support	
LB836	Mello		Adopt the In the Line of Duty Compensation Act	Business and Labor	2/8/2016		LB 836 creates the In the Line of Duty Compensation Act and states that if a law enforcement officer or firefighter is killed in the line of duty, compensation shall be paid as provided in the act to recognize the ultimate sacrifice made by such law enforcement officer or firefighter. In the year 2016, compensation will be fifty thousand dollars and will be the same for the following year with the inclusion of percentage increase in the Consumer Price Index for all Urban consumers. If there is no family available for the deceased officer, the surviving family member will receive the sum amount.		Monitor	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB845	Pansing-Brooks		Provide requirements relating to confinement of juveniles and provide a duty for the Inspector General of Nebraska Child Welfare	Judiciary	1/20/2016		LB 845 includes section 6 stating that the Legislature creates a system of investigation and performance review in order to provide increased accountability and oversight regarding the use of room confinement for juveniles in a juvenile facility. All confinement incidents must be documented and include the race, ethnicity, age, and gender of the juvenile, the reason for confinement, an explanation of why less restrictive means were unsuccessful, the ultimate duration of the placement in room confinement, and any incidents of self harm or suicide committed by the Juvenile while he or she was isolated.		Monitor	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB848	Pansing-Brooks		Change provisions relating to courts	Judiciary	1/26/2016	General FileW/AM2014	<p>general index, Judge's notes, Judgment index, register of actions, and case type when filing of complaints or petitions and subsequent pleadings and date of such filings, including orders and judgments of the court. The bill states that the county court shall file the following with the district court within ten days after entry of the transfer order: Certification of the proceedings; all original documents of the action; certification of the transcript of the register of actions; and certification of the court costs with the clerk of the district court. The clerks of the district court shall use the court's electronic case management system provided by the state, which shall be the record of receipts and reimbursements. The bills strikes the foreman and secretary from filing in the office of the clerk of the district court in section 35 101. The bill also requires the case file to contain the pleadings, orders, court actions, judgments, post judgment actions, and other documents. The case file can be maintained either</p>			Support

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB863	Schilz		Adopt the Wind Energy Expansion Act	Natural Resources	2/4/2016		LB 863 creates the Wind Energy Expansion Act. The bill designates the Director of the State Energy Office to establish a process to recognize and assist efforts of counties to create, maintain, or expand their wind energy sectors under the Wind Energy Expansion Act.		Monitor	
LB872	Murante		Change a provision relating to the use of blue and amber rotating or flashing lights	Transportation & Telecommunications	2/8/2016		LB 872 allows blue and amber rotating lights to be displayed on vehicles when operated by the Department of Roads or any local authority for the inspection, construction, repair, or maintenance of highways, roads, or streets.		Support	
LB876	Murante		Authorize electronic voting devices for public bodies in public meetings	Government, Military & Veterans Affairs	1/21/2016	Select File	LB 876 replaces municipality, a county, a learning community, a joint entity, a joint public agency, or agency under the Municipal Cooperative Financing Act with public body.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB877	Murante		Change a provision relating to review of proposed subdivision plats by certain county planning commissions	Government, Military & Veterans Affairs	2/11/2016		LB 877 adds a fifth section that requires counties having a population in excess of one hundred thousand inhabitants but less than two hundred thousand inhabitants to provide the county planning commission with all available materials on any proposed subdivision plat.	X		
LB884	Scheer		Change the Convention Center Facility Financing Assistance Act and the Sport Arena Facility Financing Assistance Act	Revenue	1/22/2016		LB 884 requires that ten percent of such funds appropriated to a city of the primary class may be invested in areas with a high concentration of poverty to assist with low-income housing needs. Applications for state assistance submitted prior to the operative date of this act, the area that is located within six hundred yards of an eligible sports arena facility, measured from the facility but not from any parking facility or other structure. Applications submitted on or after the operative date of this act, a map identifying the program area, including any unbuildable property within the program area or take into account in adjusting the program area as described.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB886	Davis		Adopt the Volunteer Emergency Responders Incentive Act and provide income tax credits	Revenue	2/3/2016			X		
LB888	Mello		Change provisions relating to tax credits under the Nebraska Job Creation and Mainstreet Revitalization Act	Revenue	1/28/2016	General File	LB 888 states that a taxpayer who claims a tax credit will not pay additional retaliatory tax as described under section 44-150 for claiming a tax credit. Any tax claim will be considered a payment of tax as in subsection (1) of 77-2734.03	X		
LB893	Pansing Brooks		Modify jurisdiction of juvenile courts and change provisions relating to temporary custody and disposition of juveniles	Judiciary	1/22/2016		LB 893 Sets the minimum age at 11 years old for a child to be charged in juvenile court. Provides the right to an attorney and requires a waiver to be made in open court. Legislation also states that the child would not be charged with a crime, but placed in a treatment facility if necessary.	X	Monitor	
LB894	Pansing Brooks	Judiciary 2016	Change provisions relating to appointment of counsel in juvenile cases	Judiciary	1/20/2016		LB 894 would allow for a minor to have a court appointed attorney if the guardians of the child can't afford one upon a court petition being filed.	X	Neutral	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB896	Hansen		Require pay increases for state employees to recognize length of service	Business and Labor	2/1/2016		LB 896 states that state employees would get a raise every five years. Raises would be at 6.25cents/hr(five years); 12.5cents/hr(ten years); 18.75cents/hr (fifteen years); 25 cents/hr (20 years); 31.25 cents/hr(twenty five years); 37.5 cents (thirty years); 43.75 cents/hr (thirty five years); 50 cents/hr (forty years)	X		
LB905	Ebke		Adopt the Commission on Fathers, Men, and Boys Establishment Act of 2016	Health and Human Services			LB 905 establishes the Commission on Fathers, Men and Boys. The commission will be made up of ten members. Five members appointed by the Governor and five ex officio appointed by the Executive Board of the Legislature. Commission will advocate, make recommendations to the Governor and Legislature on issues and concerns raised by fathers, men and boys. The commission will address issues of socioeconomic concerns raised.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB906	Lindstrom		Adopt the Law Enforcement Education Act authorizing tuition waivers	Education	1/25/2016		LB 906 – waives 30 percent of resident tuition for law enforcement officers attending a university, college or community college. An officer has to maintain an acceptable performance level with the agency.	X		
LB910	Bolz	Judiciary 2016	Change provisions relating to parole administration	Judiciary	2/4/2016		LB 910 states starting January 1, 2017, the Office of Parole Administration will be moved to the Board of Parole. The board and director will meet once a month to prepare a plan for legislative review to cover budget, transitions, board policies and procedures with coordination for community based services.	X		
LB911	Bolz	Referral	State intent relating to fund transfers for behavioral health systems of care	Appropriations	2/8/2016		LB 911 appropriates two-hundred thousand dollars for fiscal year 2016-2017 to program 268, Behavioral Health Administration for creating a plan of system care for adults using behavioral health services.	X		



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB912	Smith	Referral	Change requirements for presentation of identification for purposes of voting	Government, Military & Veterans Affairs	2/10/2016		LB 912 – states an individual, prior to voting must present valid photo identification and two of the following: a valid utility bill, bank statement, payment check or other government document. Documents presented must be within sixty-days of the present day with matching address to vote in that precinct.	X	Monitor	
LB915	McCollister		Create a veterans' treatment court pilot project	Judiciary	2/15/2016		LB 915 – Creates a three year pilot program for treatment of veteran's in Douglas County. After conclusion of the three-year study, the Nebraska Supreme Court would make recommendations for the model to be used in other counties.	X	Support	Req Add Info
LB916	Howard		Provide immunity from criminal or civil liability for removal of an animal from a motor vehicle by forcible entry as prescribed	Judiciary	2/19/2016		LB 916 allows for an individual who rescues an animal from a locked car or the animal is trapped inside the car, that individual is immune from criminal or civil liability for damage to the automobile.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB918	Murante		Provide for the redistribution of motor vehicle taxes as prescribed	Transportation and Telecommunications	1/26/2016		LB 918 transfers on one percent of the collected motor vehicle tax to the Vehicle Title and Registration System Replacement and Maintenance Cash Fund.	X	Neutral	
LB919	Williams	Williams 2016	Change provisions relating to problem solving court programs	Judiciary	2/5/2016		LB 919, the Legislature declares that problem solving court programs, including drug, veterans, mental health, driving under the influence, reentry, and other problem solving court programs, help in reducing recidivism. The bill states problem solving court programs offer a person accused of drug alcohol and other alternative to traditional criminal justice proceedings or juvenile justice dispositions. LB 919 would use funds already appropriated to Nebraska Supreme Court to be used to look into evidence-based interventions, including medication-assisted treatment.	X	Support	Req Add Info

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB920	Pansing Brooks		Add members to the Nebraska Police Standards Advisory Council	Judiciary	2/18/2016		LB 920 adds nine members to the council starting January 1, 2017. The seventh member of the council will be either a member of the Jail Standards board or from the public at large. The eighth and ninth members will be full time officers from a state law agency with a rank no higher than sergeant. The eighth and ninth members are appointed by the Governor.	X		
LB922	Kolterman		Change terms of Public Employees Retirement Board members as prescribed	Retirement	2/5/2016		LB 922 requires member to serve five years to ensure an experienced and knowledgeable board. It provides that a member appointed to any of the Nebraska retirement systems will serve five years including the; School Employees Retirement System, Retirement System for Nebraska Counties, and Nebraska State Patrol Retirement System.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB925	Harr		Change provisions relating to issuing a treasurer's tax deed and bringing a tax lien foreclosure action as prescribed	Revenue	2/17/2016		LB 925 states at anytime within 9 months after the expiration of two years after the date of sale of any real estate for taxes or special assessments if such real estate is not legally occupied and deemed vacant or abandoned. Vacant and abandoned real estate is defined by local ordinance or determined by the appropriate local governing body. Conditions of real estate include overgrown or dead vegetation, trash and waste and /or visible deterioration.	X	Monitor	
LB927	Hilkemann		Change provisions relating to surcharges for 911 service	Transportation & Telecommunications	2/1/2016		LB 927 changes the uniform service charge for 911 services to say: except that the monthly uniform service surcharge shall not exceed one dollar per month. It strikes language that states a surcharge of up to fifty cents on all active telephone numbers every month from users or wireless service shall remit the surcharge.	X	Support	
LB928	Mello		Change provisions relating to discriminatory wage practices based on sex	Business and Labor	2/1/2016		LB 928 – addresses wage discrimination between a man and a women in effort to close the gap. The bill also removes current employee size exemption and addresses definitions of enforcement.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB929	Brasch		Update certain references to federal regulations regarding motor vehicles and motor carriers	Transportation and Telecommunications	1/25/2016	Select File	LB 929 updates effective date from January 1, 2015 to January 1, 2016. Adds language making self-propelled CMV's and intermodal equipment will not apply to forum trucks and forum truck-tractors registered and operated solely in intrastate commerce.	X		
LB931	Bolz		Provide for financial incentives for certain assisted-living facilities and change distribution of the Behavioral Health Services Fund	Appropriations	2/8/2016		LB 931 appropriates two hundred fifty thousand dollars for fiscal year 2016-2017 and 2017-2018 to the Department of Health and Human Services. The allocation of funds will provide incentives for certain assisted-living facilities for adults with mental illness or a primary diagnosis of Alzheimer's disease or related dementia.	X		
LB934	Coash		Change provisions relating to the Office of the Public Guardian	Judiciary	2/3/2016		LB 934 defines multidisciplinary team means a team of professionals hired by the Public Guardian. Public Guardian will be an attorney licensed to practice law in Nebraska. Public Guardian will hire a multidisciplinary team. The team will be made up of professionals in public guardian and trained in the area of law.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB935	Schilz		Change provisions relating to the Auditor of Public Accounts	Government, Military & Veterans Affairs	2/5/2016		LB 935 states information not received by the auditor by December 31st of a calendar year will be considered delinquent. A political subdivision will be notified of the delinquency. If the necessary material is not received within thirty days of the December 31st, a five hundred dollars will be withheld from the next state aid payment to that that political subdivision and continue for each additional thirty days of delinquency. Upon delinquency, the auditor can make an audit of the political subdivision at which the cost will be billed to the political subdivision.	X		
LB936	Ebke		Change inheritance tax rates and exemption amounts	Revenue	2/17/2016		LB 936 changes inheritance tax to one percent for everything above one-hundred thousand dollars and anything below that limit will not be taxed	X	Oppose	Oppose
LB937	Ebke		Eliminate a prohibition on marriage of persons with venereal disease	Judiciary	1/27/2016		LB 937 strikes the language stating that no person with a venereal disease shall be married in Nebraska.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB938	Smith		Adopt the 911 Service System Act and transfer funds from the Enhanced Wireless 911 Fund to the 911 Service System Fund	Transportation & Telecommunications	2/1/2016		LB 938 creates the 911 Service System Act to establish the Public Service Commission as the statewide implementation and coordinating authority to plan, implement, coordinate, manage, maintain, and provide funding assistance for a statewide next-generation 911 service capability.	X	Support	
LB940	Johnson		Adopt the Tax Stabilization Act	Revenue	2/4/2016		LB 940 creates the Tax Stabilization Act to provide property tax relief to property owners across that state and to give the Legislature time to consider appropriate changes to state law that would reduce the reliance on property taxes for the funding of school districts in the state of Nebraska.	X	Oppose	Oppose
LB943	Hansen		Update references with respect to husband and wife	Judiciary	1/27/2016		changes references of husband and wife to "spouses in a marriage relationship."	X		
LB944	Hansen		Change terminology relating to parentage and marital relationships	Judiciary	1/27/2016		addresses last year's United Supreme Court ruling of legalizing same sex marriage and changes some references to "parents"	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB951	Harr		Adopt the Affordable Housing Tax Credit Act	Revenue	2/10/2016		LB 951 creates the Affordable Housing Tax Credit Act to provide an owner of an affordable housing project to apply for an affordable housing tax credit. A qualified taxpayer shall be allowed a nonrefundable tax credit if the authority determines that the project for which tax credits are sought is a qualified project.	X		
LB952	Watermeier		Require availability of emergency medical services and change membership of the Board of Emergency Medical Services	Health and Human Services			LB 952 states starting January 1, 2016, a county board is responsible to make sure emergency medical services are available for all county residents. The bill states that the county can contract for medical emergency and public safety services. The Board of Emergency Medical Services in regards to the seven out of hospital care providers, two will be emergency medical responders, two will be medical technicians, two will be paramedics and one will be an advanced medical technician. Members appointed after January 1, 2017, three of them will be volunteer emergency medical care providers.	X	Oppose	



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB954	Krist		Change provisions relating to access to records for and investigations by the Inspector General of Nebraska Child Welfare	Executive Board	1/22/2016	Select File W/ER162	LB 954 states the Office of Inspector General of Nebraska Child Welfare can submit a written request to the Probation Administrator for access of juvenile records pertaining to a particular case. Those records will be turned over with approval via a court order. All juvenile cases as defined in sections 43-246 and 43-247, of the juvenile court will provide confidential information to the Foster Care Review Office. If upon investigation, the Inspector General finds misconduct by the juvenile services division, the probation administrator will immediately notified.	X		
LB956	Speaker Hadley		Provide for deficit appropriations	Appropriations	2/1/2016		LB 956 The bill makes adjustments to appropriations for state operations, aid and construction programs in the current fiscal year ending June 30, 2016 as well as for the next fiscal year July 1, 2016 through June 30, 2017, provides for transfers, and modifies intent language and earmarks accompanying appropriations approved by the 104th Legislature during 2015.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB957	Speaker Hadley		Authorize additional uses for certain funds and provide for certain transfers	Appropriations	2/1/2016		LB 957 – Money in the department of motor vehicles Ignition Interlock Fund may be used for transfers to the General fund or the Vehicle Title and Registration System Replacement and Maintenance Cash Fund at the direction of the Legislature.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB958	Gloor		Change provisions relating to budgets, the valuation of agricultural land, and levy limitations	Revenue	2/4/2016		LB 958 strikes the allowable growth percentage from exceeding a levy that may be approved at the same meeting as a vote to exceed the limits of a final levy. Limitations do not apply to restricted funds budgeted for capital improvements, or restricted funds from a qualified sinking fund for acquisition or replacement of tangible personal property. The bill increases any budget adopted by a governmental unit by an amount equal to the restricted funds budgeted for the immediately prior fiscal year for capital improvements, the restricted funds budgeted for the immediately prior fiscal year and the restricted funds expended in the immediately prior fiscal year. The Property Tax Administrator shall provide information to the commission necessary to determine the adjustments to agricultural land and horticulture.	X	Oppose	Dennis Meyer Testifying in opposition

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB960	Smith		Adopt the Transportation Innovation Act and provide transfers from the Cash Reserve Fund	Appropriations	2/16/2016		LB 960 – Transportation Innovation Act is created. Design build is created as an alternative method when considering projects. A transportation infrastructure bank is created from reserved funds in the amount of \$150 million to accelerate projects. A capital improvement program is created as well to speed up capital improvements. The county bridge match program is created for repair and replacement of county bridges. This includes matching requirements.	X	Support	Monitor
LB968	Johnson		Change provisions relating to an agriculture promotion and development program	Agriculture	2/16/2016			X		
LB976	Seiler		Change provisions relating to jury sequestration	Judiciary		Withdrawn	A court may order that a jury be sequestered during a trial or after final submation by the motion of the court or party if good cause is shown.	X		Support through letter

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB977	Smith		Change provisions relating to implements of husbandry on highways	Transportation & Telecommunications	2/1/2017	Smith AM1895.	LB 977 makes an exemption for the weight and load limitations for a farm tractor, self-propelled equipment, and additional agricultural machinery. The bill includes specific weight limits for the vehicles mentioned in the bill.	X	Oppose	
LB979	Kuehn		Provide for selection of interchangeable biological products by pharmacists	Health and Human Services	2/5/2016		LB979 – updates Nebraska Statutes to allow for the substitution of biologic products only with FDA approved interchangeable biologics. Current state law governs the substitution by pharmacists of generic drugs for their branded counterparts, and similar statutory direction is needed to craft state policy allowing for the substitution of FDA approved interchangeable biologics.	X		
LB984	Schumacher		Change provisions relating to mandatory minimum sentencing and sentencing of habitual criminals	Judiciary	2/10/2016		LB 984 – Three judge panel would decide mandatory minimum sentences. A sentencing judge can request the three judge panel to make a finding that a habitual criminal or mandatory minimum sentence would not apply.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB986	Nebraska Retirement Systems Committee		Change duties of the Public Employees Retirement Board relating to an annual valuation report and experience study	Retirement	2/5/2016		the director will be provide draft copies of each annual valuation report to the Nebraska Retirement Systems Committee and Governor, as required. Copies are deemed confidential. Starting in 2016, and every four years thereafter will request an experience study from the Public Employee retirement board.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB989	Murante		Change provisions relating to motor vehicles	Transportation & Telecommunications	2/2/2016		LB 989 provides that the Director of Motor Vehicles shall designate an implementation date, which is on or before January 1, 2020. If the title is electronic, then the following changes may be made; changing the name of an owner, removing the name of an owner, or adding as an owner of the immediate family member of an owner. The department may adopt and promulgate further rules and regulations governing the eligibility of dealers to participate in the electronic dealer services system, setting forth practices, procedures, and requirements necessary to implement such system, and setting forth requirements and practices for dealers participating in such system.	X	Monitor	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB992	Ebke		Provide a restriction on installment contracts for the purchase of real or personal property by political subdivisions	Government, Military & Veterans Affairs	2/17/2016		LB 992 states no political subdivision, with statutory authority can enter into an installment contract for the purchase of property, if already an obligation exist of twenty-five million dollars or more from previous contracts. If a debt does exist above twenty-five million dollars, the subdivision cannot enter into a new contract.	X	Monitor	Letter in Opposition
LB995	Davis		Repeal provisions relating to the special valuation of agricultural land and provide for the agricultural value of agricultural land	Revenue	2/17/2016		LB 995 local governments would tax cropland based on agricultural value instead of seventy-five percent of the actual value. Bill defines agricultural value as the actual value of land for agricultural and horticultural purposes without regard to actual value the land would have for other uses. This is an attempt to lower property tax for farmers and ranchers.	X	Oppose	



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB998	Schumacher		Provide for emergency community crisis centers and change provisions relating to emergency protective custody	Health and Human Services			LB 998 includes the definition of emergency community crisis center as a medical assistance program. The demand for inpatient behavioral health beds exceeds the supply of such beds in Nebraska. Hospital emergency departments are not equipped to address the behavioral health needs and delays in receiving behavioral health crisis stabilization services significantly increase the risk of emotional deterioration. Further, appropriate, timely resources should be available to persons in need of behavioral health. The bill calls for an establishment of five emergency community crisis centers across the state.	X	Support	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1000	Mello		Require certain law enforcement agencies to adopt policies on the use of body-worn cameras, provide that recordings from such cameras are not public records, and prohibit certain conduct involving such recordings	Judiciary	2/18/2016		LB 1000 – Police departments with body cameras must adopt policies regarding training and equipping cameras, as how to be worn in a prominent place on the uniform. An officer would have to notify an individual they approach that the camera is recording.	X		
LB1001	Ebke		Change provisions relating to a compensation schedule for injuries resulting in disability	Business and Labor	2//8/16		LB 1001 – adds that loss or loss of means permanent loss of physical function of an arm, a leg, an ear, an eye or nose.	X		
LB1010	Williams		Change provisions relating to juvenile court petitions	Judiciary	2/17/2016		LB 1010 – Written petition for juvenile court will be signed by the county attorney setting forth the facts. The petition would replace the verification of affidavit.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1013	Gloor	Possible Gloor	Change tax on cigarettes and other tobacco products and provide for distribution of proceeds	Revenue	2/11/2016		LB 1013 – would increase cigarette tax by one dollar and fifty cents, this would bring the total sales tax to two dollars and fourteen cents a pack. It is estimated that this tax increase would bring in a one hundred and twenty million dollars. Forty five million of that would go to the Property Tax Credit Fund; Forty five million to personal property tax exemption; and thirty million to the Health Care Cash Fund.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1023	Ebke		Require development of treatment protocols for and a needs assessment of committed offenders and correctional facilities	Judiciary	2/4/2016		LB 1023 – Corrections and the division of behavioral health of DHHS would develop protocols for coordination of mental health and substance abuse treatment for a committed offender during incarceration until discharge. Protocols will cover pre-release planning; mental health and substance abuse treatment needs, supervisor plan and necessary community support services. Community based services can be used during incarceration. Corrections will provide to the Appropriations Committee of the Legislature, a needs assessment pertaining to programming in facilities before January 1st of odd numbered years.	X		
LB1024	Larson		Change a provision of the Nebraska Political Accountability and Disclosure Act relating to an interest in a government contract	Government, Military & Veterans Affairs			LB 1024 – No member of a public official or employer's family may enter into a business contract valued at one hundred thousand dollars in a given year. As of January 1, 2017, and every year thereafter the contract value will be adjusted for inflation.	X		

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1031	Hansen		Change the levy authority of railroad transportation safety districts	Revenue	2/25/2016		LB 1031 removes the levy authority away from the county board and places it with the Railroad Transportation Board, which is made up of 3 county board members and 2 city council members. The move would free up two cents to the county board levy authority.	X	Oppose	
LB1032	McCollister	HHS 2016	Adopt the Transitional Health Insurance Program Act and provide duties for the Department of Health and Human Services	Health and Human Services	2/10/2016		LB 1032 would provide health care coverage to individuals who cannot qualify for medicaid. Medicaid funds would be used to buy private health insurance for those individuals making up one hundred thirty –three percent of the federal poverty level with no insurance. The bill allows for small contributions from enrollees and would take funds from the state health care cash fund to extend coverage up to seventy-seven thousand Nebraskans.	X	Support	Rome Testify in Support
LB1034	Campbell		Change provisions relating to the Nebraska Children's Commission	Health and Human Services	2/19/2016		Adds juvenile justice to the strategic plan of reform of the Nebraska Child Welfare Commission to review and evaluate the juvenile justice system	X		

KISSEL/ES Associates  
 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1036	Campbell		Change provisions of the Credit Services Organization Act, the Delayed Deposit Services Licensing Act, and the Nebraska Installment Loan Act	Banking, Commerce & Insurance	2/1/2016		LB 1036 states notwithstanding any other provisions of law, charge any brokerage fees or any other fees or charges whatsoever in connection with a loan governed by the Nebraska Installment Loan Act. It defines the annual percentage rate, default, and delayed deposit. The Department of Banking and Finance will document each delayed deposit loan transaction by a written agreement signed by both the lender and the borrower.	X		
LB1037	Brasch		Change property tax provisions relating to agricultural land and horticultural land	Revenue	2/17/2016		LB1037 strikes land associated with buildings. It excludes wasteland lying in or adjacent to and in common ownership or management with other agricultural land and horticulture land. It does allow farm sites and farm home sites lying in or adjacent to and in common ownership or management with other agricultural land and horticultural land.	X	Monitor	

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Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1042	Friesen		Change provisions relating to tax-increment financing	Urban Affairs	2/9/2016		LB 1042 also changes the property valuation information certified by the Property Tax Administrator to the State Department of Education, which is used to determine the adjusted valuation of school districts for purposes of allocating state aid through the Tax Equity and Educational Opportunities Support Act. The bill requires that excess valuation for properties that qualify for tax increment financing will be included in the assessed valuation of school districts for state aid purposes.	X	Monitor	Monitor
LB1044	Ebke		Terminate the Commission of Industrial Relations	Business and Labor	2/22/2016		LB 1044 would abolish the CIR that was created to resolve labor disputes involving public employees. The bill would continue to protect the right of the public employee in Nebraska to strike in the event of an unresolved dispute.	X	Monitor	

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Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1055	Chambers		Open grand jury proceedings to the public as prescribed and change procedures in cases of death during apprehension by law enforcement officers or while in custody	Judiciary	2/24/2016		LB 1055: Permits all proceedings before grand juries to be open to the public. The case shall be treated as an open, ongoing matter until all evidence, reports, and other relevant material, which has been assembled are transferred to a prosecuting attorney appointed. The court shall appoint a prosecuting attorney who shall be the county attorney or a member of his or her staff who has had at least five years experience in criminal litigation, including felony litigation.	X	Monitor	
LB1058	Crawford		Change provisions relating to enforcement of certain tobacco restriction provisions	Judiciary	2/25/2016		LB 1058 – states with compliance checks, an individual between the ages of fourteen and eighteen years of age may be authorized to assist officers or private contractors with compliance checks. The individual under the age of eighteen and older than 14 years has to be an employee, intern or volunteer with a local or state law agency.	X		



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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1059	Crawford		Require certain disclosures under the Community Development Law and the Local Option Municipal Economic Development Act	Urban Affairs	2/2/2016		LB 1059 – Prior to a redevelopment contract, the developer has to indicate if he or she has or intends to file for tax incentives under the Nebraska Advantage act; seeking a refund from the city's local option sales tax; estimate of total amount he or she is expecting from tax incentives; and if the project has been approved under the Nebraska Advantage act.	X		

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 Client: LC

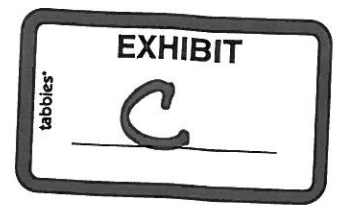
LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1063	Sullivan		Change provisions relating to state aid to schools	Education	2/9/2016		LB 1063 Requires the Property Tax Administrator to certify the student support aid for each local system to the county clerk of each county with territory in the local system and to the Auditor of Public Accounts on or before August 10, 2017, and on or before August 10 of each year thereafter. The county clerk of each county with territory in the local system shall calculate the student support aid reduction to the maximum levy pursuant to section 77-3442 for such local system which shall equal the student support aid certified pursuant to section 79-1022 for the affected school fiscal year, with any adjustments resulting from the final calculation of state aid pursuant to section 79-1065 for prior school fiscal years, divided by the taxable valuation of property subject to the levy in the local system and then divided again by one hundred to arrive at the reduction to the maximum levy per one hundred dollars of taxable valuation.	X	Monitor	

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LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1094	Judiciary Committee		Change provisions relating to evidence, sentencing, certain criminal penalties, criminal mischief, assault, theft, forgery, and probation	Judiciary	2/4/2016		LB 1094 addresses matters extending from LB 605. The bill addresses custodial sanctions; administrative sanctions; defined duties of a probationer officer when determining a possible violation of probation and court proceedings. LB 1094 repeals section (5) of LB 605 relating to duties of a probationer officer, setting forth new language.	X	Monitor	
LB1097	Morfeld		Change provisions relating to sexual assault forensic testing	Judiciary	2/18/2016		LB1097 - would create a fund to collect federal money and for an administrator for that fund to pay expenses for medical exams for rape victims. The fund would cover costs for physical trauma exams, patient interviews, collection and evaluation of evidence, emergency room and laboratory fees. Victims would also get emotional and mental health care. Medical personnel would also be trained in practices for collecting evidence for prosecutions.	X		
LB1102	Davis		Authorize legislative performance audits of tax-increment financing projects	Executive Board	2/5/2016		LB 1102 – includes any authority as defined in section 18-2103 that uses tax-increment financing as authorized in section. 18-2147	X		

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 Bills of Interest Report  
 Client: LC

LB/LR	Sponsor	Priority	One-Liner	Committee	Hearing Date	Status	Summary	LC	NACO Position	LC Position
LB1103	Schumacher		Change provisions relating to medicaid reimbursements, provide for a lien, and change estate procedures	Judiciary	2/3/2016		LB 1103 requires a notice shall be provided to the department in a manner and at an address designated by the department, which manner may include email. Any notice that fails to meet this requirement is void and constitutes neither notice to the department nor a waiver application for purposes of any statute or regulation that requires that a notice or waiver application be provided to the department.	X	Monitor	
LB1107	Garrett		Create the Nebraska Election System Initiative	Government, Military & Veterans Affairs	2/24/2016		LB 1107 states the current vote tabulation and ballot-marking equipment in Nebraska will soon be outdate. The bill would establish the Nebraska Election System. The goal is to examine the voting process, in Nebraska. Review methods of polling sites, early voting, equipment; disabled, minority and young voters; campaigns; and cost of replacing current system.	X	Support	



**Kissel/E&S Associates  
2015 Legislature  
Committee Hearing Reports**

**Date:** 2/5/16

**Committee:** Health & Human Services

**Senators:** Campbell, Baker, Fox Crawford, Howard, Kolterman, Riepe

**Bill:** 1032

**Reported by:** Willy Morris for Kissel/E&S Associates

**LB1032 (McCollister) - Adopt the Transitional Health Insurance Program Act and provide duties for the Department of Health and Human Services**

*Sen. Campbell noted before all testimony that no fiscal note could be determined for the bill.*

Sen. McCollister told the committee that 77,000 Nebraskans are currently not insured, even with the Affordable Care Act as the law of the land. LB1032 will use a third-option approach to getting these Nebraskans insured, by using a 90/10 federal funding match of Medicaid dollars. In other words, the federal government will fund 90% of the program, while Nebraska will only have to pay for 10%. Sen. McCollister told the committee that 32 states currently have some form of Medicaid expansion, and that it is a myth that the federal government will actually repeal the ACA. Under LB1032, also known as THIP, NE will use Medicaid dollars to help citizens purchase private healthcare either on their own, or through an employee-match system. Under THIP, people will be required to pay 2% of their monthly premiums, and will be compensated for the rest. This way, citizens have "skin in the game," that is, they will have a vested interest in their coverage plan. Under THIP, NE will take \$2 billion from the federal government over five years, and will infuse this money into the NE economy by purchasing private healthcare plans. Sen. McCollister testified that Nebraskans are already paying tax dollars to the federal government no matter what, so they may as well take advantage of them in the form of the \$2 billion federal government grant. He also told the committee that this bill will reduce the cost of behavioral health, and drug prices, just to name a few things. Per a UNMC study, THIP will save Douglas and Lancaster counties \$5 million, and NE could see 10,000-13,000 jobs created. Lastly, Sen. McCollister noted that over half of the uninsured people in NE are from rural NE.

*Sen. Fox asked why Sen. McCollister did an interview last year discussing the financial sustainability of this program, but has now had a change of heart. He told her that the ACA is going to be nearly impossible to change in Congress no matter what party takes over the White House in 2017, and that the 90% federal funding will be using NE taxpayer's dollars that are already being paid no matter what, so NE may as well use them within the state.*

*Sen. Kolterman asked what percent match did the employer to pay in the employee-match system. Sen. McCollister said that the match has to be 50%, and the employer would have to cover the entire 50% portion.*

*Sen. Kolterman asked how employers would be able to afford adding 77,000 new people to insurance plans. Sen. McCollister told him that 32 states have expanded so far, so NE would have to look at best practices at these states and figure it out.*

*Sen. Riepe asked why NE should file for a waiver right now if the White House could drastically change health insurance policy depending on who gets elected. Sen. McCollister reiterated that the ACA will be almost impossible to repeal no matter who gets elected.*

*Sen. Howard asked about the demographics of the 77,000 uninsured people. Sen. McCollister answered that 2/3 of the people are fast food workers, construction workers, or farmers. He also said NE is currently spending over \$1 billion a year compensating the uninsured who are going to the ER for their healthcare.*

*Sen. Fox asked what would happen if federal funding dips below the promised 90%. Sen. McCollister told her that the program would cease immediately, and that DHHS would have to figure out how to deal with the fallout. Essentially, NE will be fiscally responsible for the program if federal funds go away.*

## **Neutral**

- Patricia Boozang – Manatt Health Solutions – Ms. Boozang worked with Arkansas on their private option (PO) plan, and that’s what THIP is modeled after. AK was the first state to implement this kind of program, but seven other states are looking in to this type of legislation. She told the committee that in AK uninsured people visiting the ER has dropped by over 50%, hospitals have saved 55%, or \$155 million, and that 10,000 new providers are now serving new enrollees, rather than putting all of these people on Medicaid. The AK PO has tripled the marketplace size, increased market competition, and in AK there were originally two insurance providers, and now there are six. In AK the state has saved \$118 million in 2015, and their net budget impact will be \$438 million by 2021. Ms. Boozang told the committee that ending this expansion plan in AK would cost anywhere from 1.4-1.7 billion dollars. She also said that the PO in AK is not completely binding, so it can be modified over time to adapt for changes in the system. Lastly, she told the committee that a program like this requires administrative help across all agencies involved, so communication will be key.

*Sen. Kolterman asked how AK projections have compared to real life practice. Ms. Boozang told him that the budget cap with the federal government is neutral, so all costs beyond the original 90% grant are incurred upon the state. She said that in the first year of this program, AK was running slightly above the neutral costs, but for the past two years have been running below.*

*Sen. Riepe asked what will happen this upcoming year when the AK agreement runs out. Ms. Boozang told him their Legislature will have to renew their agreement, or costs for the state will skyrocket fivefold. She also said that AK will reconstruct their new bill to include an ESI feature, and that so far, as compared to Medicaid, there is no evidence to suggest that the private option is significantly more expensive.*

*Sen. Crawford asked Ms. Boozang about the \$738 per person per month QHP projection for AK. Ms. Boozang said that estimates for QHP costs are a black box, but she thinks that \$738*

*sounds high. She also noted that the AK population was much less sick than projections thought.*

*Sen. Kolterman asked if under the QHP AK offered bronze through platinum plans. She said that no, but AK puts everyone automatically on silver plans.*

*Sen. Kolterman followed up by asking why insurance plans are expanding from 1%-138% the federal poverty level, not just 1%-100%. Ms. Boozang said that, that is a federal law, so the states have no say in federal poverty coverage levels.*

## **Proponents**

- Gwendolyn Heinz – Ms. Heinz asked the committee to support LB 1032
- Roma Amundson – Lancaster County Board of Commissioners – Ms. Amundson told the committee that adopting THIP will eliminate nearly all general healthcare expenditures in Lancaster county, saving the citizens of the county nearly \$2 million on property taxes. She told the committee that Lancaster relies too heavily on property taxes to pay for health insurance coverage, because Lancaster county requires, by mandate, that all people be insured. THIP will free up money for the county by allowing the county to use federal funds to cover health insurance.

*Sen. Riepe asked why the state wouldn't recover the excess funds Lancaster is saving under THIP. Ms. Amunson told him that this is because the money saved will be in the form citizens not having to pay high property taxes, not by re-allocating already-existing money.*

- Dr. Merlin Friesen – NE Farmers Union – Mr. Friesen told the committee that healthcare bankruptcy represents the biggest potential for state bankruptcy in NE. He told the committee that he is disgusted that in the U.S. people have to choose between going to a doctor and getting bankrupt, or just remain sick/inured to save money. He told the committee that people do not get primary care in the ER, and they can't see specialists, or have follow up visits if they go to the ER to receive care. Mr. Friesen said that other states have seemed to solve this riddle, so NE needs to figure it out as well.
- Sarah Parker – Ms. Parker is a NE citizen who falls in the coverage gap, and she supports this bill.
- Lynn Rex – League of NE Municipalities – Ms. Rex told the committee that this is the first time the League has taken a position on Medicaid expansion, and that they voted unanimously to support this bill. Ms. Rex pointed out a law enforcement component of this bill. That is, people in NE are committing low-level crimes, so that when they get arrested they can see a doctor for free. She also wanted to reiterate that NE taxpayers are already paying into the system, so NE may as well take advantage of these funds.
- Jessica Metzler – NE citizen who falls within the coverage gap, and supports this bill
- Vincent Ltwinowicz – NE citizen in coverage gap who supports this bill
- Bob Rauner – NE Medical Association – Mr. Rauner told the committee that this is the best solution to date as far as Medicaid expansion in NE goes. He told the committee that the reason they need to cover people between 100%-132% poverty

level is because those people have to make a choice to either pay their rent, or have insurance. He told the committee that NE produces an oversupply of healthcare providers at UNMC, but they choose to leave the state because there aren't enough jobs here, so if Medicaid is expanded more doctors will be needed, so more UNMC students will stay. Mr. Rauner told the committee about a concept called churn, where a person gets on Medicaid for a few months, makes too much money so he or she has to get off, and then for one reason or another falls below the poverty limit and has to re-sign up for Medicaid. This process is expensive because it costs money every time someone has to sign up for Medicaid, and then the Medicaid itself costs money.

- Paulette Jones – In the coverage gap, supports THIP
- Lisa Metzler – In the coverage gap, supports THIP
- Rowen Zettermen – NE Medical Association – Mr. Zettermen told the committee that rural counties in NE have more uninsured people than urban ones do. He said the critical access hospitals will get vital money from THIP, and that they will need it to keep their doors open.

*Sen. Riepe asked what Mr. Zettermen thinks healthcare will look like under a new President. Mr. Zettermen told him that it's really impossible to say, but that he does not think the ACA will get repealed because it will be too hard to do.*

*Sen. Campbell asked Mr. Zettermen if he thought it was possible to roll back health care costs without ensuring all people. Mr. Zettermen said no, that is not possible.*

- Cory Shaw – NE Medicine – Mr. Shaw's group supports LB 1032
- Andrea Skolkin – CEO of OneWorld Community Health Center – Ms. Skolkin's group supports this bill.
- Keith Nelson – Pastor, Member of the Clergy Caucus – Mr. Nelson gave a religious defense of LB1032

*Sen. Riepe asked if this bill opens the door to abortions. Mr. Nelson said that abortion is a whole other convocation not appropriate at this time, but he also noted that the U.S. Board of Pastors supports Medicaid expansion.*

- Lauren Kilojechickinkotch – Gave a letter of support for Ms. Deb Craig, and NE resident.
- Andy Hale – VP of Advocacy for NE Association – Mr. Hale and his association support this bill
- Ladonna Vanarsdall – Resides within the coverage gap and supports this bill
- Sean Murphy – Mr. Murphy is a former prisoner, and told the committee that he never once had a problem seeking medical care in prison, but now that he's out he's in the gap and can't get insured.
- Amanda Gershon - Resides within the coverage gap and supports LB1032
- Nathan Williams - Resides within the coverage gap and supports LB1032
- Janet Vonet – Ms. Vonet supports LB 1032
- James Goddard – NE Appleseed – Mr. Goddard told the committee that a vast majority of people who would qualify for insurance under this bill are employed. He



reiterated to the committee that if federal funding fell below 90% the program would immediately cease. Lastly, Mr. Goddard reminded the committee that while this bill has opposition, the opposition hasn't come up with a single feasible plan to counter this bill, so there are no other alternatives at this time.

*Sen. Fox asked if Mr. Goddard and Appleseed would sue NE if this plan was terminated. Mr. Goddard said that he doesn't even see grounds for suit if the program fell through, so, no, they would probably not sue.*

- Carol McShane – Nebraskans for Peace – The group supports LB1032
- Amber Hansen - Executive Director for Community Action in NE – Ms. Hansen's group supports this bill
- John O'Neal – Mr. O'Neal supports this bill

### **Opponents**

- Bryan King – AK State Senator – Mr. King told the committee that long-term sustainability for this type of program is shaky, and he also doesn't believe that AK's economy has benefited from their own program. Mr. King also believes that programs like this dis-incentivize people to work.

*Sen. Howard asked if he was an immediate opponent of the AK version of this legislation. Mr. King said he wasn't immediately against it, but it didn't take him long not to support it.*

*Sen. Howard followed up by asking if the \$118 million saved in AK, like Ms. Boozang said earlier, was accurate. Mr. King said that he's not sure.*

*Sen. Kolterman asked how AK dealt with the massive underestimate of people who would enroll in the Private Option. Mr. King just told the committee again how he did not think that this type of legislation brought economic benefit to AK*

- Calder Lynch – Director of Division of Medicaid and Long-term care for DHHS – Mr. Lynch told the committee that he has some serious concerns about expanding Medicaid in NE. To his estimates, it would cost an extra \$1 billion over the next 10 years to run this type of program. Mr. Lynch also told the committee that if Congress chooses to pull their federal matching dollars it will cost NE well over \$600 million dollars. Mr. Lynch also testified that this bill will expand Medicaid by an estimated 57%, and that DHHS will need 147 new employees for this. Lastly, Mr. Lynch told the committee that by 2027 DHHS administrative spending will reach over \$11 million.

*Sen. Fox asked if he thinks the federal government will uphold their end of this deal. Mr. Lynch said it would be really hard to change the ACA at this point*

*Sen. Fox asked why Mr. Lynch said there will be 7% increase in premium rates. Mr. Lynch said because this bill will be doubling the amount of people in the system.*

*Sen. Baker asked Mr. Lynch to walk the committee through the Optima report. Mr. Lynch said that the biggest component of this bill will be adding staffers to DHHS, but that these staffing positions will probably be matched 50% by federal funds, per usual. He also said that there*

*will be significant IT costs, but that most of those costs will be blunted by the 90/10 federal match.*

*Sen. Howard asked how much the Optima report cost, and when it was commissioned. Mr. Lynch said that it cost \$40,000 and started in early January.*

*Sen. Howard asked if Mr. Lynch agreed with this reports finding. He said yes.*

*Sen. Howard followed up by asking, then, if agreed with the part of the finding that said statewide premiums will most likely be lowered due to LB1032. Mr. Lynch said that yes, he does agree with that.*

*Sen. Howard asked how many people would be “coming out of the woodwork” if this bill passed. Mr. Lynch he believes an extra 1% of people will sign up for Medicaid on top of the normal amount who sign up per year if this bill passes.*

*Sen. Campbell noted that NE has the slowest rate of Medicaid growth of any state in the U.S.*

*Sen. Crawford noted that the Optima report accounts for a 0% uptake in the uninsured who are employed if LB1032 passes. She believes that to be highly unrealistic.*

*Sen. Campbell asked why Mr. Lynch kept mentioning “targetd solutions” in his testimony. Mr. Lynch said this simply meant looking at ways to insure the 77,000 uninsured people in NE without expanding Medicaid.*

*Sen. Howard noted that Mr. Lynch’s answer didn’t sound like an immediate solution to covering the 77,000 uninsured people.*

*Sen. Campbell asked why the Optima report looked all the way out to 2027, because she had never seen 10 year projections in other bills. Mr. Lynch said that this was just to ensure long-term sustainability.*

- Bruce Ränge – Director of the NE Department of Insurance – Mr. Ränge said that his biggest concern with this bill is that the federal government will not fulfill their obligation, especially as it relates to risk-corridor payments. Mr. Ränge told the committee that currently, every time a premium gets paid out it gets taxed by the federal government, but the federal government is not re-allocating these taxes like they promised.
- Jim Vokal – CEO of the Platte Institute – Mr. Vokal told the committee that this bill is clearly only taxpayer funded, and has no plan to move away from that model. He also told the committee that he believes this bill will enable Nebraskans not to work because they will be getting cheap insurance. Mr. Vokal also told the committee that all states who have shifted to this type of program have exceeded their enrollment projections and costs.
- Nic Horton – Sr. Research Fellow for Foundation of Government Accountability – Mr. Horton told the committee that he and his foundation do not support this bill.

## **Neutral**

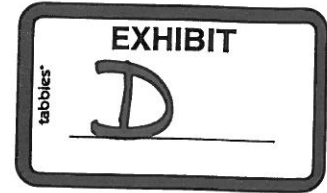
- Dr. Edward Truemper – Pediatrician in Omaha, Professor at UNL – Mr Truemper told the committee that he wants to eliminate the illusion that more health care coverage leads to better quality of care. He believes that a huge way to drive down healthcare costs is by achieving greater quality of care, because people will be visiting the doctor less and less. Mr. Truemper thinks quality of care is way too overlooked in this bill, and that quality care is not a partisan issue.

*Sen. Riepe asked if Mr. Truemper had any specific way to fix this problem. Mr. Truemper told the committee to look at Utah's statewide healthcare plan. He said many people in the medical field believe Utah has by far the best healthcare program in the U.S., and so NE doesn't need to reinvent the wheel, they ought to just look at Utah.*

## **Closing**

Sen. McCollister told the committee that some of the best minds in NE got together to come up with this bill, and that it took a lot of hard work create. He also told the committee that this is a budget-neutral deal. He also told the committee that NE is already paying healthcare taxes to the federal government, so we might as well be using those funds, instead of just letting them sit there.

AMENDMENTS TO LB670



Introduced by

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Section 43-254.01, Revised Statutes Cumulative  
4 Supplement, 2014, is amended to read:

5           43-254.01 (1) Any time a juvenile is temporarily placed at a mental  
6 health facility pursuant to subsection (3) of section 43-250 or by a  
7 court as a juvenile who is mentally ill and dangerous, a mental health  
8 professional as defined in section 71-906 shall evaluate the mental  
9 condition of the juvenile as soon as reasonably possible but not later  
10 than thirty-six hours after the juvenile's admission, unless the juvenile  
11 was evaluated by a mental health professional immediately prior to the  
12 juvenile being placed in temporary custody and the temporary custody is  
13 based upon the conclusions of that evaluation. The mental health  
14 professional who performed the evaluation prior to the temporary custody  
15 or immediately after the temporary custody shall, without delay, convey  
16 the results of his or her evaluation to the county attorney.

17           (2) If it is the judgment of the mental health professional that the  
18 juvenile is not mentally ill and dangerous or that the harm described in  
19 section 71-908 is not likely to occur before the matter may be heard by a  
20 juvenile court, the mental health professional shall immediately notify  
21 the county attorney of that conclusion and the county attorney shall  
22 either proceed to hearing before the court within twenty-four hours or  
23 order the immediate release of the juvenile from temporary custody. Such  
24 release shall not prevent the county attorney from proceeding on the  
25 petition if he or she so chooses. A court may refer a juvenile to be  
26 evaluated by a mental health professional pursuant to this section. After  
27 evaluation, the mental health professional shall immediately notify the

1 referring court in writing of his or her determination.

2 (3) A juvenile taken into temporary protective custody under  
3 subsection (3) of section 43-250 shall have the opportunity to proceed to  
4 adjudication hearing within seven days unless the matter is continued.  
5 Continuances shall be liberally granted at the request of the juvenile,  
6 his or her guardian ad litem, attorney, parents, or guardian.  
7 Continuances may be granted to permit the juvenile an opportunity to  
8 obtain voluntary treatment.

9 Sec. 2. Section 71-919, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 71-919 (1) A law enforcement officer who has probable cause to  
12 believe that a person is mentally ill and dangerous or a dangerous sex  
13 offender and that the harm described in section 71-908 or subdivision (1)  
14 of section 83-174.01 is likely to occur before mental health board  
15 proceedings under the Nebraska Mental Health Commitment Act or the Sex  
16 Offender Commitment Act may be initiated to obtain custody of the person  
17 may take such person into emergency protective custody, cause him or her  
18 to be taken into emergency protective custody, or continue his or her  
19 custody if he or she is already in custody. Such person shall be admitted  
20 to an appropriate and available medical facility, jail, or Department of  
21 Correctional Services facility as provided in subsection (2) of this  
22 section. Each county shall make arrangements with appropriate facilities  
23 inside or outside the county for such purpose and shall pay the cost of  
24 the emergency protective custody of persons from such county in such  
25 facilities. A mental health professional who has probable cause to  
26 believe that a person is mentally ill and dangerous or a dangerous sex  
27 offender may cause such person to be taken into custody and shall have a  
28 limited privilege to hold such person until a law enforcement officer or  
29 other authorized person arrives to take custody of such person.

30 (2)(a) A person taken into emergency protective custody under this  
31 section shall be admitted to an appropriate and available medical

1 facility unless such person has a prior conviction for a sex offense  
2 listed in section 29-4003.

3 (b) A person taken into emergency protective custody under this  
4 section who has a prior conviction for a sex offense listed in section  
5 29-4003 shall be admitted to a jail or Department of Correctional  
6 Services facility unless a medical or psychiatric emergency exists for  
7 which treatment at a medical facility is required. The person in  
8 emergency protective custody shall remain at the medical facility until  
9 the medical or psychiatric emergency has passed and it is safe to  
10 transport such person, at which time the person shall be transferred to  
11 an available jail or Department of Correctional Services facility.

12 (3) Upon admission to a facility of a person taken into emergency  
13 protective custody by a law enforcement officer under this section, such  
14 officer shall execute a written certificate prescribed and provided by  
15 the Department of Health and Human Services. The certificate shall allege  
16 the officer's belief that the person in custody is mentally ill and  
17 dangerous or a dangerous sex offender and shall contain a summary of the  
18 person's behavior supporting such allegations. A copy of such certificate  
19 shall be immediately forwarded to the county attorney.

20 (4) The administrator of the facility shall have such person  
21 evaluated by a mental health professional as soon as reasonably possible  
22 but not later than thirty-six hours after admission. The mental health  
23 professional shall not be the mental health professional who causes such  
24 person to be taken into custody under this section and shall not be a  
25 member or alternate member of the mental health board that will preside  
26 over any hearing under the Nebraska Mental Health Commitment Act or the  
27 Sex Offender Commitment Act with respect to such person. A person shall  
28 not be released from emergency protective custody if after completion of  
29 such evaluation unless the mental health professional determines, in his  
30 or her clinical opinion, that such person is mentally ill and dangerous  
31 or a dangerous sex offender. A court may refer a person to be evaluated

1 by a mental health professional pursuant to this section. After  
2 evaluation, the mental health professional shall immediately notify the  
3 referring court in writing of his or her determination.

4       Sec. 3.   Original section 71-919, Reissue Revised Statutes of  
5 Nebraska, and section 43-254.01, Revised Statutes Cumulative Supplement,  
6 2014, are repealed.



AMENDMENTS TO LB960

Introduced by

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Sections 1 to 24 of this act shall be known and may be  
4 cited as the Transportation Innovation Act.

5           Sec. 2. For purposes of the Transportation Innovation Act:

6           (1) Alternative technical concept means changes suggested by a  
7 qualified, eligible, short-listed design-builder to the department's  
8 basic configurations, project scope, design, or construction criteria;

9           (2) Best value-based selection process means a process of selecting  
10 a design-builder using price, schedule, and qualifications for evaluation  
11 factors;

12           (3) Construction manager means the legal entity which proposes to  
13 enter into a construction manager-general contractor contract pursuant to  
14 the act;

15           (4) Construction manager-general contractor contract means a  
16 contract which is subject to a qualification-based selection process  
17 between the department and a construction manager to furnish  
18 preconstruction services during the design development phase of the  
19 project and, if an agreement can be reached which is satisfactory to the  
20 department, construction services for the construction phase of the  
21 project;

22           (5) Construction services means activities associated with building  
23 the project;

24           (6) Department means the Department of Roads;

25           (7) Design-build contract means a contract between the department  
26 and a design-builder which is subject to a best value-based selection  
27 process to furnish (a) architectural, engineering, and related design



1 services and (b) labor, materials, supplies, equipment, and construction  
2 services;

3 (8) Design-builder means the legal entity which proposes to enter  
4 into a design-build contract;

5 (9) Multimodal transportation network means the interconnected  
6 system of highways, roads, streets, rail lines, river ports, and transit  
7 systems which facilitates the movement of people and freight to enhance  
8 Nebraska's economy;

9 (10) Preconstruction services means all nonconstruction-related  
10 services that a construction manager performs in relation to the design  
11 of the project before execution of a contract for construction services.  
12 Preconstruction services includes, but is not limited to, cost  
13 estimating, value engineering studies, constructability reviews, delivery  
14 schedule assessments, and life-cycle analysis;

15 (11) Project performance criteria means the performance requirements  
16 of the project suitable to allow the design-builder to make a proposal.  
17 Performance requirements may include, but are not limited to, the  
18 following, if required by the project: Capacity, durability, standards,  
19 ingress and egress requirements, description of the site, surveys, soil  
20 and environmental information concerning the site, material quality  
21 standards, design and milestone dates, site development requirements,  
22 compliance with applicable law, and other criteria for the intended use  
23 of the project;

24 (12) Proposal means an offer in response to a request for proposals  
25 (a) by a design-builder to enter into a design-build contract or (b) by a  
26 construction manager to enter into a construction manager-general  
27 contractor contract;

28 (13) Qualification-based selection process means a process of  
29 selecting a construction manager based on qualifications;

30 (14) Request for proposals means the documentation by which the  
31 department solicits proposals; and

1       (15) Request for qualifications means the documentation or  
2 publication by which the department solicits qualifications.

3       Sec. 3. (1) The Transportation Infrastructure Bank Fund is created.  
4 The fund shall be administered by the department and shall be used for  
5 purposes of sections 3 to 7 of this act. Any money in the fund available  
6 for investment shall be invested by the state investment officer pursuant  
7 to the Nebraska Capital Expansion Act and the Nebraska State Funds  
8 Investment Act. Investment earnings from investment of money in the fund  
9 shall be credited to the fund.

10       (2) The Transportation Infrastructure Bank Fund shall consist of  
11 money transferred from the Cash Reserve Fund pursuant to subsection (15)  
12 of section 84-612 and any other money as determined by the Legislature.

13       (3) It is the intent of the Legislature that up to one hundred fifty  
14 million dollars of state motor fuel tax revenue be pledged by the  
15 department and utilized for the purposes stated in sections 3 to 7 of  
16 this act during the period beginning July 1, 2016, through June 30, 2023.

17       Sec. 4. The Accelerated State Highway Capital Improvement Program  
18 is created. The department shall administer the program using funds from  
19 the Transportation Infrastructure Bank Fund. The purpose of the program  
20 is to accelerate capital improvement projects to provide the earliest  
21 possible mobility, freight, and safety benefits to the state, thereby  
22 accelerating enhancements to the state's economy and the quality of life  
23 of the general public. The department shall develop the program. The  
24 projects eligible for funding under the program include construction of  
25 the expressway system and federally designated high priority corridors  
26 and needs-driven capacity improvements across the state.

27       Sec. 5. (1) The County Bridge Match Program is created. The  
28 department shall administer the program using funds from the  
29 Transportation Infrastructure Bank Fund. The purpose of the program is to  
30 promote innovative solutions and provide additional funding to accelerate  
31 the repair and replacement of deficient bridges on the county road

1 system. The department shall develop the program, including participation  
2 criteria and matching fund requirements for counties, in consultation  
3 with a statewide association representing county officials. Participation  
4 by counties in the program shall be voluntary. The details of the program  
5 shall be published by the department by October 1, 2016.

6 (2) The County Bridge Match Program terminates on June 30, 2019.

7 Sec. 6. The Economic Opportunity Program is created. The Department  
8 of Roads shall administer the program in consultation with the Department  
9 of Economic Development using funds from the Transportation  
10 Infrastructure Bank Fund. The purpose of the program is to finance  
11 transportation improvements to attract and support new businesses and  
12 business expansions by successfully connecting such businesses to  
13 Nebraska's multimodal transportation network. The Department of Roads  
14 shall develop the program, including the application process, criteria  
15 for providing funding, matching requirements, and provisions for  
16 recapturing funds awarded for projects with unmet obligations, in  
17 consultation with statewide associations representing municipal and  
18 county officials, economic developers, and the Department of Economic  
19 Development. The details of the program shall be published by the  
20 Department of Roads by January 1, 2017.

21 Sec. 7. Sections 3 to 7 of this act terminate on June 30, 2033. The  
22 State Treasurer shall transfer any funds remaining in the Transportation  
23 Infrastructure Bank Fund on such date to the Roads Operations Cash Fund.

24 Sec. 8. The purpose of sections 8 to 23 of this act is to provide  
25 the Department of Roads alternative methods of contracting for public  
26 projects. The alternative methods of contracting shall be available to  
27 the department for use on any project regardless of the funding source.  
28 Notwithstanding any other provision of state law to the contrary, the  
29 Transportation Innovation Act shall govern the design-build and  
30 construction manager-general contractor procurement process.

31 Sec. 9. The department, in accordance with sections 8 to 23 of this

1 act, may solicit and execute a design-build contract or a construction  
2 manager-general contractor contract for a public project, other than a  
3 project that is primarily resurfacing, rehabilitation, or restoration.

4       Sec. 10. The department may hire an engineering or architectural  
5 consultant to assist the department with the development of project  
6 performance criteria and requests for proposals, with evaluation of  
7 proposals, with evaluation of the construction to determine adherence to  
8 the project performance criteria, and with any additional services  
9 requested by the department to represent its interests in relation to a  
10 project. The procedures used to hire such person or organization shall  
11 comply with the Nebraska Consultants' Competitive Negotiation Act. The  
12 person or organization hired shall be ineligible to be included as a  
13 provider of other services in a proposal for the project for which he or  
14 she has been hired, and shall not be employed by or have a financial or  
15 other interest in a design-builder or construction manager who will  
16 submit a proposal.

17       Sec. 11. The department shall adopt guidelines for entering into a  
18 design-build contract or construction manager-general contractor  
19 contract. The guidelines shall include the following:

- 20       (1) Preparation and content of requests for qualifications;  
21       (2) Preparation and content of requests for proposals;  
22       (3) Qualification and short-listing of design-builders and  
23 construction managers. The guidelines shall provide that the department  
24 will evaluate prospective design-builders and construction managers based  
25 on the information submitted to the department in response to a request  
26 for qualifications and will select a short list of design-builders or  
27 construction managers who shall be considered qualified and eligible to  
28 respond to the request for proposals;  
29       (4) Preparation and submittal of proposals;  
30       (5) Procedures and standards for evaluating proposals;  
31       (6) Procedures for negotiations between the department and the

1 design-builders or construction managers submitting proposals prior to  
2 the acceptance of a proposal if any such negotiations are contemplated;  
3 and

4 (7) Procedures for the evaluation of construction under a design-  
5 build contract to determine adherence to the project performance  
6 criteria.

7 Sec. 12. The process for selecting a design-builder and entering  
8 into a design-build contract shall be in accordance with sections 13 to  
9 16 of this act.

10 Sec. 13. (1) The department shall prepare a request for  
11 qualifications for design-build proposals and shall prequalify design-  
12 builders. The request for qualifications shall describe the project in  
13 sufficient detail to permit a design-builder to respond. The request for  
14 qualifications shall identify the maximum number of design-builders the  
15 department will place on a short list as qualified and eligible to  
16 receive a request for proposals.

17 (2) A person or organization hired by the department under section  
18 10 of this act shall be ineligible to compete for a design-build contract  
19 on the same project for which the person or organization was hired.

20 (3) The request for qualifications shall be (a) published in a  
21 newspaper of statewide circulation at least thirty days prior to the  
22 deadline for receiving the request for qualifications and (b) sent by  
23 first-class mail to any design-builder upon request.

24 (4) The department shall create a short list of qualified and  
25 eligible design-builders in accordance with the guidelines adopted  
26 pursuant to section 11 of this act. The department shall select at least  
27 two prospective design-builders, except that if only one design-builder  
28 has responded to the request for qualifications, the department may, in  
29 its discretion, proceed or cancel the procurement. The request for  
30 proposals shall be sent only to the design-builders placed on the short  
31 list.

1           Sec. 14. The department shall prepare a request for proposals for  
2 each design-build contract. The request for proposals shall contain, at a  
3 minimum, the following elements:

4           (1) The guidelines adopted by the department in accordance with  
5 section 11 of this act. The identification of a publicly accessible  
6 location of the guidelines, either physical or electronic, shall be  
7 considered compliance with this subdivision;

8           (2) The proposed terms and conditions of the design-build contract,  
9 including any terms and conditions which are subject to further  
10 negotiation;

11           (3) A project statement which contains information about the scope  
12 and nature of the project;

13           (4) A statement regarding alternate technical concepts including the  
14 process and time period in which such concepts may be submitted,  
15 confidentiality of the concepts, and ownership of the rights to the  
16 intellectual property contained in such concepts;

17           (5) Project performance criteria;

18           (6) Budget parameters for the project;

19           (7) Any bonding and insurance required by law or as may be  
20 additionally required by the department;

21           (8) The criteria for evaluation of proposals and the relative weight  
22 of each criterion. The criteria shall include, but are not limited to,  
23 the cost of the work, construction experience, design experience, and the  
24 financial, personnel, and equipment resources available for the project.  
25 The relative weight to apply to any criterion shall be at the discretion  
26 of the department based on each project, except that in all cases, the  
27 cost of the work shall be given a relative weight of at least fifty  
28 percent;

29           (9) A requirement that the design-builder provide a written  
30 statement of the design-builder's proposed approach to the design and  
31 construction of the project, which may include graphic materials

1 illustrating the proposed approach to design and construction and shall  
2 include price proposals;

3 (10) A requirement that the design-builder agree to the following  
4 conditions:

5 (a) At the time of the design-build proposal, the design-builder  
6 must furnish to the department a written statement identifying the  
7 architect or engineer who will perform the architectural or engineering  
8 work for the project. The architect or engineer engaged by the design-  
9 builder to perform the architectural or engineering work with respect to  
10 the project must have direct supervision of such work and may not be  
11 removed by the design-builder prior to the completion of the project  
12 without the written consent of the department;

13 (b) At the time of the design-build proposal, the design-builder  
14 must furnish to the department a written statement identifying the  
15 general contractor who will provide the labor, material, supplies,  
16 equipment, and construction services. The general contractor identified  
17 by the design-builder may not be removed by the design-builder prior to  
18 completion of the project without the written consent of the department;

19 (c) A design-builder offering design-build services with its own  
20 employees who are design professionals licensed to practice in Nebraska  
21 must (i) comply with the Engineers and Architects Regulation Act by  
22 procuring a certificate of authorization to practice architecture or  
23 engineering and (ii) submit proof of sufficient professional liability  
24 insurance in the amount required by the department; and

25 (d) The rendering of architectural or engineering services by a  
26 licensed architect or engineer employed by the design-builder must  
27 conform to the Engineers and Architects Regulation Act; and

28 (11) Other information or requirements which the department, in its  
29 discretion, chooses to include in the request for proposals.

30 Sec. 15. The department shall pay a stipend to qualified design-  
31 builders that submit responsive proposals but are not selected. Payment

1 of the stipend shall give the department ownership of the intellectual  
2 property contained in the proposals and alternate technical concepts. The  
3 amount of the stipend shall be at the discretion of the department.

4       Sec. 16. (1) Design-builders shall submit proposals as required by  
5 the request for proposals. The department may meet with individual  
6 design-builders prior to the time of submitting the proposal and may have  
7 discussions concerning alternative technical concepts. If an alternative  
8 technical concept provides a solution that is equal to or better than the  
9 requirements in the request for proposals and the alternative technical  
10 concept is acceptable to the department, it may be incorporated as part  
11 of the proposal by the design-builder. Notwithstanding any other  
12 provision of state law to the contrary, alternative technical concepts  
13 shall be confidential and not disclosed to other design-builders or  
14 members of the public from the time the proposals are submitted until  
15 such proposals are opened by the department.

16       (2) Proposals shall be sealed and shall not be opened until  
17 expiration of the time established for making the proposals as set forth  
18 in the request for proposals.

19       (3) Proposals may be withdrawn at any time prior to the opening of  
20 such proposals in which case no stipend shall be paid. The department  
21 shall have the right to reject any and all proposals at no cost to the  
22 department other than any stipend for design-builders who have submitted  
23 responsive proposals. The department may thereafter solicit new proposals  
24 using the same or different project performance criteria or may cancel  
25 the design-build solicitation.

26       (4) The department shall rank the design-builders in order of best  
27 value pursuant to the criteria in the request for proposals. The  
28 department may meet with design-builders prior to ranking.

29       (5) The department may attempt to negotiate a design-build contract  
30 with the highest ranked design-builder selected by the department and may  
31 enter into a design-build contract after negotiations. If the department



1 is unable to negotiate a satisfactory design-build contract with the  
2 highest ranked design-builder, the department may terminate negotiations  
3 with that design-builder. The department may then undertake negotiations  
4 with the second highest ranked design-builder and may enter into a  
5 design-build contract after negotiations. If the department is unable to  
6 negotiate a satisfactory contract with the second highest ranked design-  
7 builder, the department may undertake negotiations with the third highest  
8 ranked design-builder, if any, and may enter into a design-build contract  
9 after negotiations.

10 (6) If the department is unable to negotiate a satisfactory contract  
11 with any of the ranked design-builders, the department may either revise  
12 the request for proposals and solicit new proposals or cancel the design-  
13 build process under sections 8 to 23 of this act.

14 Sec. 17. (1) The process for selecting a construction manager and  
15 entering into a construction manager-general contractor contract shall be  
16 in accordance with this section and sections 18 to 20 of this act.

17 (2) The department shall prepare a request for qualifications for  
18 construction manager-general contractor contract proposals and shall  
19 prequalify construction managers. The request for qualifications shall  
20 describe the project in sufficient detail to permit a construction  
21 manager to respond. The request for qualifications shall identify the  
22 maximum number of eligible construction managers the department will  
23 place on a short list as qualified and eligible to receive a request for  
24 proposals.

25 (3) The request for qualifications shall be (a) published in a  
26 newspaper of statewide circulation at least thirty days prior to the  
27 deadline for receiving the request for qualifications and (b) sent by  
28 first-class mail to any construction manager upon request.

29 (4) The department shall create a short list of qualified and  
30 eligible construction managers in accordance with the guidelines adopted  
31 pursuant to section 11 of this act. The department shall select at least

1 two construction managers, except that if only one construction manager  
2 has responded to the request for qualifications, the department may, in  
3 its discretion, proceed or cancel the procurement. The request for  
4 proposals shall be sent only to the construction managers placed on the  
5 short list.

6 Sec. 18. The department shall prepare a request for proposals for  
7 each construction manager-general contractor contract. The request for  
8 proposals shall contain, at a minimum, the following elements:

9 (1) The guidelines adopted by the department in accordance with  
10 section 11 of this act. The identification of a publicly accessible  
11 location of the guidelines, either physical or electronic, shall be  
12 considered compliance with this subdivision;

13 (2) The proposed terms and conditions of the contract, including any  
14 terms and conditions which are subject to further negotiation;

15 (3) Any bonding and insurance required by law or as may be  
16 additionally required by the department;

17 (4) General information about the project which will assist the  
18 department in its selection of the construction manager, including a  
19 project statement which contains information about the scope and nature  
20 of the project, the project site, the schedule, and the estimated budget;

21 (5) The criteria for evaluation of proposals and the relative weight  
22 of each criterion;

23 (6) A statement that the construction manager shall not be allowed  
24 to sublet, assign, or otherwise dispose of any portion of the contract  
25 without consent of the department. In no case shall the department allow  
26 the construction manager to sublet more than seventy percent of the work,  
27 excluding specialty items; and

28 (7) Other information or requirements which the department, in its  
29 discretion, chooses to include in the request for proposals.

30 Sec. 19. (1) Construction managers shall submit proposals as  
31 required by the request for proposals;

1       (2) Proposals shall be sealed and shall not be opened until  
2 expiration of the time established for making the proposals as set forth  
3 in the request for proposals;

4       (3) Proposals may be withdrawn at any time prior to signing a  
5 contract for preconstruction services. The department shall have the  
6 right to reject any and all proposals at no cost to the department. The  
7 department may thereafter solicit new proposals or may cancel the  
8 construction manager-general contractor procurement process;

9       (4) The department shall rank the construction managers in  
10 accordance with the qualification-based selection process and pursuant to  
11 the criteria in the request for proposals. The department may meet with  
12 construction managers prior to the ranking;

13       (5) The department may attempt to negotiate a contract for  
14 preconstruction services with the highest ranked construction manager and  
15 may enter into a contract for preconstruction services after  
16 negotiations. If the department is unable to negotiate a satisfactory  
17 contract for preconstruction services with the highest ranked  
18 construction manager, the department may terminate negotiations with that  
19 construction manager. The department may then undertake negotiations with  
20 the second highest ranked construction manager and may enter into a  
21 contract for preconstruction services after negotiations. If the  
22 department is unable to negotiate a satisfactory contract with the second  
23 highest ranked construction manager, the department may undertake  
24 negotiations with the third highest ranked construction manager, if any,  
25 and may enter into a contract for preconstruction services after  
26 negotiations.

27       (6) If the department is unable to negotiate a satisfactory contract  
28 for preconstruction services with any of the ranked construction  
29 managers, the department may either revise the request for proposals and  
30 solicit new proposals or cancel the construction manager-general  
31 contractor contract process under sections 8 to 23 of this act.

1           Sec. 20.     (1) Before the construction manager begins any  
2     construction services, the department shall:

3           (a) Conduct an independent cost estimate for the project; and

4           (b) Conduct contract negotiations with the construction manager to  
5     develop a construction manager-general contractor contract for  
6     construction services.

7           (2) If the construction manager and the department are unable to  
8     negotiate a contract, the department may use other contract procurement  
9     processes. Persons or organizations who submitted proposals but were  
10    unable to negotiate a contract with the department shall be eligible to  
11    compete in the other contract procurement processes.

12          Sec. 21.   A design-build contract and a construction manager-general  
13    contractor contract may be conditioned upon later refinements in scope  
14    and price and may permit the department in agreement with the design-  
15    builder or construction manager to make changes in the project without  
16    invalidating the contract.

17          Sec. 22.   The department may enter into agreements under sections 8  
18    to 23 of this act to let, design, and construct projects for political  
19    subdivisions when any of the funding for such projects is provided by or  
20    through the department. In such instances, the department may enter into  
21    contracts with the design-builder or construction manager. The provisions  
22    of the Political Subdivisions Construction Alternatives Act shall not  
23    apply to projects let, designed, and constructed under the supervision of  
24    the department pursuant to agreements with political subdivisions under  
25    sections 8 to 23 of this act.

26          Sec. 23.   Nothing in sections 8 to 23 of this act shall limit or  
27    reduce statutory or regulatory requirements regarding insurance.

28          Sec. 24.   The department may adopt and promulgate rules and  
29    regulations to carry out the Transportation Innovation Act.

30          Sec. 25.   Section 39-1348, Revised Statutes Supplement, 2015, is  
31    amended to read:

1           39-1348 Except as otherwise provided in sections 8 to 23 of this  
2 act, when Before letting contracts for the construction, reconstruction,  
3 improvement, maintenance, or repair of roads, bridges, and their  
4 appurtenances, the department shall solicit bids as follows:

5           (1) For contracts with an estimated cost, as determined by the  
6 department, of greater than one hundred thousand dollars, the department  
7 shall advertise for sealed bids for not less than twenty days by  
8 publication of a notice thereof once a week for three consecutive weeks  
9 in the official county newspaper designated by the county board in the  
10 county where the work is to be done and in such additional newspaper or  
11 newspapers as may appear necessary to the department in order to give  
12 notice of the receiving of bids. Such advertisement shall state the place  
13 where the plans and specifications for the work may be inspected and  
14 shall designate the time when the bids shall be filed and opened. If  
15 through no fault of the department publication of such notice fails to  
16 appear in any newspaper or newspapers in the manner provided in this  
17 subdivision, the department shall be deemed to have fulfilled the  
18 requirements of this subdivision; and

19           (2) For contracts with an estimated cost, as determined by the  
20 department, of one hundred thousand dollars or less, the department, in  
21 its sole discretion, shall either:

22           (a) Follow the procedures given in subdivision (1) of this section;  
23 or

24           (b) Request bids from at least three potential bidders for such  
25 work. If the department requests bids under this subdivision, it shall  
26 designate a time when the bids shall be opened. The department may award  
27 a contract pursuant to this subdivision if it receives at least one  
28 responsive bid.

29           Sec. 26. Section 39-1365, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31           39-1365 The Legislature finds and declares that the highways of the

1 state are of the utmost importance to future development within the state  
2 and that the following actions are necessary for such development: (1)  
3 The accelerated completion of all improvement and expansion projects on  
4 the Nebraska segments of the National System of Interstate and Defense  
5 Highways; (2) the accelerated completion of improvement projects on state  
6 highways with geometric and capacity deficiencies; (3) the resurfacing of  
7 highways to protect pavement integrity; (4) the accelerated completion of  
8 the expressway system, as such system is designated on January 1, 2016,  
9 prior to June 30, 2033 ~~development of a system of expressways, which~~  
10 ~~shall include, but not be limited to, a north-south expressway;~~ and (5)  
11 the general upgrading of the state highway system concerning driving  
12 surfaces and surfaced shoulders.

13 Sec. 27. Section 39-1365.02, Revised Statutes Cumulative Supplement,  
14 2014, is amended to read:

15 39-1365.02 (1) The Department of Roads shall apply for and make  
16 maximum use of available federal funding, including discretionary  
17 funding, on all highway construction projects which are eligible for such  
18 assistance.

19 (2) The Department of Roads shall transmit electronically to the  
20 Legislature, by December 1 of each year, a report on the needs of the  
21 state highway system, ~~and~~ the department's planning procedures, and the  
22 progress being made on the expressway system. Such report shall include:

23 (a) The criteria by which highway needs are determined;

24 (b) The standards established for each classification of highways;

25 (c) An assessment of current and projected needs of the state  
26 highway system, such needs to be defined by category of improvement  
27 required to bring each segment up to standards. Projected fund  
28 availability shall not be a consideration by which needs are determined;

29 (d) Criteria and data, including factors enumerated in section  
30 39-1365.01, upon which decisions may be made on possible special priority  
31 highways for commercial growth; ~~and~~

1 (e) A review of the department's procedure for selection of projects  
2 for the annual construction program, the five-year planning program, and  
3 extended planning programs;

4 (f) A review of the progress being made toward completion of the  
5 expressway system, as such system is designated on January 1, 2016, and  
6 whether such work is on pace for completion prior to June 30, 2033; and

7 (g) A review of the Transportation Infrastructure Bank Fund and the  
8 fund's component programs under sections 3 to 7 of this act, including  
9 information on funds pledged by the department under subsection (3) of  
10 section 3 of this act.

11 Sec. 28. Section 73-101, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 73-101 Whenever the State of Nebraska, or any department or any  
14 agency thereof, any county board, county clerk, county highway  
15 superintendent, the mayor and city council or commissioner of any  
16 municipality, any entity created pursuant to the Interlocal Cooperation  
17 Act or the Joint Public Agency Act, or the officers of any school  
18 district, township, or other governmental subdivision, shall advertise  
19 for bids in pursuance of any statutes of the State of Nebraska, on any  
20 road contract work or any public improvements work, or for supplies,  
21 construction, repairs, and improvements, and in all other cases where  
22 bids for supplies or work, of any character whatsoever, are received for  
23 the various departments and agencies of the state, and other subdivisions  
24 and agencies enumerated in this section, they shall fix not only the day  
25 upon which such bids shall be returned, received, or opened, as provided  
26 by other statutes, but shall also fix the hour at which such bids shall  
27 close, or be received or opened, and they shall also provide that such  
28 bids shall be immediately and simultaneously opened in the presence of  
29 the bidders, or representatives of the bidders, when the hour is reached  
30 for the bids to close. If bids are being opened on more than one  
31 contract, the officials having in charge the opening of such bids may, if

1 they deem it advisable, award each contract as the bids are opened.  
2 Sections 73-101 to 73-106 shall not apply to sections 8 to 23 of this  
3 act.

4 Sec. 29. Section 73-307, Revised Statutes Cumulative Supplement,  
5 2014, is amended to read:

6 73-307 Sections 73-301 to 73-306 shall not apply to the Nebraska  
7 Consultants' Competitive Negotiation Act, sections 8 to 23 of this act,  
8 or section 57-1503.

9 Sections 73-301 to 73-306 shall not be construed to apply to  
10 renewals of contracts already approved pursuant to or not subject to such  
11 sections, to amendments to such contracts, or to renewals of such  
12 amendments unless the amendments would directly cause or result in the  
13 replacement by the private entity of additional permanent state employees  
14 or positions greater than the replacement caused by the original  
15 contract.

16 Sec. 30. Section 81-1701, Revised Statutes Supplement, 2015, is  
17 amended to read:

18 81-1701 The purpose of the Nebraska Consultants' Competitive  
19 Negotiation Act is to provide managerial control over competitive  
20 negotiations by the state for acquisition of professional architectural,  
21 engineering, landscape architecture, or land surveying services. The act  
22 does not apply to (1) contracts under section 57-1503, (2) ~~or~~ contracts  
23 under subsection (4) of section 39-1349, or (3) contracts under sections  
24 8 to 23 of this act, except as provided in section 10 of this act.

25 Sec. 31. Section 84-612, Revised Statutes Supplement, 2015, is  
26 amended to read:

27 84-612 (1) There is hereby created within the state treasury a fund  
28 known as the Cash Reserve Fund which shall be under the direction of the  
29 State Treasurer. The fund shall only be used pursuant to this section.

30 (2) The State Treasurer shall transfer funds from the Cash Reserve  
31 Fund to the General Fund upon certification by the Director of



1 Administrative Services that the current cash balance in the General Fund  
2 is inadequate to meet current obligations. Such certification shall  
3 include the dollar amount to be transferred. Any transfers made pursuant  
4 to this subsection shall be reversed upon notification by the Director of  
5 Administrative Services that sufficient funds are available.

6 (3) In addition to receiving transfers from other funds, the Cash  
7 Reserve Fund shall receive federal funds received by the State of  
8 Nebraska for undesignated general government purposes, federal revenue  
9 sharing, or general fiscal relief of the state.

10 (4) On July 7, 2009, the State Treasurer shall transfer five million  
11 dollars from the Cash Reserve Fund to the Roads Operations Cash Fund. The  
12 Department of Roads shall use such funds to provide the required state  
13 match for federal funding made available to the state through  
14 congressional earmarks.

15 (5) The State Treasurer shall transfer a total of sixty-eight  
16 million dollars from the Cash Reserve Fund to the General Fund on or  
17 before June 30, 2013, on such dates and in such amounts as directed by  
18 the budget administrator of the budget division of the Department of  
19 Administrative Services.

20 (6) The State Treasurer shall transfer ten million dollars from the  
21 Cash Reserve Fund to the General Fund on or before June 30, 2013, on such  
22 date as directed by the budget administrator of the budget division of  
23 the Department of Administrative Services.

24 (7) The State Treasurer, at the direction of the budget  
25 administrator of the budget division of the Department of Administrative  
26 Services, shall transfer not to exceed forty-three million fifteen  
27 thousand four hundred fifty-nine dollars in total from the Cash Reserve  
28 Fund to the Nebraska Capital Construction Fund between July 1, 2013, and  
29 June 30, 2017.

30 (8) The State Treasurer shall transfer fourteen million five hundred  
31 thousand dollars from the Cash Reserve Fund to the Nebraska Capital

1 Construction Fund on or before June 30, 2015, on such date as directed by  
2 the budget administrator of the budget division of the Department of  
3 Administrative Services.

4 (9) The State Treasurer shall transfer fifty million five hundred  
5 thousand dollars from the Cash Reserve Fund to the General Fund on or  
6 before December 31, 2014, on such date as directed by the budget  
7 administrator of the budget division of the Department of Administrative  
8 Services.

9 (10) The State Treasurer shall transfer up to five million five  
10 hundred thousand dollars from the Cash Reserve Fund to the Republican  
11 River Compact Litigation Contingency Cash Fund on or before June 30,  
12 2015, on such dates and in such amounts as directed by the budget  
13 administrator of the budget division of the Department of Administrative  
14 Services.

15 (11) The State Treasurer shall transfer up to seventeen million two  
16 hundred one thousand one hundred twelve dollars from the Cash Reserve  
17 Fund to the General Fund on or before June 30, 2015, on such date and in  
18 such amount as directed by the budget administrator of the budget  
19 division of the Department of Administrative Services.

20 (12) The State Treasurer shall transfer twenty-five million dollars  
21 from the Cash Reserve Fund to the Nebraska Capital Construction Fund on  
22 or after July 1, 2015, but before July 15, 2015, on such date as directed  
23 by the budget administrator of the budget division of the Department of  
24 Administrative Services for the Global Center for Advanced  
25 Interprofessional Learning.

26 (13) The State Treasurer shall transfer eight million dollars from  
27 the Cash Reserve Fund to the Oral Health Training and Services Fund, on  
28 or after July 1, 2015, but before July 15, 2015, on such date as directed  
29 by the budget administrator of the budget division of the Department of  
30 Administrative Services.

31 (14) The State Treasurer shall transfer the following amounts from

1 the Cash Reserve Fund to the Nebraska Capital Construction Fund on such  
2 dates as directed by the budget administrator of the budget division of  
3 the Department of Administrative Services:

4 (a) Seven million eight hundred four thousand two hundred ninety-two  
5 dollars on or after June 15, 2016, but before June 30, 2016;

6 (b) Seven million one hundred sixty thousand four hundred twelve  
7 dollars on or after June 15, 2019, but before June 30, 2019;

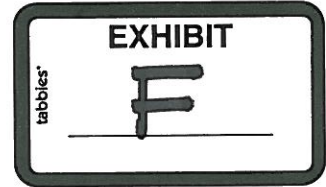
8 (c) Nine million four hundred ninety-two thousand five hundred  
9 sixty-eight dollars on or after June 15, 2021, but before June 30, 2021;  
10 and

11 (d) Three million seven hundred eighty-three thousand seven hundred  
12 thirty-four dollars after June 15, 2023, but before June 30, 2023.

13 (15) The State Treasurer, at the direction of the budget  
14 administrator of the budget division of the Department of Administrative  
15 Services, shall transfer not to exceed one hundred fifty million dollars  
16 in total from the Cash Reserve Fund to the Transportation Infrastructure  
17 Bank Fund between July 1, 2016, and June 30, 2023. The Director-State  
18 Engineer shall certify to the budget administrator the amount or amounts  
19 needed under this subsection for expenditures authorized by sections 3 to  
20 7 of this act.

21 Sec. 32. Original sections 39-1365 and 73-101, Reissue Revised  
22 Statutes of Nebraska, sections 39-1365.02 and 73-307, Revised Statutes  
23 Cumulative Supplement, 2014, and sections 39-1348, 81-1701, and 84-612,  
24 Revised Statutes Supplement, 2015, are repealed.

25 Sec. 33. Since an emergency exists, this act takes effect when  
26 passed and approved according to law.



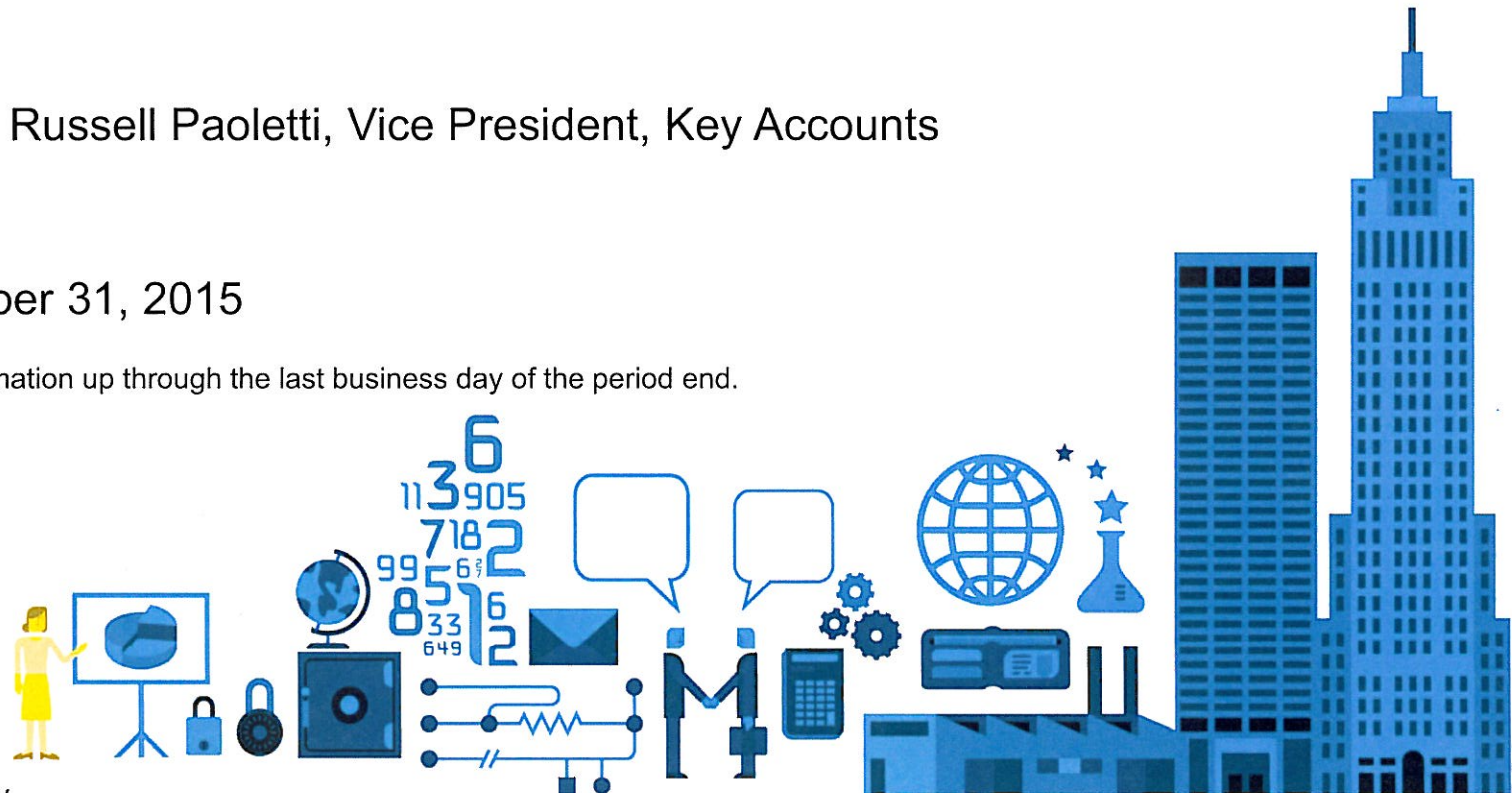
# Lancaster County

## Plan Review

Presented by: Russell Paoletti, Vice President, Key Accounts

As of: December 31, 2015

Report contains information up through the last business day of the period end.

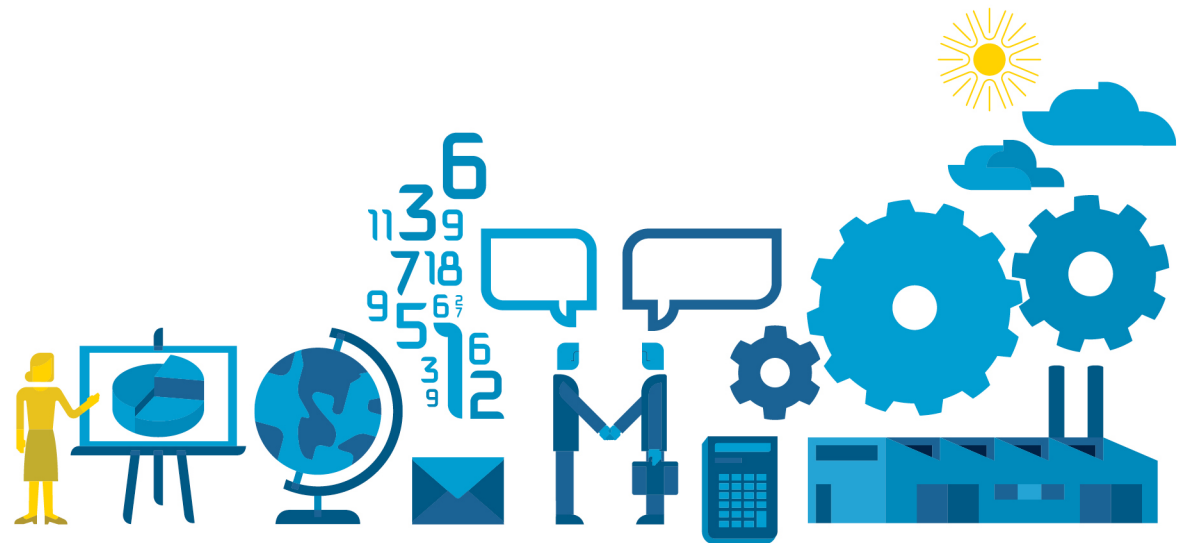


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# Section I: Investment Monitor

# Investment Review



## Lancaster County

Performance results as of December 31, 2015

For Plan Sponsor and Financial Professional use only: Not for use by Participants

**Presented by: Robb D. Craddock, CFA**  
Vice President, Intellectual Capital

**Prepared by: Russell Paoletti**  
Key Accounts, Prudential Retirement

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# Market Commentary

Certain information contained herein may constitute "forward-looking statements," (including observations about markets and industry and regulatory trends as of the original date of this document). Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. As a result, you should not rely on such forward-looking statements in making any decisions. No representation or warranty is made as to future performance or such forward-looking statements.

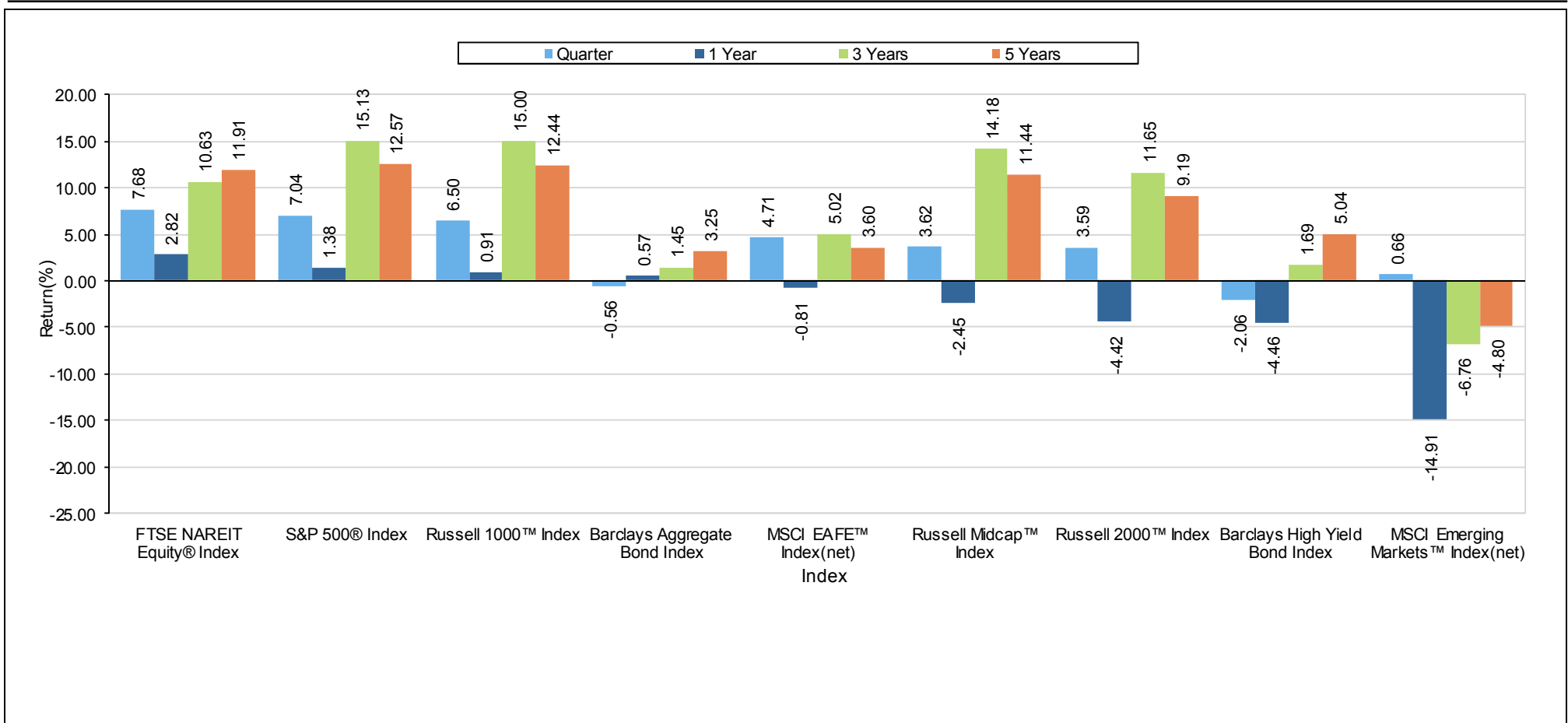
**These materials are not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services and should not be used as the basis for any investment decision. Past performance is not a guarantee or a reliable indicator of future results.**

## Economic Review

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- U.S. GDP increased at an estimated 2.2% annual rate in the quarter, bringing growth for the year to 2.5%. In a year characterized by progressive weakness in world economic conditions, the U.S. was one of the best-performing developed economies. Compared with expectations for 3.3% growth at the start of 2015, world GDP expanded by only 2.3% for the year.
- U.S. corporate profits declined during the second half of the year, spooking equity investors, but the decline was primarily attributable to transitory factors, such as the plunge in energy sector earnings and the negative impact of the surging U.S. dollar. After adjusting for these factors, operating earnings of domestic non-resource companies rose by more than 10% in 2015.
- Following an unprecedented seven years of near-zero interest rates, the Federal Reserve finally voted to hike policy rates on December 16, one of the most anticipated rate hikes in monetary history. Tightening labor market conditions, a strong domestic economy, and the likelihood of somewhat higher inflation in 2016 were cited as justification for the hike.
- Heightened investor concerns over China negatively impacted world financial markets as economic and financial conditions within China deteriorated for most of 2015. Uncertainty around China's transformation from a low-income to a middle-income economy with a focus on consumer spending and services is a major factor.
- World financial markets were forced to grapple with a wide range of shocks during the past year, accentuating the usual hazards for investors in risk assets. 2015 was a year of surprises, including a large shortfall in investment performance in virtually all major asset classes.

# Financial Market Returns



- A rebound in October from earlier declines brought world equity markets into positive territory for the fourth quarter despite a further drop in December. The strongest returns were in the U.S., Europe, and Japan. The broad U.S. market was up modestly for the year, while developed international stocks ended the year slightly lower in dollar terms.
- Emerging markets have lagged global equities by a significant margin, and have declined by nearly 30% over the past 18 months, led by a 50% decline in Latin American equities. Latin America was weighed down by slowing growth in China, collapsing commodity prices, and meaningful currency depreciation relative to the U.S. dollar.
- Investment grade fixed income markets delivered a negative return for the quarter and slightly positive return for the year against the backdrop of modest yields and rising rates. Similar to equities, these returns mask considerable volatility. In addition, liquidity and redemption risk stemming from the Energy sector continued to put pressure on high yield bond prices.

Data Source: Russell/Mellon Analytical Services

This chart is for illustration purposes only and is not meant to represent the performance of any investment. Investors cannot invest directly in an index. Past performance does not guarantee future results. This material is for plan sponsor and financial professional use only and cannot be reproduced or shown to members of the public.

# Domestic Equity Style Returns

**Quarter**

Large (Russell 1000™ Index)	5.64	6.50	7.32
Mid (Russell Midcap™ Index)	3.11	3.62	4.11
Small (Russell 2000™ Index)	2.88	3.59	4.32
	Value	Blend	Growth

- As has been true in the U.S. the past two years, value stocks lagged growth during the quarter. Weakness in the world economy made investors more willing to pay a premium for faster growing companies. Since 2007, the value index has lagged the growth index by more than 2.5% annually – a period of eight consecutive years – and the longest losing stretch for value on record dating back to 1926.
- Large cap stocks outperformed by a large margin, as mega caps such as Facebook, Amazon, Netflix, and Google (the so-called FANGs) exerted a large positive influence on market weighted indices.
- Economically sensitive smaller cap stocks underperformed in the one, three, and five year periods.

**1 Year**

Large (Russell 1000™ Index)	-3.84	0.91	5.68
Mid (Russell Midcap™ Index)	-4.79	-2.45	-0.20
Small (Russell 2000™ Index)	-7.47	-4.42	-1.38
	Value	Blend	Growth

**3 Years**

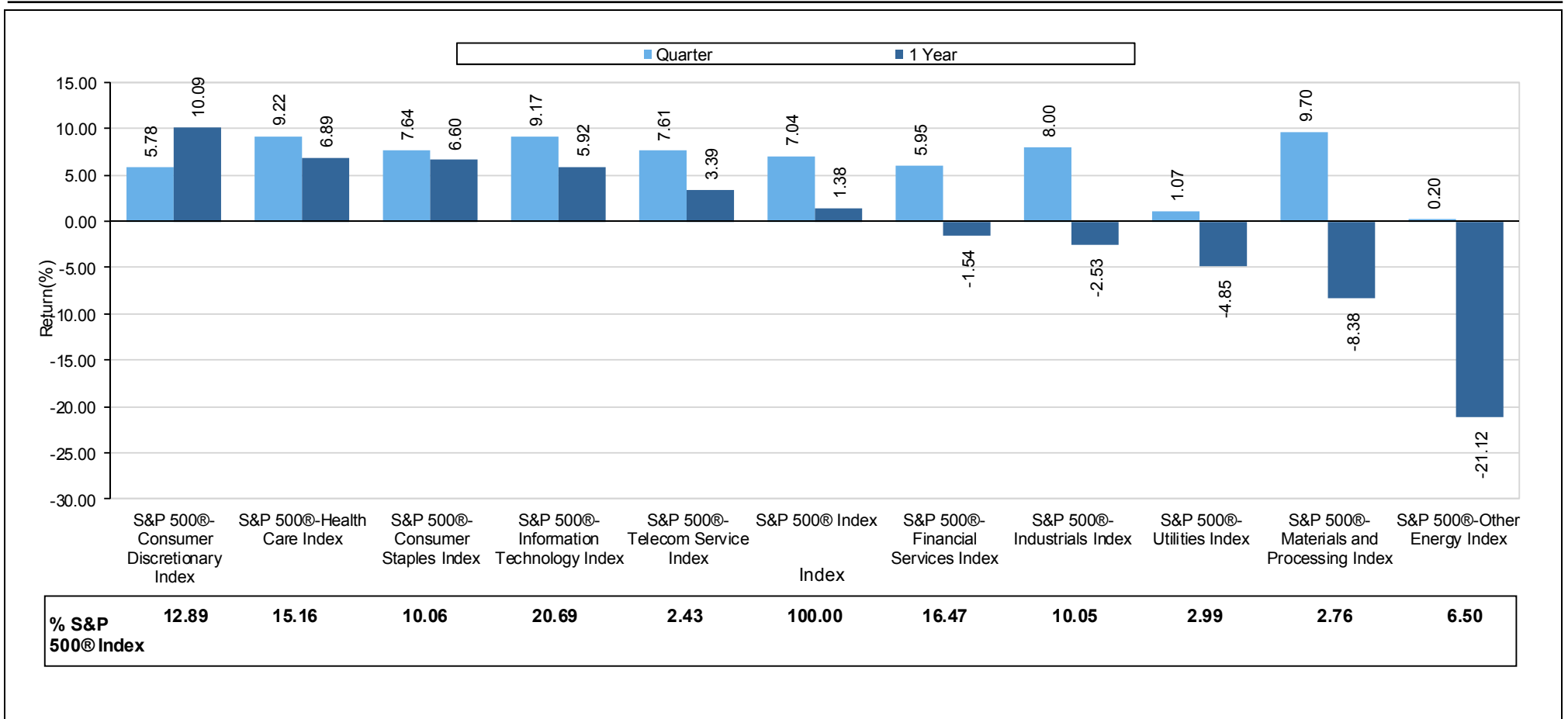
Large (Russell 1000™ Index)	13.08	15.00	16.84
Mid (Russell Midcap™ Index)	13.40	14.18	14.88
Small (Russell 2000™ Index)	9.06	11.65	14.28
	Value	Blend	Growth

**5 Years**

Large (Russell 1000™ Index)	11.27	12.44	13.54
Mid (Russell Midcap™ Index)	11.25	11.44	11.55
Small (Russell 2000™ Index)	7.67	9.19	10.68
	Value	Blend	Growth

Data Source: Russell/Mellon Analytical Services

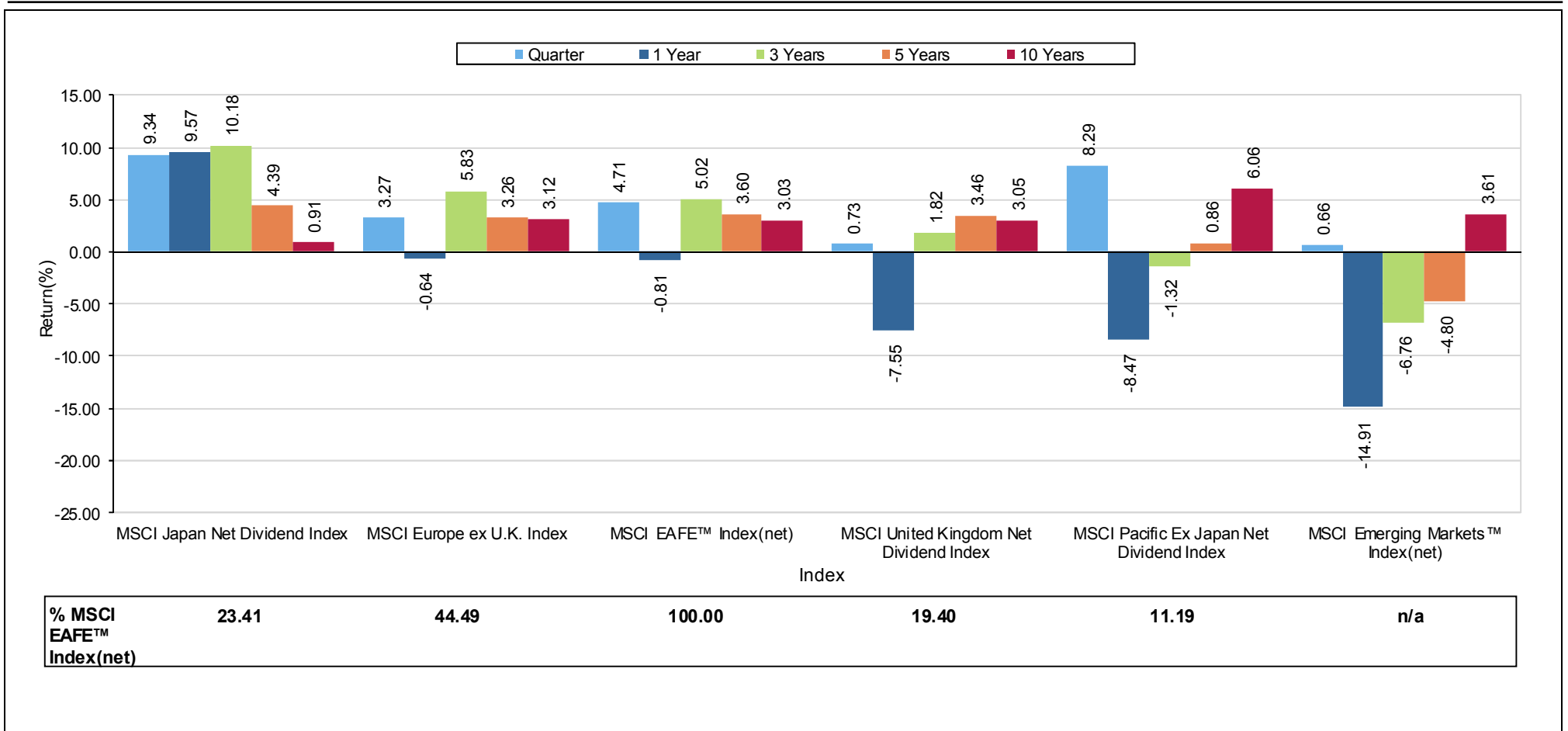
# S&P 500 Sector Performance



- While flat for the quarter, the Energy sector was punished in 2015 as the price of crude oil collapsed to under \$40 per barrel. The Materials sector was also down sharply for the year as the broad commodity complex experienced significant price weakness.
- While most sectors posted single digit positive returns for the quarter and year, the economically sensitive Financials and Industrials finished 2015 in negative territory. A combination of Federal Reserve tightening, a strong dollar, and weakness in the Energy sector contributed to the negative returns.
- Consumer Discretionary led the S&P 500 for the year due to above average profit growth and thanks in large part to Netflix and Amazon, the year's best S&P performers.

Data Source: Russell/Mellon Analytical Services

# International Index Returns

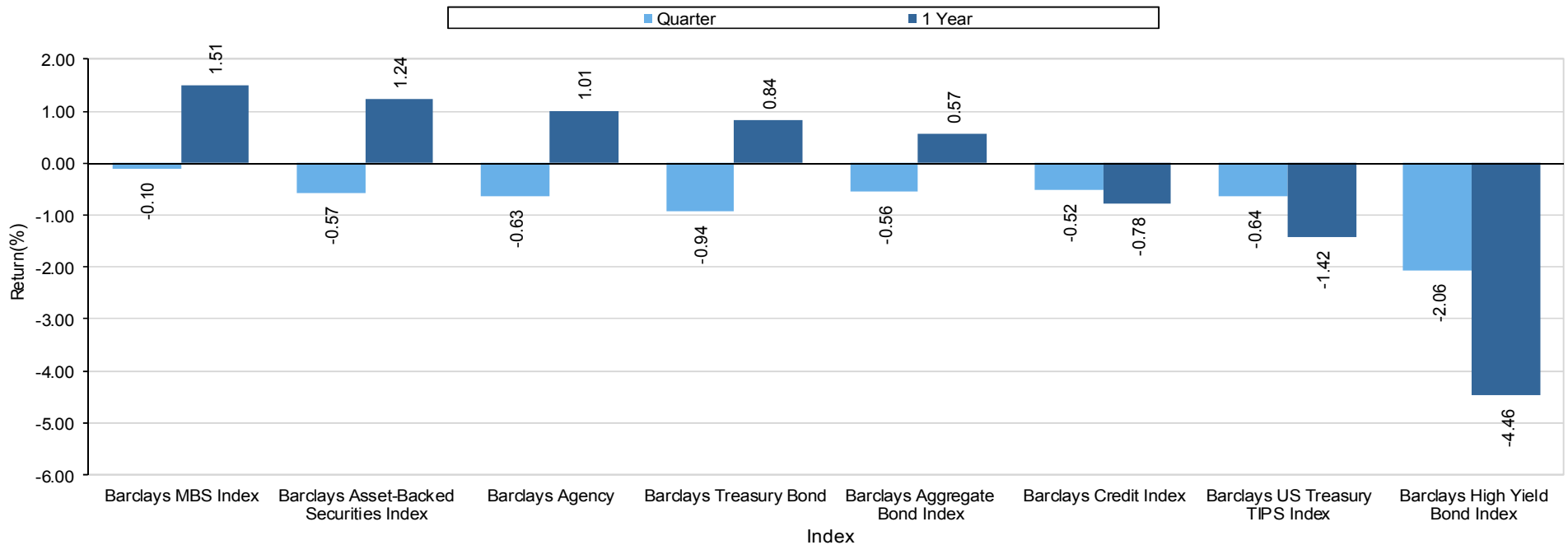


- International developed markets rebounded in October, bringing the quarter return for the MSCI EAFE Index to 4.71% despite further declines in December. Economic stabilization, accommodative monetary policy, and improving earnings growth contributed. For the year, the EAFE index experienced a slight loss in U.S. dollar terms.
- Developed economies continue to hold up considerably better relative to Emerging economies. Emerging Market returns were flat for the quarter but down significantly for the year due to depressed commodity prices, slowing growth, China dependency, and a strong U.S. dollar.
- European and Japanese equities had a strong quarter, although Europe lost ground in December. Investors believe the Japanese economy is at an early phase of recovery, aided by a weak currency and improving world trade. The European economic recovery appears on track and should continue to benefit from an accommodative European Central Bank Policy, weak currency, low oil prices and a better capitalized banking sector.

Data Source: Russell/Mellon Analytical Services

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# Fixed Income Returns



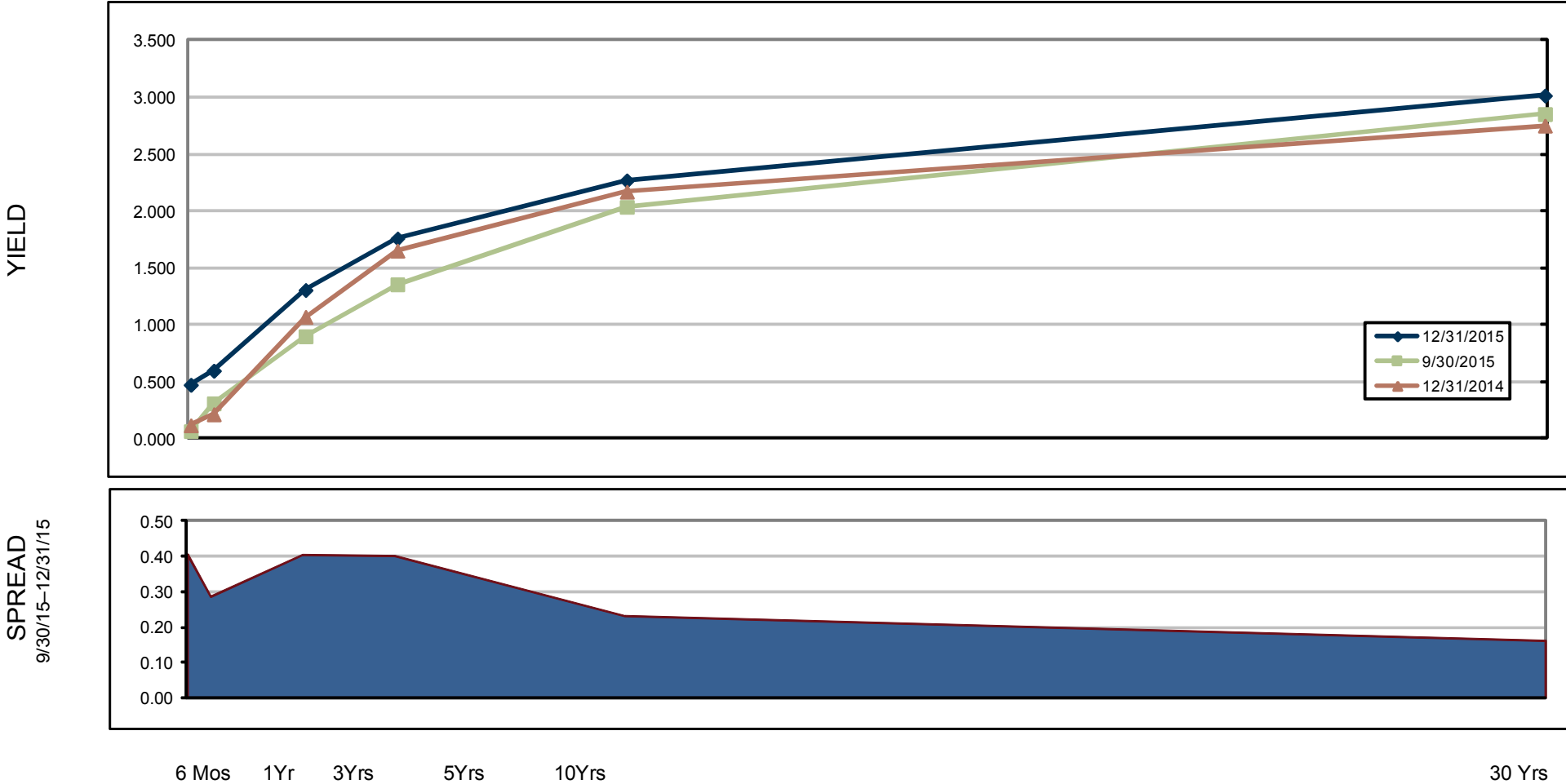
% Barclays Aggregate Bond Index	28.64	2.39	8.20	36.43	100.00	24.27	n/a	n/a
---------------------------------	-------	------	------	-------	--------	-------	-----	-----

- U.S. fixed income underperformed equities for the quarter. All components of the Barclays Aggregate index posted negative returns for the quarter as a result of widening credit spreads and an increase in the federal funds rate.
- Total rates of return on investment grade bonds were barely above zero for the year. Fixed income markets are typically a beneficiary of a strong dollar but not in 2015.
- High yield was the worst performing fixed income sector overall, with a negative return of approximately 2% for the quarter and 5% for the year. Liquidity and redemption risk stemming from the energy sector continue to put pressure on prices.

Data Source: Russell/Mellon Analytical Services

This chart is for illustration purposes only and is not meant to represent the performance of any investment. Investors cannot invest directly in an index. Past performance does not guarantee future results. This material is for plan sponsor and financial professional use only and cannot be reproduced or shown to members of the public.

# U.S. Treasury Yield Curve



- On December 16th, following seven years of near-zero short-term interest rates, the Federal Reserve began its rate-tightening cycle by raising the federal funds rate 25 basis points. The Federal Reserve Open Market Committee emphasized that the expected pace of the rate increases would be data dependent and would be implemented at a moderate pace in order to ensure sustained economic growth.
- The short end of the yield curve experienced the largest increase in yields over the course of 2015. By late December, the two-year yield reached its highest level since 2010. The U.S. Treasury yield curve flattened modestly in the fourth quarter, as intermediate rates rose at a faster pace relative to long-term rates.

This chart is for illustration purposes only and is not meant to represent the performance of any investment. Investors cannot invest directly in an index. Past performance does not guarantee future results. This material is for plan sponsor and financial professional use only and cannot be reproduced or shown to members of the public.

Source: Bloomberg



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## Economic & Market Outlook

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- The central theme in the 2016 outlook is the potential for a sharp reversal in the key economic, financial and policy trends that shaped the world economy in 2015. Growth appears likely to strengthen over the next two years, based upon improving conditions in Europe and China, accommodative central bank policies, strong import demand from the U.S., and favorable energy costs.
- The Chinese economy, source of much recent volatility, should begin to stabilize during the first half of the year, followed by a gradual acceleration in GDP growth through 2017. Neither an economic hard landing nor a financial crisis appears likely.
- U.S. real GDP growth should finally accelerate in 2016, following more than six years of extremely stable but unsatisfactory growth averaging 2.2%. Underlying fundamental trends within the U.S. economy remain on a steadily improving path. The risk of recession near term appears low.
- In unison with the global economy, world financial markets appear poised for a significant shift in direction this year. The central investment theme of 2015 was heightened investor fears and extreme risk aversion. A likely theme for 2016 is a sharp decline in risk aversion and increase in investor demand for risk assets.
- With a gradual revival in investor risk appetites, economically sensitive assets – such as equities and high yield bonds – should perform best in 2016, while defensive assets – such as government bonds – should perform worst. A return to value investing could be another theme, as investors have seemingly ignored valuation in favor of momentum strategies. Global equity markets offer better potential rates of return relative to the U.S.

# Plan Summary

## EXPLANATION OF PERFORMANCE INFORMATION

The following tables provide fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised, Institutional Select, Alliance Mutual Funds and Proprietary Funds if applicable. For Institutional Sub-Advised and Institutional Select Funds, the PRIAC Separate Accounts hold the investment securities. Prudential Retirement Insurance and Annuity Company (PRIAC) assumes no responsibility for monitoring performance of the investment manager of any Institutional Select Fund. PERFORMANCE: When such funds have fewer than five years of performance history, three types of performance information are provided to assist you in choosing your plan's investment options. "Fund Performance" represents the actual performance of the fund for all periods since the inception date of the fund (which is shown in this line). "Manager's Composite" represents the composite return of multiple portfolios advised by the Manager since the inception date. These portfolios have an investment style and approach similar to the investment style of the fund. "Blended" represents a combination of the actual Fund performance and the current Manager's Composite performance. Actual Fund performance is used for periods after the fund was managed by the current Manager. For periods before the current Manager's assumption of Fund management, the Manager's Composite return is used. Therefore, when no Actual Fund performance with the current manager exists, the Blended performance line will equal the Manager Composite line. The inception date associated with this line is the inception date of the Manager's Composite. "Since Inception" returns are only provided when the inception date is less than 10 years ago. All performance is net of the expense ratio shown for that line.

For Alliance Mutual Funds, performance shown for the Separate Account is the performance of the underlying mutual fund. If the mutual fund's inception was before the Separate Account's inception date, mutual fund performance is shown for the prior periods. Performance for all periods reflects the reinvestment of mutual fund dividends and capital gains (as applicable). Any sub-accounting or distribution fees paid to Prudential by the underlying mutual fund complex is disclosed in the fact sheet for the fund. Any reference to share class refers to the underlying investment of the separate account and does not indicate that this is an investment directly into this share class.

Our pricing for your plan sometimes includes contract charges. If included, the contract charges would reduce the performance shown below. Any contract charges are disclosed to you. Regarding your members, the expense ratio shown in their statements and in the performance shown on their statements will reflect any contract charges imposed. The management fees, fund fees and contract charges compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with the fund you select. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

Shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company.

- ⚙ Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.
- ⚙ Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.
- ⚙ **The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.**
- ⚙ Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

Investing in securities involves risk, including the possible loss of principal. Unforeseen market conditions have the potential to maximize losses. Investors are urged to carefully consider their personal risk tolerance, retirement time horizon, and willingness to weather severe market downturns before making investment decisions.

Indexes are unmanaged and cannot be invested in directly.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

For Manager of Managers Institutional Sub-Advised funds and Institutional Select Funds, ACTUAL PERFORMANCE MAY BE AFFECTED BY THE MANAGER NOT BEING ABLE TO INVEST DIRECTLY IN A COUNTRY PRIOR TO SATISFACTION OF THAT COUNTRY'S LEGAL REQUIREMENTS.

**Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-877-778-2100 for a free**

**prospectus and if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available carefully before investing. It is possible to lose money when investing in securities.**

#Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

The Gibraltar Guaranteed Fund is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency.

Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

At times Prudential Retirement solicits and/or receives financial support for certain of its conferences from investment advisory firms. Please contact your Prudential Retirement representative for more information.

## Executive Summary - 006371

Asset Class	Current Funds	Assets	% of Assets	Meets Perf. <sup>1</sup> Criteria 12/31/15	DDA <sup>2</sup> Rank 12/31/15	Morningstar® Percentile Ranks as of 12/31/2015			Funds for Consideration
						1 Year	3 Year	5 Year	
Large Value	AllianzGI NFJ Dividend Value Instl	\$ 9,072,404	7.5%	No	---	89%	84%	72%	
Large Blend	Vanguard 500 Index Admiral	\$ 1,826,859	1.5%	Yes	---	20%	17%	15%	
	American Funds Fundamental Invs R4	\$ 5,210,931	4.3%	Yes	---	6%	48%	51%	
Large Growth	Fidelity Advisor® New Insights I	\$ 12,633,852	10.4%	No	---	57%	67%	55%	
Mid Value	Vanguard Selected Value Inv	\$ 6,115,234	5.0%	Yes	---	37%	20%	16%	
	Fidelity Advisor® Leveraged Co StkI	\$ 1,474,448	1.2%	Yes	---	54%	65%	45%	
Mid Blend	Vanguard Mid Cap Index Adm	\$ 1,021,143	0.8%	Yes	---	21%	8%	15%	
Mid Growth	Eaton Vance Atlanta Capital SMID-Cap I	\$ 1,011,026	0.8%	Yes	---	1%	12%	4%	
	Mid Cap Growth / Westfield Capital Fund	\$ 4,690,672	3.9%	Yes	2	27%	13%	30%	
Small Value	AllianzGI NFJ Small-Cap Value Instl	\$ 856,098	0.7%	No	---	68%	73%	68%	
Small Blend	Vanguard Small Cap Index Adm	\$ 786,010	0.6%	Yes	---	37%	27%	23%	
	Royce Pennsylvania Mutual Invmt	\$ 1,476,361	1.2%	No	---	91%	90%	91%	
Small Growth	BlackRock Small Cap Growth Eq Instl	\$ 1,823,046	1.5%	Yes	---	65%	46%	45%	

<sup>1</sup>Performance criteria: Fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in the applicable peer universe over the same time period.

<sup>2</sup>The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report.

The % of Total Assets represents the % of Total Assets reported in the table above and are unaudited.

Open
  Watch List
  Closed

## Executive Summary - 006371

Asset Class	Current Funds	Assets	% of Assets	Meets Perf. <sup>1</sup> Criteria 12/31/15	DDA <sup>2</sup> Rank 12/31/15	Morningstar® Percentile Ranks as of 12/31/2015			Funds for Consideration
						1 Year	3 Year	5 Year	
Global Blend	American Funds Capital World Gr&Inc R4	\$ 5,342,161	4.4%	Yes	---	59%	58%	53%	
International Growth	American Funds Europacific Growth R4	\$ 13,692,641	11.2%	Yes	---	74%	45%	59%	
Balanced Blend (Moderate Allocation)	Oakmark Equity & Income I	\$ 2,933,392	2.4%	Yes	---	88%	27%	42%	
Retirement Income	Prudential Day One <sup>SM</sup> IncomeFlex Target® Bal Fund	\$ 1,143,277	0.9%	n/a	---	85%	14%	10%	
Retirement Income - IncomeFlex (Moderate Allocation)	Prudential IncomeFlex® Select <sup>SM</sup> Lifetime Bal Fund	\$ 1,321,715	1.1%	n/a	---	35%	55%	55%	
	Prudential IncomeFlex® Select <sup>SM</sup> Lifetime Bal Fund	\$ 0	0.0%	n/a	---	47%	68%	70%	
	IncomeFlex LT Conservative Growth Fund	\$ 243,945	0.2%	n/a	---	34%	75%	70%	
	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	n/a	---	45%	82%	81%	
Retirement Income - IncomeFlex (Conservative Allocation)	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	n/a	---	25%	48%	53%	
	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	n/a	---	42%	61%	71%	
Intermediate-Term Bond	Core Plus Bond / PIM	\$ 8,800,988	7.2%	Yes	4	54%	10%	4%	
Stable Value	Gibraltar Guaranteed Fund	\$ 40,287,798	33.1%	n/a	---	---	---	---	
	<b>Total</b>	<b>\$ 121,764,003</b>	<b>100.0%</b>						

<sup>1</sup>Performance criteria: Fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in the applicable peer universe over the same time period.

<sup>2</sup>The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report.

The % of Total Assets represents the % of Total Assets reported in the table above and are unaudited.

Open
  Watch List
  Closed

## Executive Summary - 006372

Asset Class	Current Funds	Assets	% of Assets	Meets Perf. <sup>1</sup> Criteria 12/31/15	DDA <sup>2</sup> Rank 12/31/15	Morningstar® Percentile Ranks as of 12/31/2015			Funds for Consideration
						1 Year	3 Year	5 Year	
Large Value	AllianzGI NFJ Dividend Value Instl	\$ 1,938,232	9.8%	No	---	89%	84%	72%	
Large Blend	Vanguard 500 Index Admiral	\$ 355,117	1.8%	Yes	---	20%	17%	15%	
	American Funds Fundamental Invs R4	\$ 1,022,312	5.2%	Yes	---	6%	48%	51%	
Large Growth	Fidelity Advisor® New Insights I	\$ 1,896,713	9.6%	No	---	57%	67%	55%	
Mid Value	Vanguard Selected Value Inv	\$ 974,351	4.9%	Yes	---	37%	20%	16%	
	Fidelity Advisor® Leveraged Co StkI	\$ 374,442	1.9%	Yes	---	54%	65%	45%	
Mid Blend	Vanguard Mid Cap Index Adm	\$ 298,892	1.5%	Yes	---	21%	8%	15%	
Mid Growth	Eaton Vance Atlanta Capital SMID-Cap I	\$ 201,015	1.0%	Yes	---	1%	12%	4%	
	Mid Cap Growth / Westfield Capital Fund	\$ 651,568	3.3%	Yes	2	27%	13%	30%	
Small Value	AllianzGI NFJ Small-Cap Value Instl	\$ 206,017	1.0%	No	---	68%	73%	68%	
Small Blend	Vanguard Small Cap Index Adm	\$ 236,111	1.2%	Yes	---	37%	27%	23%	
	Royce Pennsylvania Mutual Invmt	\$ 260,962	1.3%	No	---	91%	90%	91%	
Small Growth	BlackRock Small Cap Growth Eq Instl	\$ 349,827	1.8%	Yes	---	65%	46%	45%	

<sup>1</sup>Performance criteria: Fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in the applicable peer universe over the same time period.

<sup>2</sup>The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report.

The % of Total Assets represents the % of Total Assets reported in the table above and are unaudited.

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## Executive Summary - 006372

Asset Class	Current Funds	Assets	% of Assets	Meets Perf. <sup>1</sup> Criteria 12/31/15	DDA <sup>2</sup> Rank 12/31/15	Morningstar® Percentile Ranks as of 12/31/2015			Funds for Consideration
						1 Year	3 Year	5 Year	
Global Blend	American Funds Capital World Gr&Inc R4	\$ 606,015	3.1%	Yes	---	59%	58%	53%	
International Growth	American Funds Europacific Growth R4	\$ 2,052,290	10.4%	Yes	---	74%	45%	59%	
Balanced Blend (Moderate Allocation)	Oakmark Equity & Income I	\$ 313,892	1.6%	Yes	---	88%	27%	42%	
Retirement Income	Prudential Day One <sup>SM</sup> IncomeFlex Target® Bal Fund	\$ 142,390	0.7%	n/a	---	85%	14%	10%	
Retirement Income - IncomeFlex (Moderate Allocation)	Prudential IncomeFlex® Select <sup>SM</sup> Lifetime Bal Fund	\$ 206,369	1.0%	n/a	---	35%	55%	55%	
	Prudential IncomeFlex® Select <sup>SM</sup> Lifetime Bal Fund	\$ 0	0.0%	n/a	---	47%	68%	70%	
	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	n/a	---	34%	75%	70%	
	IncomeFlex LT Conservative Growth Fund	\$ 0	0.0%	n/a	---	45%	82%	81%	
Retirement Income - IncomeFlex (Conservative Allocation)	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	n/a	---	25%	48%	53%	
	IncomeFlex LT Income & Equity Fund	\$ 0	0.0%	n/a	---	42%	61%	71%	
Intermediate-Term Bond	Core Plus Bond / PIM	\$ 1,672,376	8.5%	Yes	4	54%	10%	4%	
Stable Value	Gibraltar Guaranteed Fund	\$ 5,928,293	30.1%	n/a	---	---	---	---	
	<b>Total</b>	<b>\$ 19,687,184</b>	<b>100.0%</b>						

<sup>1</sup>Performance criteria: Fund should outperform the index over the 3 or 5 year periods or maintain a top half ranking in the applicable peer universe over the same time period.

<sup>2</sup>The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report.

The % of Total Assets represents the % of Total Assets reported in the table above and are unaudited.

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**The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com). While past performance is never an indication of future results, short periods of performance may be particularly unrepresentative of long-term performance.**

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015				Inception Inception	Date	Risk	Alpha	Sharpe	DDA Rank 12/31/15	Expense Ratio	
		1 Year	3 Years	5 Years	10 Years			5 Years	5 Years	5 Years			
<b>Large Value</b>	<b>AllianzGI NFJ Dividend Value Instl</b>	<b>-8.32%</b>	<b>-8.32%</b>	<b>9.22%</b>	<b>9.03%</b>	<b>5.16%</b>	<b>N/A</b>	<b>May-00</b>	<b>12.21%</b>	<b>-1.83%</b>	<b>0.77%</b>	<b>---</b>	<b>0.71%</b>
	<i>Russell 1000™ Value Index</i>	-3.84%	-3.84%	13.08%	11.27%	6.16%	---	---	12.12%	0.00%	0.94%	---	---
	<i>Lipper Large Cap Value Funds Index</i>	-3.65%	-3.65%	12.53%	10.02%	5.70%	---	---	12.39%	-1.29%	0.83%	---	---
	<i>Large Value Category Median</i>	-3.54%	-3.54%	12.25%	10.01%	5.80%	---	---	12.33%	-0.88%	0.84%	---	---
<b>Large Blend</b>	<b>American Funds Fundamental Invs R4</b>	<b>3.35%</b>	<b>3.35%</b>	<b>13.95%</b>	<b>11.19%</b>	<b>7.73%</b>	<b>N/A</b>	<b>Jul-02</b>	<b>12.40%</b>	<b>-1.43%</b>	<b>0.92%</b>	<b>---</b>	<b>0.66%</b>
	<i>Russell 1000™ Index</i>	0.91%	0.91%	15.00%	12.44%	7.40%	---	---	11.88%	0.00%	1.05%	---	---
	<b>Vanguard 500 Index Admiral</b>	<b>1.36%</b>	<b>1.36%</b>	<b>15.09%</b>	<b>12.53%</b>	<b>7.30%</b>	<b>N/A</b>	<b>Nov-00</b>	<b>11.70%</b>	<b>-0.03%</b>	<b>1.07%</b>	<b>---</b>	<b>0.05%</b>
	<i>S&amp;P 500® Index</i>	1.38%	1.38%	15.13%	12.57%	7.31%	---	---	11.70%	0.00%	1.07%	---	---
	<i>Lipper Large Cap Core Funds Index</i>	-0.68%	-0.68%	13.38%	10.96%	6.35%	---	---	11.67%	-1.38%	0.95%	---	---
	<i>Large Blend Category Median</i>	-0.63%	-0.63%	13.80%	11.19%	6.61%	---	---	12.05%	-1.14%	0.94%	---	---
<b>Large Growth</b>	<b>Fidelity Advisor® New Insights I</b>	<b>2.64%</b>	<b>2.64%</b>	<b>14.26%</b>	<b>11.45%</b>	<b>8.03%</b>	<b>N/A</b>	<b>Jul-03</b>	<b>11.47%</b>	<b>-0.98%</b>	<b>1.00%</b>	<b>---</b>	<b>0.67%</b>
	<i>Russell 1000™ Growth Index</i>	5.68%	5.68%	16.84%	13.54%	8.54%	---	---	12.02%	0.00%	1.12%	---	---
	<i>Lipper Large Cap Growth Funds Index</i>	5.63%	5.63%	16.43%	12.30%	7.24%	---	---	13.31%	-2.13%	0.94%	---	---
	<i>Large Growth Category Median</i>	3.48%	3.48%	15.46%	11.71%	7.38%	---	---	13.15%	-1.95%	0.92%	---	---
<b>Mid Value</b> ⚙	<b>Fidelity Advisor® Leveraged Co Stkl</b>	<b>-5.52%</b>	<b>-5.52%</b>	<b>10.94%</b>	<b>9.66%</b>	<b>7.47%</b>	<b>N/A</b>	<b>Dec-00</b>	<b>16.50%</b>	<b>-3.62%</b>	<b>0.64%</b>	<b>---</b>	<b>0.81%</b>
	<b>Vanguard Selected Value Inv</b>	<b>-3.80%</b>	<b>-3.80%</b>	<b>13.27%</b>	<b>11.05%</b>	<b>7.74%</b>	<b>N/A</b>	<b>Feb-96</b>	<b>12.52%</b>	<b>0.32%</b>	<b>0.90%</b>	<b>---</b>	<b>0.44%</b>
	<i>Russell Midcap™ Value Index</i>	-4.79%	-4.79%	13.40%	11.25%	7.61%	---	---	12.65%	0.00%	0.90%	---	---
	<i>Lipper Mid Cap Value Funds Index</i>	-5.00%	-5.00%	12.18%	9.62%	6.89%	---	---	13.79%	-2.21%	0.73%	---	---
	<i>Mid-Cap Value Category Median</i>	-5.05%	-5.05%	12.11%	9.46%	6.81%	---	---	13.70%	-2.27%	0.71%	---	---
<b>Mid Blend</b> ⚙	<b>Vanguard Mid Cap Index Adm</b>	<b>-1.34%</b>	<b>-1.34%</b>	<b>14.90%</b>	<b>11.52%</b>	<b>7.90%</b>	<b>N/A</b>	<b>Nov-01</b>	<b>13.24%</b>	<b>---</b>	<b>0.89%</b>	<b>---</b>	<b>0.09%</b>
	<i>CRSP Mid Cap Index</i>	-1.28%	-1.28%	14.98%	---	---	---	---	---	---	---	---	---
	<i>Lipper Mid Cap Core Funds Index</i>	-3.60%	-3.60%	12.33%	9.19%	7.12%	---	---	14.08%	---	0.69%	---	---
	<i>Mid-Cap Blend Category Median</i>	-3.35%	-3.35%	12.23%	9.97%	7.11%	---	---	13.90%	---	0.74%	---	---

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

▲ Please refer to the plan summary footnotes after this exhibit and the glossary & notes section at the end of this report for all appropriate notes and disclaimers

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Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Inception	Inception Date	Risk	Alpha	Sharpe	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	5 Years			5 Years	5 Years			
<b>Mid Growth</b> ☼ <b>Mid Cap Growth / Westfield Capital Fund#</b>	<b>Eaton Vance Atlanta Capital SMID-Cap I</b>	<b>1.26%</b>	<b>1.26%</b>	<b>15.82%</b>	<b>10.81%</b>	<b>---</b>	<b>7.44%</b>	<b>Jun-07</b>	<b>15.32%</b>	<b>-1.47%</b>	<b>0.74%</b>	<b>2</b>	<b>0.85%</b>
	<i>Russell Midcap™ Growth Index</i>	<i>-0.20%</i>	<i>-0.20%</i>	<i>14.88%</i>	<i>11.55%</i>	<i>8.16%</i>	<i>---</i>	<i>---</i>	<i>13.73%</i>	<i>0.00%</i>	<i>0.86%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Mid Cap Growth Funds Index</i>	<i>-0.96%</i>	<i>-0.96%</i>	<i>13.42%</i>	<i>9.42%</i>	<i>7.81%</i>	<i>---</i>	<i>---</i>	<i>14.01%</i>	<i>-2.04%</i>	<i>0.71%</i>	<i>---</i>	<i>---</i>
	<i>Mid-Cap Growth Category Median</i>	<i>-0.94%</i>	<i>-0.94%</i>	<i>12.43%</i>	<i>9.55%</i>	<i>7.28%</i>	<i>---</i>	<i>---</i>	<i>14.38%</i>	<i>-1.72%</i>	<i>0.70%</i>	<i>---</i>	<i>---</i>
		<b>9.74%</b>	<b>9.74%</b>	<b>16.23%</b>	<b>13.64%</b>	<b>11.86%</b>	<b>N/A</b>	<b>Apr-02</b>	<b>12.88%</b>	<b>3.29%</b>	<b>1.06%</b>	<b>---</b>	<b>0.98%</b>
<b>Small Value</b> ☼	<b>AllianzGI NFJ Small-Cap Value Instl</b>	<b>-7.93%</b>	<b>-7.93%</b>	<b>7.44%</b>	<b>7.09%</b>	<b>7.48%</b>	<b>N/A</b>	<b>Oct-91</b>	<b>13.15%</b>	<b>0.83%</b>	<b>0.58%</b>	<b>---</b>	<b>0.87%</b>
	<i>Russell 2000™ Value Index</i>	<i>-7.47%</i>	<i>-7.47%</i>	<i>9.06%</i>	<i>7.67%</i>	<i>5.57%</i>	<i>---</i>	<i>---</i>	<i>15.33%</i>	<i>0.00%</i>	<i>0.56%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Small Cap Value Funds Index</i>	<i>-7.16%</i>	<i>-7.16%</i>	<i>8.98%</i>	<i>7.30%</i>	<i>5.99%</i>	<i>---</i>	<i>---</i>	<i>15.10%</i>	<i>-0.16%</i>	<i>0.54%</i>	<i>---</i>	<i>---</i>
	<i>Small Value Category Median</i>	<i>-6.47%</i>	<i>-6.47%</i>	<i>10.14%</i>	<i>7.84%</i>	<i>6.16%</i>	<i>---</i>	<i>---</i>	<i>15.48%</i>	<i>0.80%</i>	<i>0.59%</i>	<i>---</i>	<i>---</i>
<b>Small Blend</b> ☼	<b>Royce Pennsylvania Mutual Invmt</b>	<b>-11.43%</b>	<b>-11.43%</b>	<b>5.96%</b>	<b>5.49%</b>	<b>5.42%</b>	<b>N/A</b>	<b>Oct-72</b>	<b>15.59%</b>	<b>-3.03%</b>	<b>0.42%</b>	<b>---</b>	<b>0.92%</b>
	<i>Russell 2000™ Index</i>	<i>-4.42%</i>	<i>-4.42%</i>	<i>11.65%</i>	<i>9.19%</i>	<i>6.80%</i>	<i>---</i>	<i>---</i>	<i>15.95%</i>	<i>0.00%</i>	<i>0.63%</i>	<i>---</i>	<i>---</i>
	<b>Vanguard Small Cap Index Adm</b>	<b>-3.64%</b>	<b>-3.64%</b>	<b>12.60%</b>	<b>10.43%</b>	<b>7.95%</b>	<b>N/A</b>	<b>Nov-00</b>	<b>15.02%</b>	<b>---</b>	<b>0.73%</b>	<b>---</b>	<b>0.09%</b>
	<i>CRSP Small Cap Index</i>	<i>-3.67%</i>	<i>-3.67%</i>	<i>12.78%</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>	<i>---</i>
	<i>Lipper Small Cap Core Funds Index</i>	<i>-4.24%</i>	<i>-4.24%</i>	<i>10.71%</i>	<i>8.64%</i>	<i>6.71%</i>	<i>---</i>	<i>---</i>	<i>14.89%</i>	<i>---</i>	<i>0.63%</i>	<i>---</i>	<i>---</i>
	<b>-4.52%</b>	<b>-4.52%</b>	<b>11.31%</b>	<b>9.04%</b>	<b>6.44%</b>	<b>---</b>	<b>---</b>	<b>15.68%</b>	<b>---</b>	<b>0.64%</b>	<b>---</b>	<b>---</b>	
<b>Small Growth</b> ☼	<b>BlackRock Small Cap Growth Eq Instl</b>	<b>-3.60%</b>	<b>-3.60%</b>	<b>12.67%</b>	<b>9.75%</b>	<b>8.11%</b>	<b>N/A</b>	<b>Sep-93</b>	<b>17.63%</b>	<b>-0.70%</b>	<b>0.61%</b>	<b>---</b>	<b>0.86%</b>
	<i>Russell 2000™ Growth Index</i>	<i>-1.38%</i>	<i>-1.38%</i>	<i>14.28%</i>	<i>10.68%</i>	<i>7.95%</i>	<i>---</i>	<i>---</i>	<i>16.90%</i>	<i>0.00%</i>	<i>0.68%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Small Cap Growth Funds Index</i>	<i>-1.15%</i>	<i>-1.15%</i>	<i>12.43%</i>	<i>9.67%</i>	<i>6.75%</i>	<i>---</i>	<i>---</i>	<i>15.47%</i>	<i>-0.08%</i>	<i>0.67%</i>	<i>---</i>	<i>---</i>
	<i>Small Growth Category Median</i>	<i>-2.31%</i>	<i>-2.31%</i>	<i>12.36%</i>	<i>9.48%</i>	<i>7.25%</i>	<i>---</i>	<i>---</i>	<i>16.30%</i>	<i>-0.34%</i>	<i>0.63%</i>	<i>---</i>	<i>---</i>
<b>Global Blend</b> ☼	<b>American Funds Capital World Gr&amp;Inc R4</b>	<b>-2.20%</b>	<b>-2.20%</b>	<b>8.28%</b>	<b>6.93%</b>	<b>5.82%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>12.39%</b>	<b>-0.27%</b>	<b>0.60%</b>	<b>---</b>	<b>0.79%</b>
	<i>MSCI World™ Index(net)</i>	<i>-0.88%</i>	<i>-0.88%</i>	<i>9.63%</i>	<i>7.59%</i>	<i>4.98%</i>	<i>---</i>	<i>---</i>	<i>12.79%</i>	<i>0.00%</i>	<i>0.63%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Global Funds Index</i>	<i>-1.13%</i>	<i>-1.13%</i>	<i>8.89%</i>	<i>6.08%</i>	<i>4.78%</i>	<i>---</i>	<i>---</i>	<i>13.09%</i>	<i>-1.47%</i>	<i>0.51%</i>	<i>---</i>	<i>---</i>
	<i>World Stock Category Median</i>	<i>-1.41%</i>	<i>-1.41%</i>	<i>8.74%</i>	<i>7.04%</i>	<i>5.11%</i>	<i>---</i>	<i>---</i>	<i>13.53%</i>	<i>-0.40%</i>	<i>0.57%</i>	<i>---</i>	<i>---</i>
<b>International Growth</b> ☼	<b>American Funds Europacific Growth R4</b>	<b>-0.82%</b>	<b>-0.82%</b>	<b>5.08%</b>	<b>3.62%</b>	<b>4.58%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>13.81%</b>	<b>-0.64%</b>	<b>0.32%</b>	<b>---</b>	<b>0.84%</b>
	<i>MSCI EAFE™ Growth Index(net)</i>	<i>4.08%</i>	<i>4.08%</i>	<i>6.82%</i>	<i>4.59%</i>	<i>4.02%</i>	<i>---</i>	<i>---</i>	<i>14.52%</i>	<i>0.00%</i>	<i>0.38%</i>	<i>---</i>	<i>---</i>
	<i>Lipper International Funds Index</i>	<i>-1.35%</i>	<i>-1.35%</i>	<i>4.62%</i>	<i>3.17%</i>	<i>3.58%</i>	<i>---</i>	<i>---</i>	<i>14.58%</i>	<i>-1.31%</i>	<i>0.28%</i>	<i>---</i>	<i>---</i>
	<i>Foreign Large Growth Category Median</i>	<i>0.23%</i>	<i>0.23%</i>	<i>4.87%</i>	<i>4.05%</i>	<i>4.21%</i>	<i>---</i>	<i>---</i>	<i>14.50%</i>	<i>-0.37%</i>	<i>0.34%</i>	<i>---</i>	<i>---</i>
<b>Balanced Blend (Moderate Allocation)</b>	<b>Oakmark Equity &amp; Income I</b>	<b>-4.59%</b>	<b>-4.59%</b>	<b>8.22%</b>	<b>6.82%</b>	<b>6.62%</b>	<b>N/A</b>	<b>Nov-95</b>	<b>9.06%</b>	<b>-3.51%</b>	<b>0.77%</b>	<b>---</b>	<b>0.74%</b>
	<i>60% R1000 / 40% Barclays Agg</i>	<i>1.00%</i>	<i>1.00%</i>	<i>9.54%</i>	<i>8.88%</i>	<i>6.55%</i>	<i>---</i>	<i>---</i>	<i>7.04%</i>	<i>0.00%</i>	<i>1.24%</i>	<i>---</i>	<i>---</i>
	<i>Lipper Balanced Funds Index</i>	<i>-0.40%</i>	<i>-0.40%</i>	<i>7.51%</i>	<i>7.06%</i>	<i>5.46%</i>	<i>---</i>	<i>---</i>	<i>7.55%</i>	<i>-2.18%</i>	<i>0.94%</i>	<i>---</i>	<i>---</i>
	<i>Moderate Allocation Category Median</i>	<i>-1.29%</i>	<i>-1.29%</i>	<i>6.97%</i>	<i>6.53%</i>	<i>5.48%</i>	<i>---</i>	<i>---</i>	<i>8.26%</i>	<i>-3.26%</i>	<i>0.81%</i>	<i>---</i>	<i>---</i>

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

▲ Please refer to the plan summary footnotes after this exhibit and the glossary &amp; notes section at the end of this report for all appropriate notes and disclaimers

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Watch List

Closed

Investment Option/Benchmark		YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
			1 Year	3 Years	5 Years	10 Years	Inception						
<b>Retirement Income</b> *	<b>Prudential Day One™ IncomeFlex Target® Bal Fund#</b>	<b>-1.90%</b>	<b>-1.90%</b>	<b>4.44%</b>	<b>5.20%</b>	<b>---</b>	<b>7.49%</b>	<b>Jun-09</b>	<b>6.93%</b>	<b>-0.98%</b>	<b>0.76%</b>	<b>---</b>	<b>1.61%</b>
	<i>Prudential Day One IncomeFlex Target Bal Benchmark</i>	-0.75%	-0.75%	5.69%	6.22%	5.27%	---	---	6.90%	0.00%	0.90%	---	---
	<i>Lipper Balanced Funds Index</i>	-0.40%	-0.40%	7.51%	7.06%	5.46%	---	---	7.55%	0.34%	0.94%	---	---
	<i>Retirement Income Median</i>	-0.80%	-0.80%	2.87%	4.01%	3.82%	---	---	4.74%	0.01%	0.87%	---	---
<b>Retirement Income - IncomeFlex (Moderate Allocation)</b> *	<b>Prudential IncomeFlex® Select™ Lifetime Bal Fund#</b>	<b>-0.68%</b>	<b>-0.68%</b>	<b>6.77%</b>	<b>6.37%</b>	<b>4.53%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>8.33%</b>	<b>-1.58%</b>	<b>0.78%</b>	<b>---</b>	<b>1.84%</b>
	<b>Prudential IncomeFlex® Select™ Lifetime Bal Fund#</b>	<b>-1.18%</b>	<b>-1.18%</b>	<b>6.24%</b>	<b>5.84%</b>	<b>4.01%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>8.33%</b>	<b>-2.08%</b>	<b>0.72%</b>	<b>---</b>	<b>2.34%</b>
	<i>Lifetime Balanced Primary Benchmark</i>	0.54%	0.54%	8.55%	7.84%	6.02%	---	---	8.01%	0.00%	0.98%	---	---
	<b>IncomeFlex LT Conservative Growth Fund#</b>	<b>-0.60%</b>	<b>-0.60%</b>	<b>5.81%</b>	<b>5.85%</b>	<b>4.49%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>7.08%</b>	<b>-1.42%</b>	<b>0.83%</b>	<b>---</b>	<b>1.78%</b>
	<b>IncomeFlex LT Conservative Growth Fund#</b>	<b>-1.10%</b>	<b>-1.10%</b>	<b>5.28%</b>	<b>5.32%</b>	<b>3.97%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>7.08%</b>	<b>-1.92%</b>	<b>0.76%</b>	<b>---</b>	<b>2.28%</b>
	<i>Lifetime Conservative Growth Primary Benchmark</i>	0.59%	0.59%	7.42%	7.13%	5.84%	---	---	6.80%	0.00%	1.04%	---	---
<b>Retirement Income - IncomeFlex (Conservative Allocation)</b> *	<b>IncomeFlex LT Income &amp; Equity Fund#</b>	<b>-0.53%</b>	<b>-0.53%</b>	<b>3.82%</b>	<b>4.53%</b>	<b>4.06%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>4.66%</b>	<b>-1.21%</b>	<b>0.96%</b>	<b>---</b>	<b>1.69%</b>
	<b>IncomeFlex LT Income &amp; Equity Fund#</b>	<b>-1.02%</b>	<b>-1.02%</b>	<b>3.30%</b>	<b>4.01%</b>	<b>3.54%</b>	<b>N/A</b>	<b>Nov-06</b>	<b>4.66%</b>	<b>-1.71%</b>	<b>0.86%</b>	<b>---</b>	<b>2.19%</b>
	<i>Lifetime Income &amp; Equity Primary Benchmark</i>	0.62%	0.62%	5.17%	5.59%	5.28%	---	---	4.45%	0.00%	1.24%	---	---
	<i>Lipper Balanced Funds Index</i>	-0.40%	-0.40%	7.51%	7.06%	5.46%	---	---	7.55%	-1.91%	0.94%	---	---
<b>Intermediate-Term Bond</b> *	<b>Core Plus Bond / PIM#</b>	<b>0.12%</b>	<b>0.12%</b>	<b>1.36%</b>	<b>3.25%</b>	<b>5.31%</b>	<b>N/A</b>	<b>Jul-02</b>	<b>3.43%</b>	<b>0.02%</b>	<b>0.94%</b>	<b>4</b>	<b>0.40%</b>
	<b>Manager Composite</b>	<b>0.29%</b>	<b>0.29%</b>	<b>2.17%</b>	<b>4.84%</b>	<b>6.00%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>3.52%</b>	<b>1.25%</b>	<b>1.35%</b>	<b>---</b>	<b>0.38%</b>
	<b>Blended Performance</b>	<b>0.12%</b>	<b>0.12%</b>	<b>2.11%</b>	<b>4.80%</b>	<b>5.98%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>3.53%</b>	<b>1.22%</b>	<b>1.33%</b>	<b>---</b>	<b>0.40%</b>
	<i>Barclays Aggregate Bond Index</i>	0.57%	0.57%	1.45%	3.25%	4.52%	---	---	2.71%	0.00%	1.18%	---	---
	<i>Intermediate-Term Bond Category Median</i>	0.18%	0.18%	1.29%	3.37%	4.48%	---	---	2.78%	0.35%	1.17%	---	---
<b>Stable Value</b>	<b>Gibraltar Guaranteed Fund</b>	<b>2.59%</b>	<b>2.59%</b>	<b>2.47%</b>	<b>2.81%</b>	<b>---</b>	<b>3.34%</b>	<b>Nov-08</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>0.55%</b>
	<i>Current Net Annualized Rate as of 7/1/2015: 2.62%</i> <i>5 Year Treasury Average Yield</i>	1.50%	1.50%	1.44%	1.31%	2.23%	---	---	0.12%	0.00%	10.03%	---	---

Sources: Prudential Retirement, Russell, Morningstar™, Lipper.

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# Investment Options Review

# Large Value

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● AllianzGI NFJ Dividend Value Instl	-8.32%	-8.32%	9.22%	9.03%	5.16%	N/A	May-00	12.21%	-1.83%	0.77%	---	0.71%
◆ Russell 1000™ Value Index	-3.84%	-3.84%	13.08%	11.27%	6.16%	---	---	12.12%	0.00%	0.94%	---	---
◆ Lipper Large Cap Value Funds Index	-3.65%	-3.65%	12.53%	10.02%	5.70%	---	---	12.39%	-1.29%	0.83%	---	---
Large Value Category Median	-3.54%	-3.54%	12.25%	10.01%	5.80%	---	---	12.33%	-0.88%	0.84%	---	---

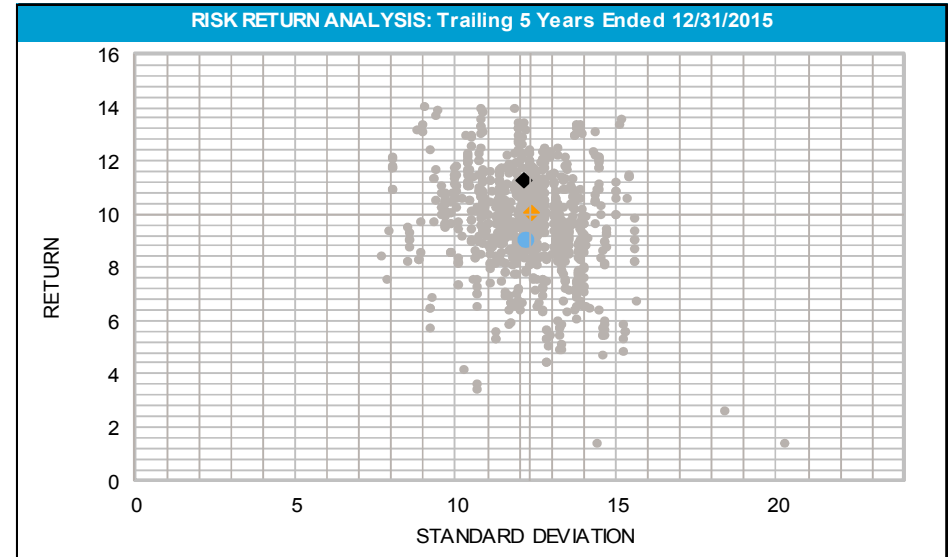
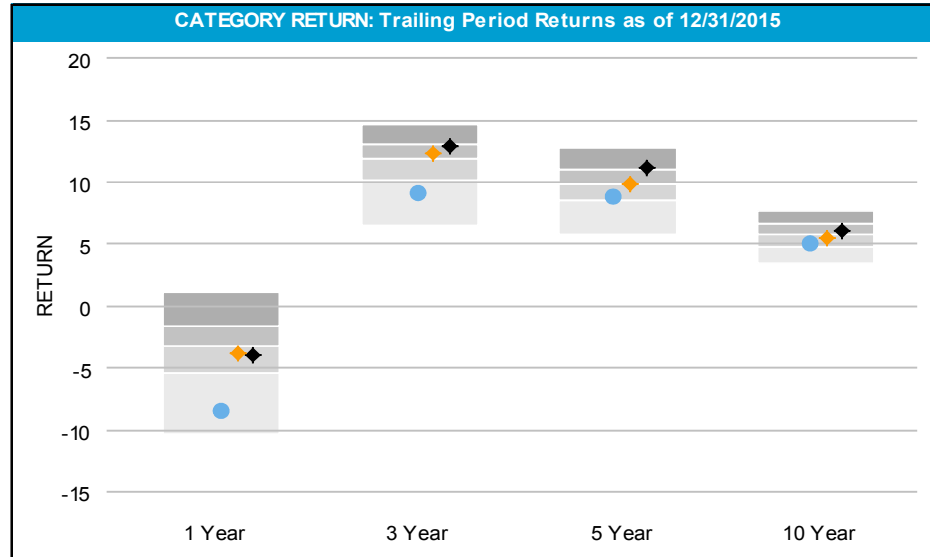
  

Return Rank w ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● AllianzGI NFJ Dividend Value Instl	89%	89%	84%	72%	67%	46%	67%	67%

# of funds in Category	356	356	318	290	242
------------------------	-----	-----	-----	-----	-----

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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 Source: Morningstar™ Large Value Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Large Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● American Funds Fundamental Invs R4	3.35%	3.35%	13.95%	11.19%	7.73%	N/A	Jul-02	12.40%	-1.43%	0.92%	---	0.66%
◆ Russell 1000™ Index	0.91%	0.91%	15.00%	12.44%	7.40%	---	---	11.88%	0.00%	1.05%	---	---
◆ Lipper Large Cap Core Funds Index	-0.68%	-0.68%	13.38%	10.96%	6.35%	---	---	11.67%	-1.38%	0.95%	---	---
Large Blend Category Median	-0.63%	-0.63%	13.80%	11.19%	6.61%	---	---	12.05%	-1.14%	0.94%	---	---

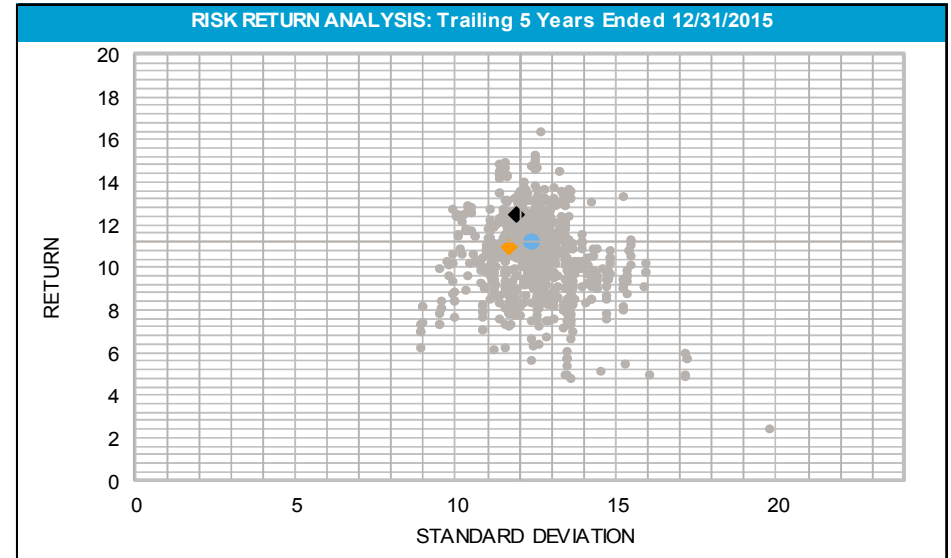
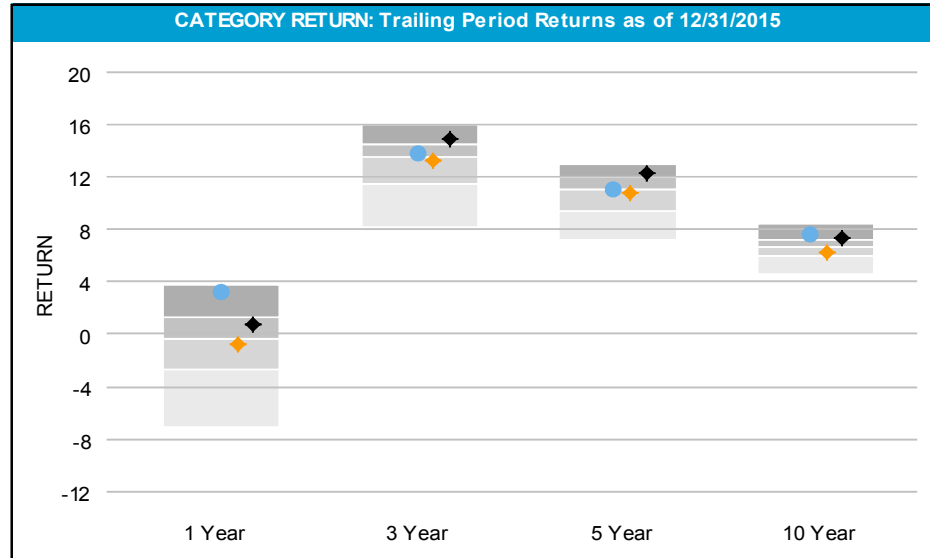
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds Fundamental Invs R4	6%	6%	48%	51%	11%	63%	57%	55%

# of funds in Category	457	457	420	382	318
------------------------	-----	-----	-----	-----	-----

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 Source: Morningstar™ Large Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Large Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Vanguard 500 Index Admiral	1.36%	1.36%	15.09%	12.53%	7.30%	N/A	Nov-00	11.70%	-0.03%	1.07%	---	0.05%
◆ S&P 500® Index	1.38%	1.38%	15.13%	12.57%	7.31%	---	---	11.70%	0.00%	1.07%	---	---
◆ Lipper Large Cap Core Funds Index	-0.68%	-0.68%	13.38%	10.96%	6.35%	---	---	11.67%	-1.38%	0.95%	---	---
Large Blend Category Median	-0.63%	-0.63%	13.80%	11.19%	6.61%	---	---	12.05%	-1.14%	0.94%	---	---

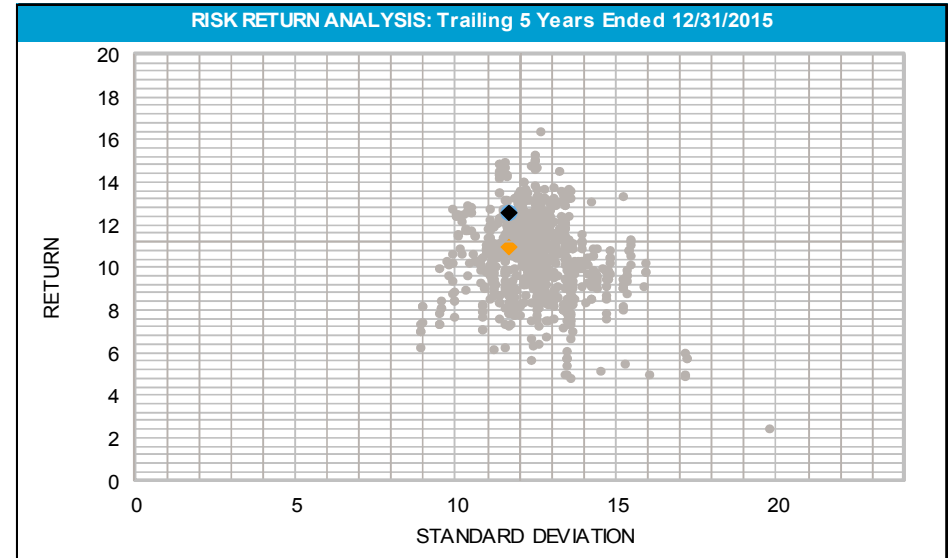
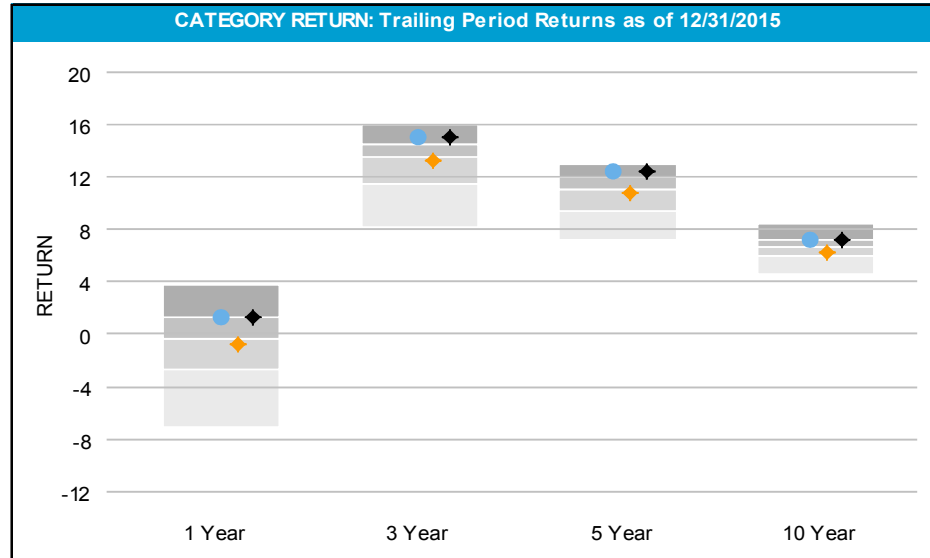
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Vanguard 500 Index Admiral	20%	20%	17%	15%	22%	32%	14%	11%

# of funds in Category	457	457	420	382	318
------------------------	-----	-----	-----	-----	-----

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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 Source: Morningstar™ Large Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Large Growth

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Fidelity Advisor® New Insights I	2.64%	2.64%	14.26%	11.45%	8.03%	N/A	Jul-03	11.47%	-0.98%	1.00%	---	0.67%
◆ Russell 1000™ Growth Index	5.68%	5.68%	16.84%	13.54%	8.54%	---	---	12.02%	0.00%	1.12%	---	---
◆ Lipper Large Cap Growth Funds Index	5.63%	5.63%	16.43%	12.30%	7.24%	---	---	13.31%	-2.13%	0.94%	---	---
Large Growth Category Median	3.48%	3.48%	15.46%	11.71%	7.38%	---	---	13.15%	-1.95%	0.92%	---	---

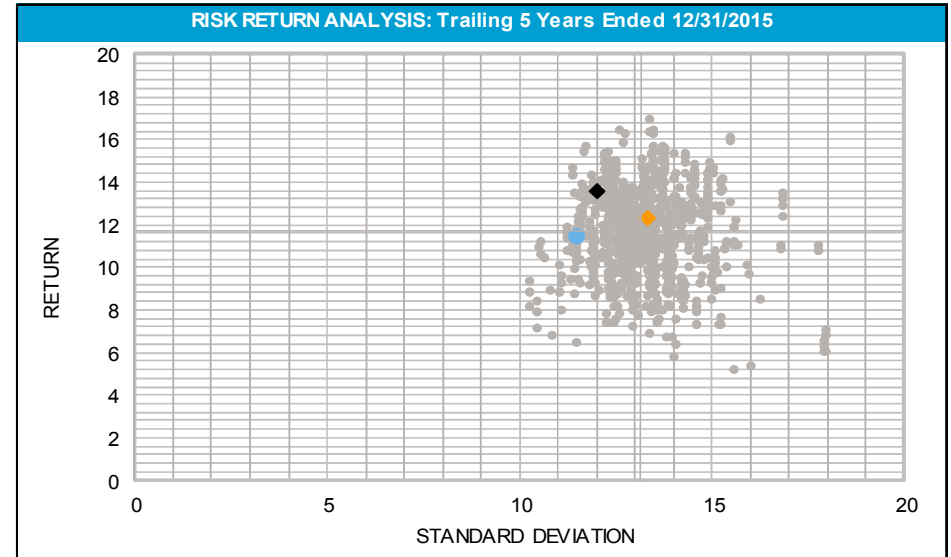
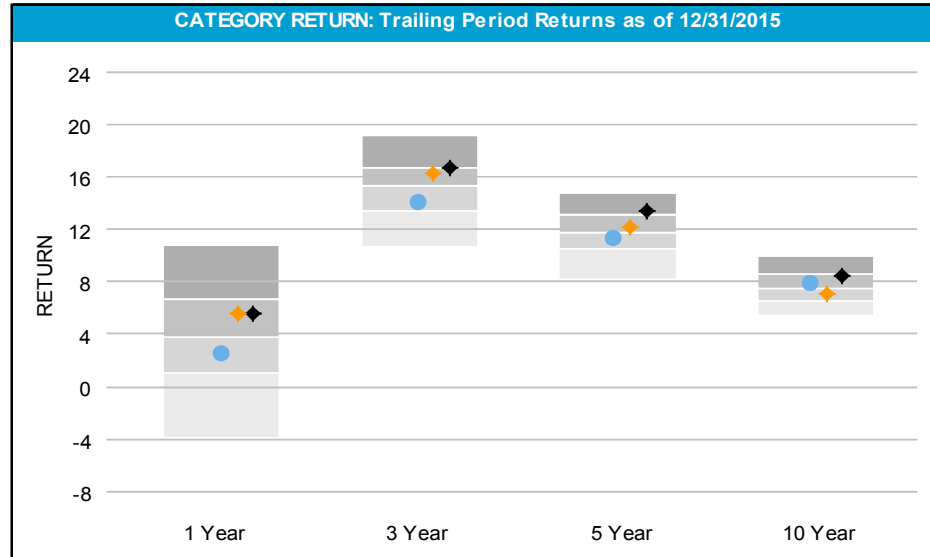
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Fidelity Advisor® New Insights I	57%	57%	67%	55%	34%	6%	30%	28%

# of funds in Category	446	446	429	390	325
------------------------	-----	-----	-----	-----	-----

Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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 Source: Morningstar™ Large Growth Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed



# Mid Value

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015				Inception Inception	Inception Date	Risk	Alpha	Sharpe	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years			5 Years	5 Years	5 Years		
● Fidelity Advisor® Leveraged Co Stkl	-5.52%	-5.52%	10.94%	9.66%	7.47%	N/A	Dec-00	16.50%	-3.62%	0.64%	---	0.81%
● Vanguard Selected Value Inv	-3.80%	-3.80%	13.27%	11.05%	7.74%	N/A	Feb-96	12.52%	0.32%	0.90%	---	0.44%
◆ Russell Midcap™ Value Index	-4.79%	-4.79%	13.40%	11.25%	7.61%	---	---	12.65%	0.00%	0.90%	---	---
◆ Lipper Mid Cap Value Funds Index	-5.00%	-5.00%	12.18%	9.62%	6.89%	---	---	13.79%	-2.21%	0.73%	---	---
◆ Mid-Cap Value Category Median	-5.05%	-5.05%	12.11%	9.46%	6.81%	---	---	13.70%	-2.27%	0.71%	---	---

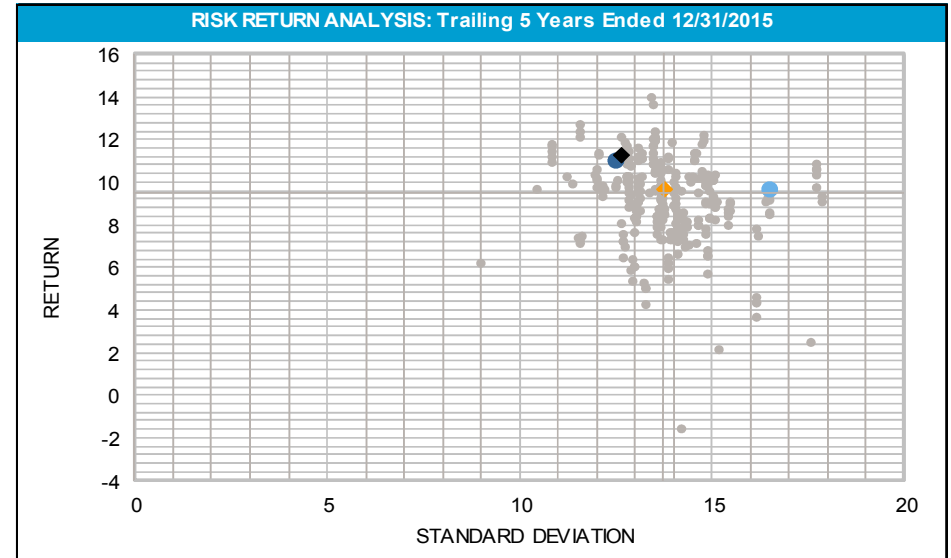
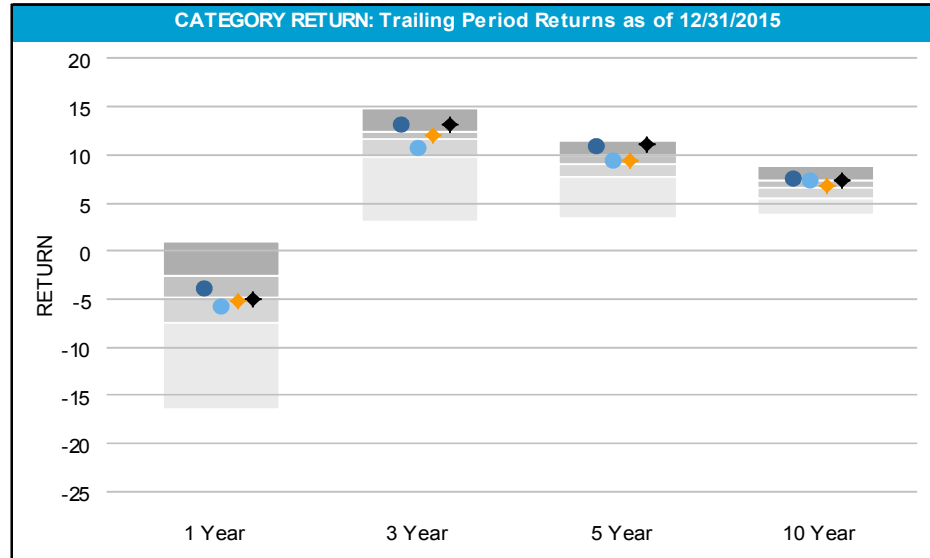
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Fidelity Advisor® Leveraged Co Stkl	54%	54%	65%	45%	31%	97%	72%	70%
● Vanguard Selected Value Inv	37%	37%	20%	16%	23%	19%	11%	13%

# of funds in Category	116	116	106	92	69
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.

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 Source: Morningstar™ Mid-Cap Value Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Mid Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Vanguard Mid Cap Index Adm	-1.34%	-1.34%	14.90%	11.52%	7.90%	N/A	Nov-01	13.24%	---	0.89%	---	0.09%
◆ CRSP Mid Cap Index	-1.28%	-1.28%	14.98%	---	---	---	---	---	---	---	---	---
◆ Lipper Mid Cap Core Funds Index	-3.60%	-3.60%	12.33%	9.19%	7.12%	---	---	14.08%	---	0.69%	---	---
Mid-Cap Blend Category Median	-3.35%	-3.35%	12.23%	9.97%	7.11%	---	---	13.90%	---	0.74%	---	---

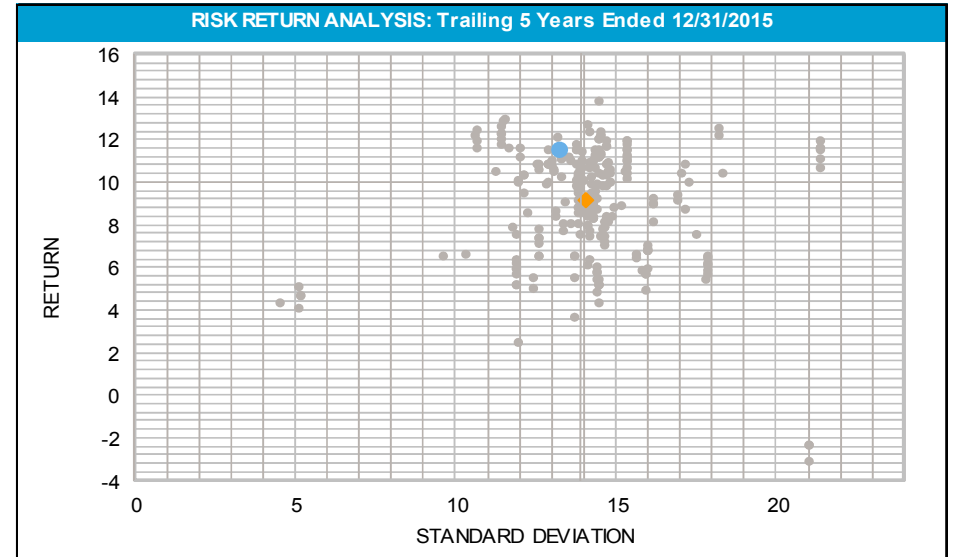
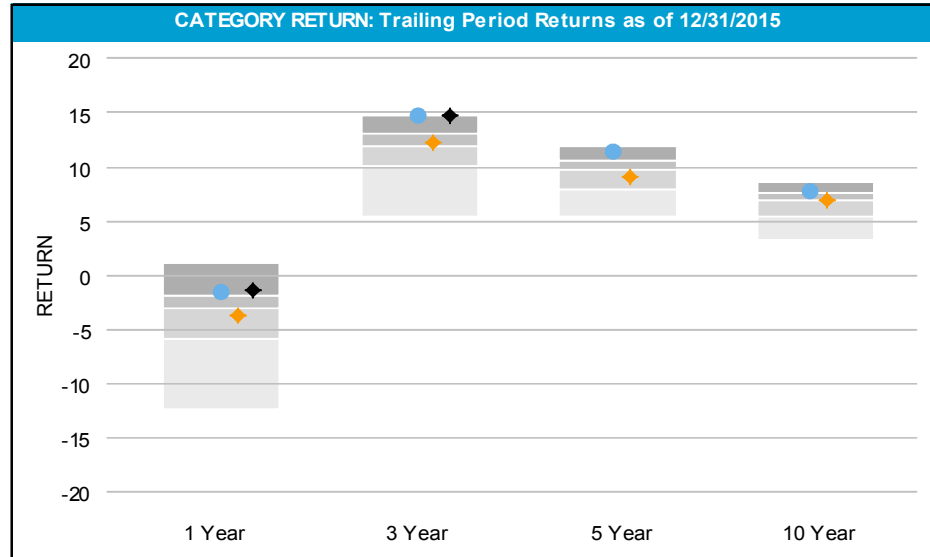
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Vanguard Mid Cap Index Adm	21%	21%	8%	15%	19%	28%	---	14%

# of funds in Category	143	143	133	120	96
------------------------	-----	-----	-----	-----	----

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 Source: Morningstar™ Mid-Cap Blend Category for creating asset class universe.

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# Mid Growth

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Mid Cap Growth / Westfield Capital Fund	1.26%	1.26%	15.82%	10.81%	---	7.44%	Jun-07	15.32%	-1.47%	0.74%	2	0.85%
● Eaton Vance Atlanta Capital SMID-Cap I	9.74%	9.74%	16.23%	13.64%	11.86%	N/A	Apr-02	12.88%	3.29%	1.06%	---	0.98%
◆ Russell Midcap™ Growth Index	-0.20%	-0.20%	14.88%	11.55%	8.16%	---	---	13.73%	0.00%	0.86%	---	---
◆ Lipper Mid Cap Growth Funds Index	-0.96%	-0.96%	13.42%	9.42%	7.81%	---	---	14.01%	-2.04%	0.71%	---	---
◆ Mid-Cap Growth Category Median	-0.94%	-0.94%	12.43%	9.55%	7.28%	---	---	14.38%	-1.72%	0.70%	---	---

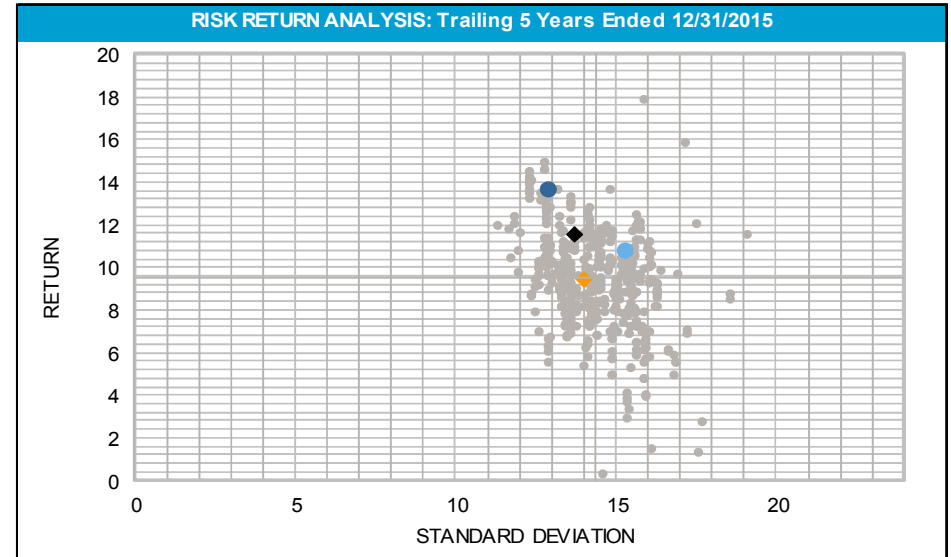
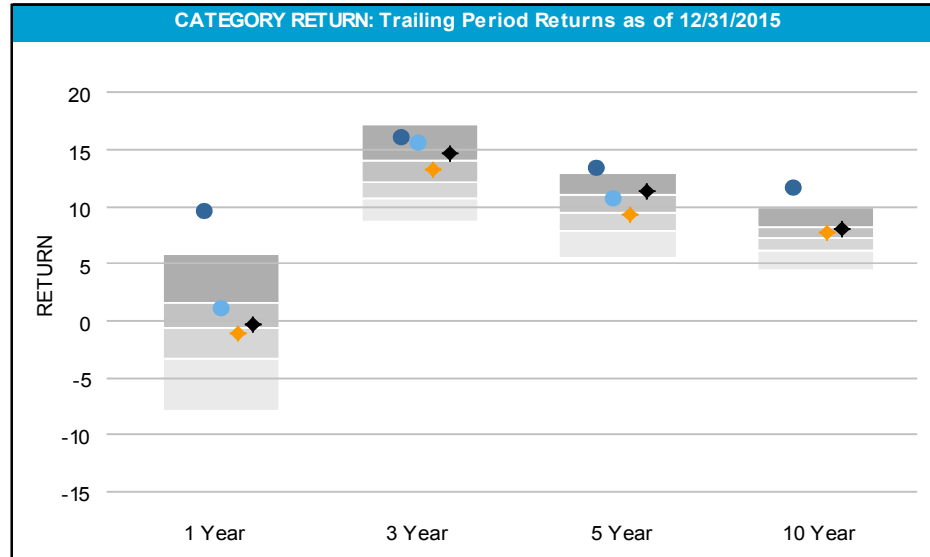
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Mid Cap Growth / Westfield Capital Fund	27%	27%	13%	30%	---	72%	47%	41%
● Eaton Vance Atlanta Capital SMID-Cap I	1%	1%	12%	4%	1%	15%	3%	3%

# of funds in Category	209	209	190	177	153
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



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▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Mid-Cap Growth Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Small Value

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● AllianzGI NFJ Small-Cap Value Instl	-7.93%	-7.93%	7.44%	7.09%	7.48%	N/A	Oct-91	13.15%	0.83%	0.58%	---	0.87%
◆ Russell 2000™ Value Index	-7.47%	-7.47%	9.06%	7.67%	5.57%	---	---	15.33%	0.00%	0.56%	---	---
◆ Lipper Small Cap Value Funds Index	-7.16%	-7.16%	8.98%	7.30%	5.99%	---	---	15.10%	-0.16%	0.54%	---	---
Small Value Category Median	-6.47%	-6.47%	10.14%	7.84%	6.16%	---	---	15.48%	0.80%	0.59%	---	---

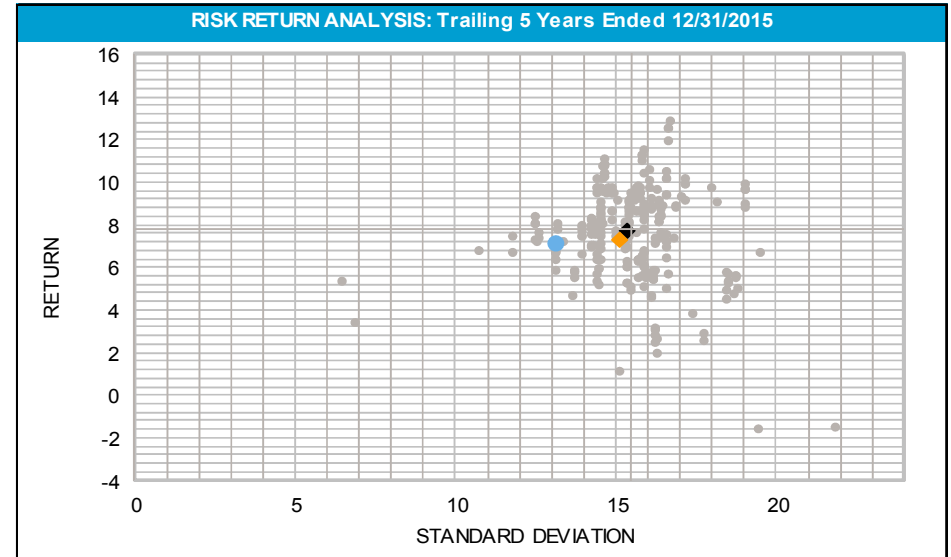
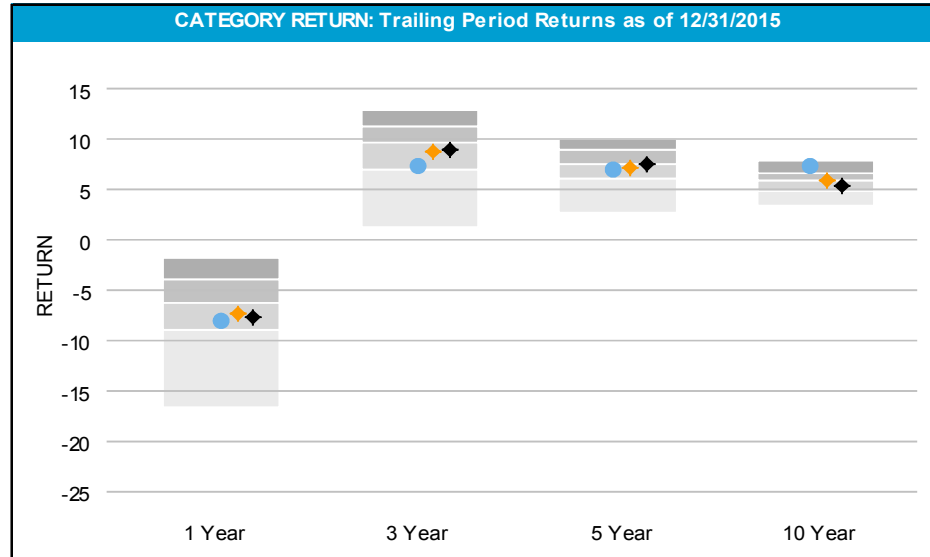
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● AllianzGI NFJ Small-Cap Value Instl	68%	68%	73%	68%	15%	9%	49%	52%

# of funds in Category	122	122	108	98	78
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 Source: Morningstar™ Small Value Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Small Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Royce Pennsylvania Mutual Invmt	-11.43%	-11.43%	5.96%	5.49%	5.42%	N/A	Oct-72	15.59%	-3.03%	0.42%	---	0.92%
◆ Russell 2000™ Index	-4.42%	-4.42%	11.65%	9.19%	6.80%	---	---	15.95%	0.00%	0.63%	---	---
◆ Lipper Small Cap Core Funds Index	-4.24%	-4.24%	10.71%	8.64%	6.71%	---	---	14.89%	---	0.63%	---	---
Small Blend Category Median	-4.52%	-4.52%	11.31%	9.04%	6.44%	---	---	15.68%	---	0.64%	---	---

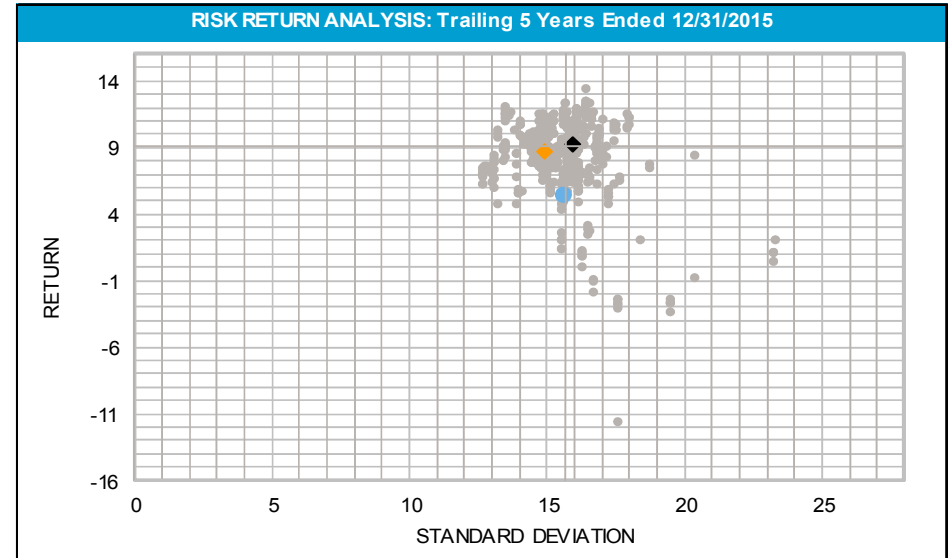
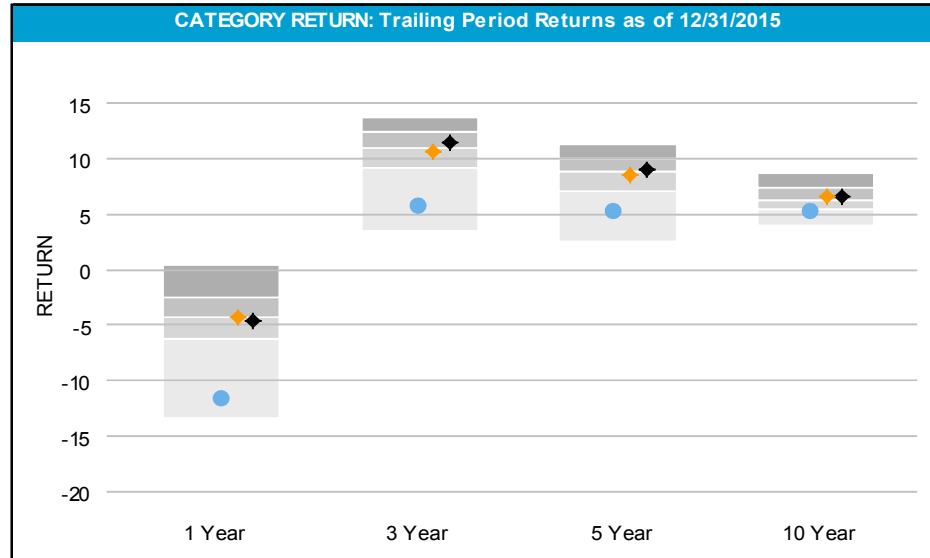
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Royce Pennsylvania Mutual Invmt	91%	91%	90%	91%	78%	45%	91%	91%

# of funds in Category	242	242	208	189	147
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 Source: Morningstar™ Small Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Small Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Vanguard Small Cap Index Adm	-3.64%	-3.64%	12.60%	10.43%	7.95%	N/A	Nov-00	15.02%	---	0.73%	---	0.09%
◆ CRSP Small Cap Index	-3.67%	-3.67%	12.78%	---	---	---	---	---	---	---	---	---
◆ Lipper Small Cap Core Funds Index	-4.24%	-4.24%	10.71%	8.64%	6.71%	---	---	14.89%	---	0.63%	---	---
Small Blend Category Median	-4.52%	-4.52%	11.31%	9.04%	6.44%	---	---	15.68%	---	0.64%	---	---

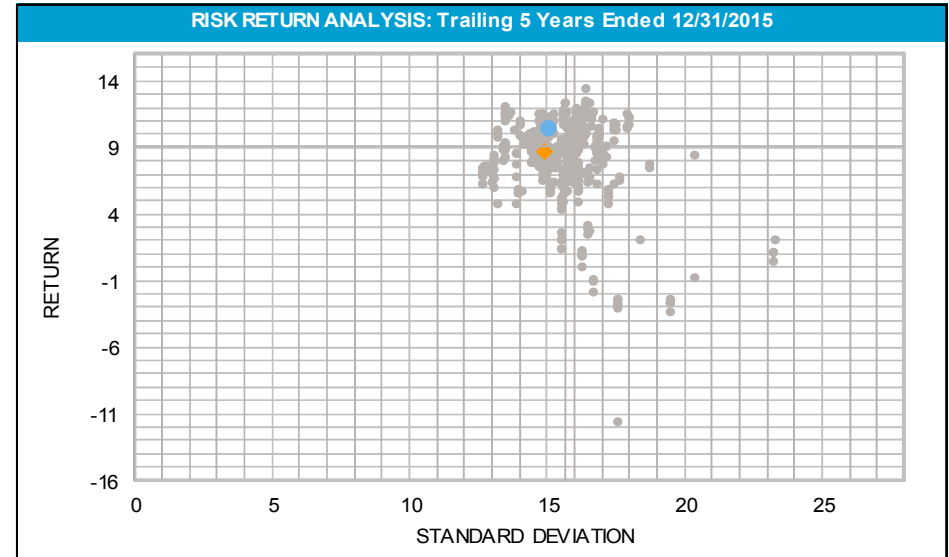
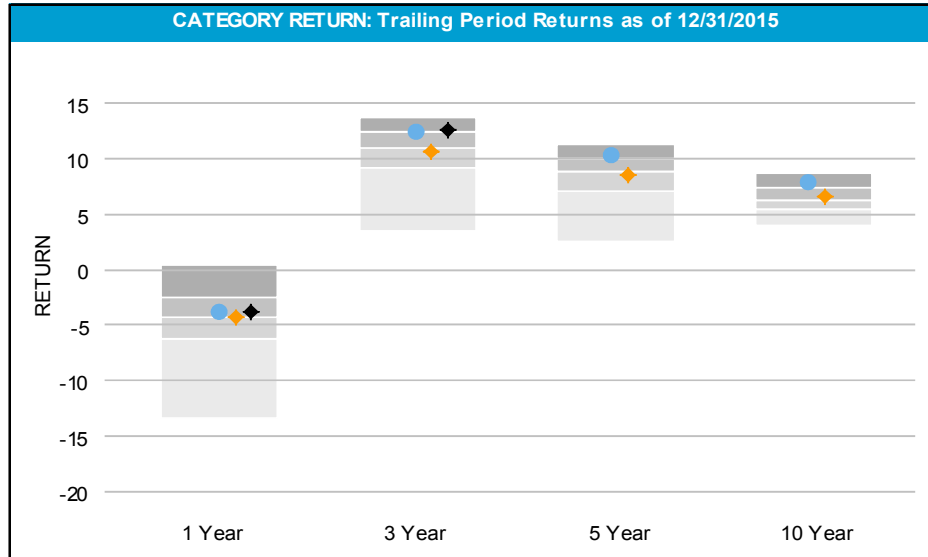
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Vanguard Small Cap Index Adm	37%	37%	27%	23%	14%	31%	---	21%

# of funds in Category	242	242	208	189	147
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 Source: Morningstar™ Small Blend Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Small Growth

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● <b>BlackRock Small Cap Growth Eq Instl</b>	-3.60%	-3.60%	12.67%	9.75%	8.11%	N/A	Sep-93	17.63%	-0.70%	0.61%	---	0.86%
◆ Russell 2000™ Growth Index	-1.38%	-1.38%	14.28%	10.68%	7.95%	---	---	16.90%	0.00%	0.68%	---	---
◆ Lipper Small Cap Growth Funds Index	-1.15%	-1.15%	12.43%	9.67%	6.75%	---	---	15.47%	-0.08%	0.67%	---	---
Small Growth Category Median	-2.31%	-2.31%	12.36%	9.48%	7.25%	---	---	16.30%	-0.34%	0.63%	---	---

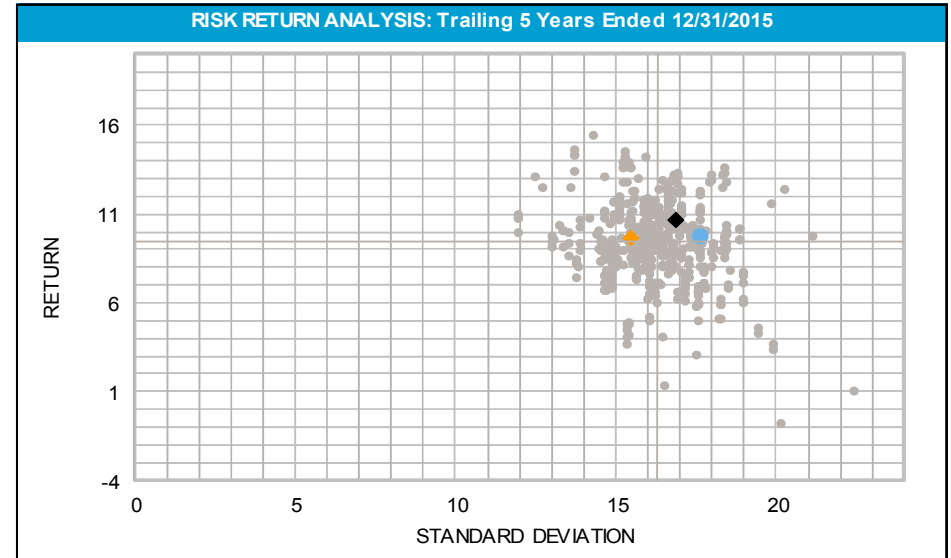
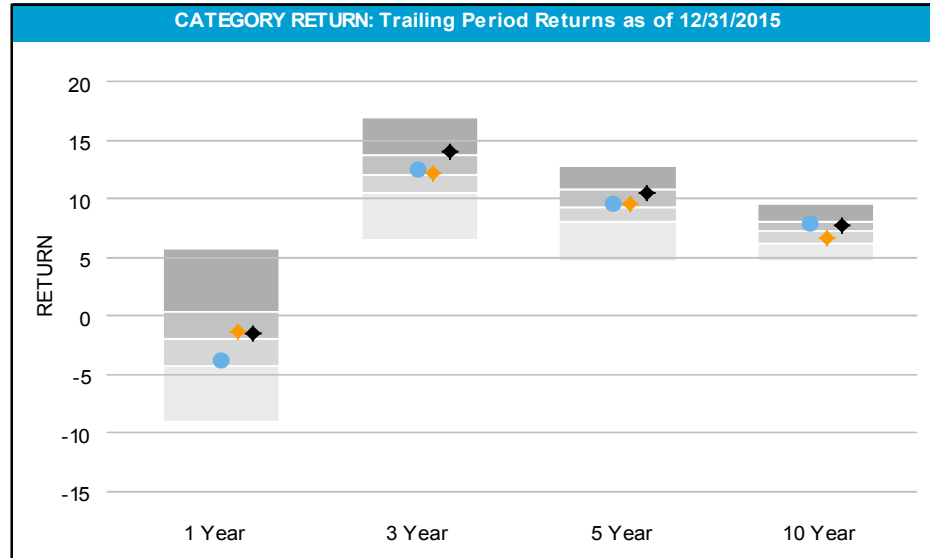
  

Return Rank w/ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● <b>BlackRock Small Cap Growth Eq Instl</b>	65%	65%	46%	45%	26%	84%	60%	59%

# of funds in Category	215	215	200	186	160
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 Source: Morningstar™ Small Growth Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Global Blend

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● American Funds Capital World Gr&Inc R4	-2.20%	-2.20%	8.28%	6.93%	5.82%	N/A	Jun-02	12.39%	-0.27%	0.60%	---	0.79%
◆ MSCI World™ Index(net)	-0.88%	-0.88%	9.63%	7.59%	4.98%	---	---	12.79%	0.00%	0.63%	---	---
◆ Lipper Global Funds Index	-1.13%	-1.13%	8.89%	6.08%	4.78%	---	---	13.09%	-1.47%	0.51%	---	---
World Stock Category Median	-1.41%	-1.41%	8.74%	7.04%	5.11%	---	---	13.53%	-0.40%	0.57%	---	---

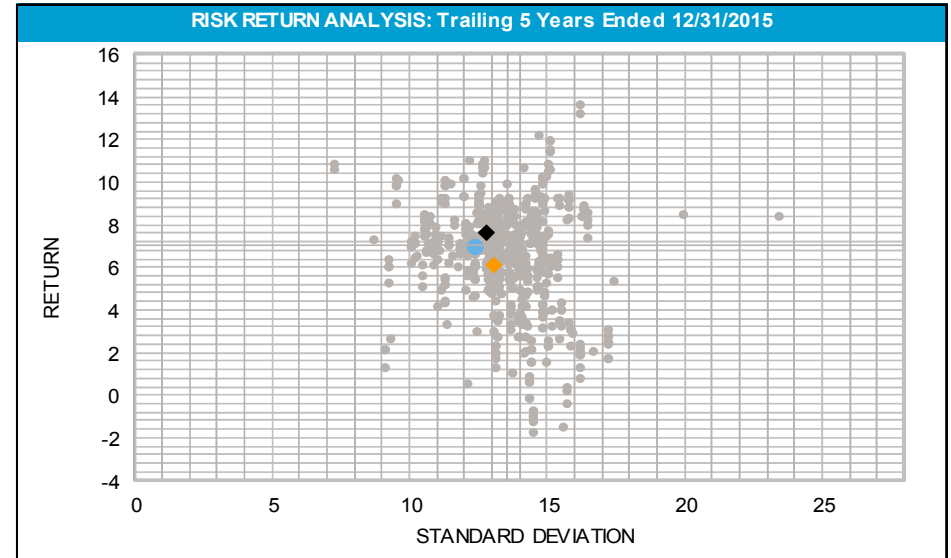
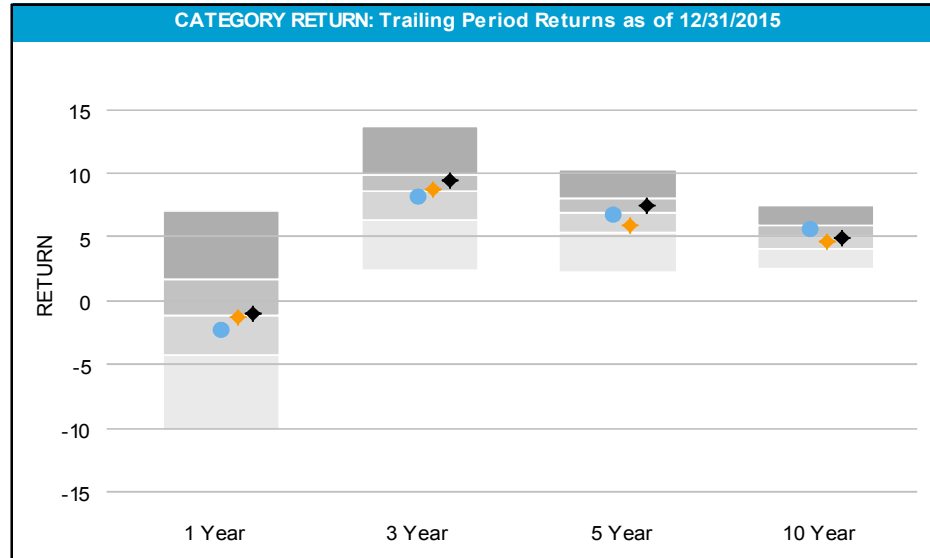
  

Return Rank w ithin Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds Capital World Gr&Inc R4	59%	59%	58%	53%	29%	21%	47%	42%

# of funds in Category	307	307	253	197	120
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Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

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 Source: Morningstar™ World Stock Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed



# International Growth

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● American Funds Europacific Growth R4	-0.82%	-0.82%	5.08%	3.62%	4.58%	N/A	Jun-02	13.81%	-0.64%	0.32%	---	0.84%
◆ MSCI EAFE™ Growth Index (net)	4.08%	4.08%	6.82%	4.59%	4.02%	---	---	14.52%	0.00%	0.38%	---	---
◆ Lipper International Funds Index	-1.35%	-1.35%	4.62%	3.17%	3.58%	---	---	14.58%	-1.31%	0.28%	---	---
Foreign Large Growth Category Median	0.23%	0.23%	4.87%	4.05%	4.21%	---	---	14.50%	-0.37%	0.34%	---	---

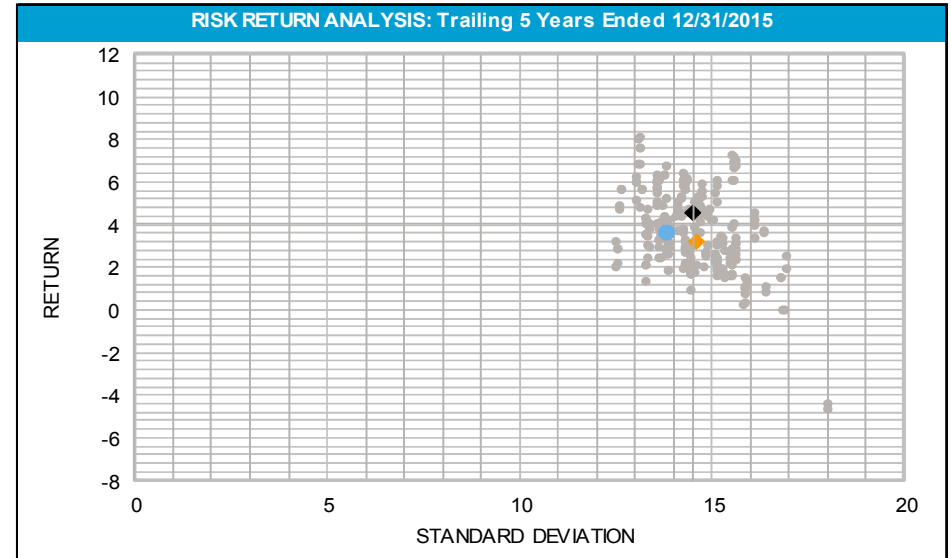
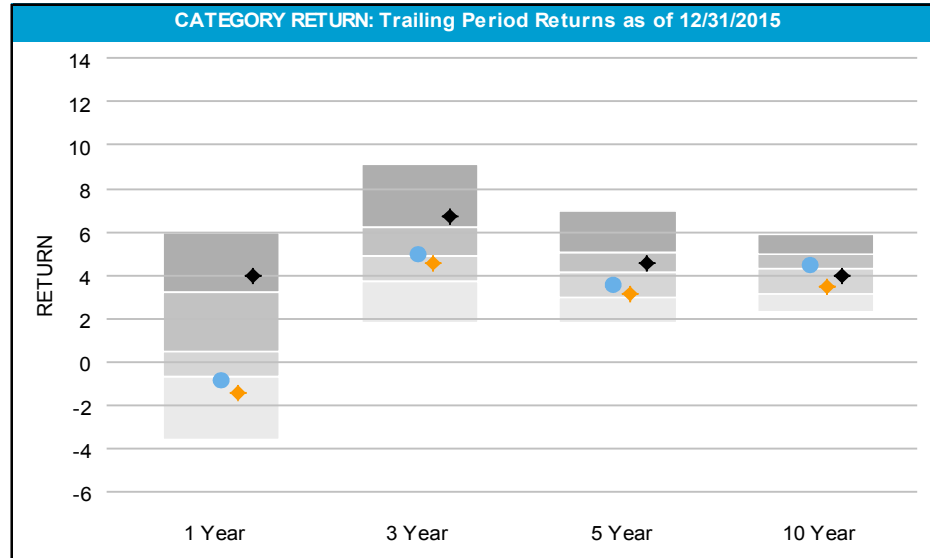
  

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● American Funds Europacific Growth R4	74%	74%	45%	59%	42%	28%	60%	56%

# of funds in Category	89	89	83	73	54
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 Source: Morningstar™ Foreign Large Growth Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Balanced Blend (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● <b>Oakmark Equity &amp; Income I</b>	-4.59%	-4.59%	8.22%	6.82%	6.62%	N/A	Nov-95	9.06%	-3.51%	0.77%	---	0.74%
◆ 60% R1000 / 40% Barclays Agg	1.00%	1.00%	9.54%	8.88%	6.55%	---	---	7.04%	0.00%	1.24%	---	---
◆ Lipper Balanced Funds Index	-0.40%	-0.40%	7.51%	7.06%	5.46%	---	---	7.55%	-2.18%	0.94%	---	---
Moderate Allocation Category Median	-1.29%	-1.29%	6.97%	6.53%	5.48%	---	---	8.26%	-3.26%	0.81%	---	---

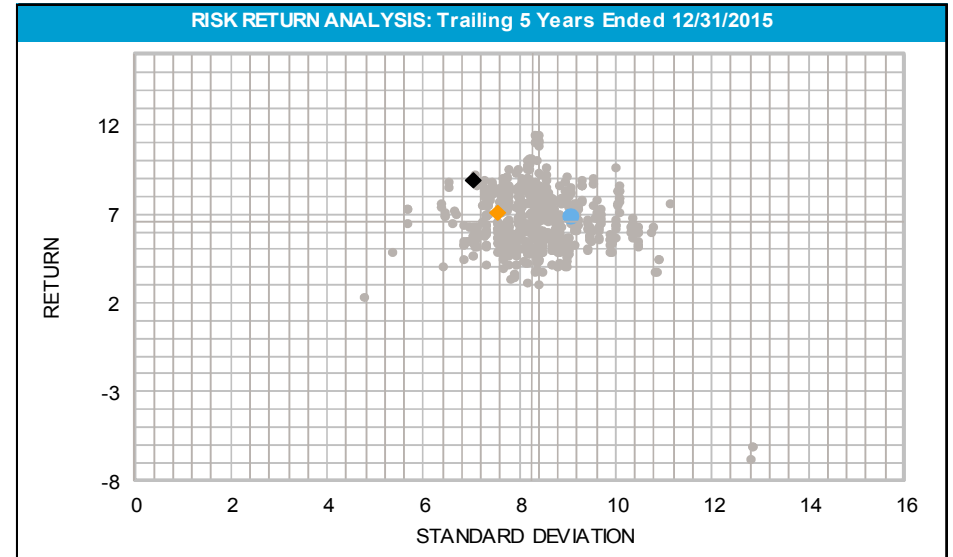
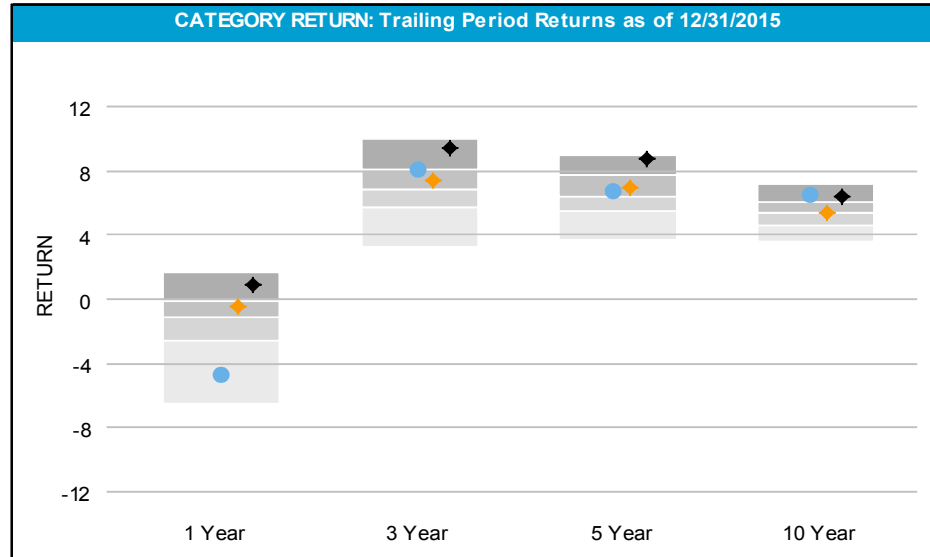
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● <b>Oakmark Equity &amp; Income I</b>	88%	88%	27%	42%	15%	82%	57%	58%

# of funds in Category	245	245	229	204	156
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 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Retirement Income

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> Bal Fund	-1.90%	-1.90%	4.44%	5.20%	---	7.49%	Jun-09	6.93%	-0.98%	0.76%	---	1.61%
◆ Prudential Day One IncomeFlex Target Bal Benchmark	-0.75%	-0.75%	5.69%	6.22%	5.27%	---	---	6.90%	0.00%	0.90%	---	---
◆ Lipper Balanced Funds Index	-0.40%	-0.40%	7.51%	7.06%	5.46%	---	---	7.55%	0.34%	0.94%	---	---
Retirement Income Median	-0.80%	-0.80%	2.87%	4.01%	3.82%	---	---	4.74%	0.01%	0.87%	---	---

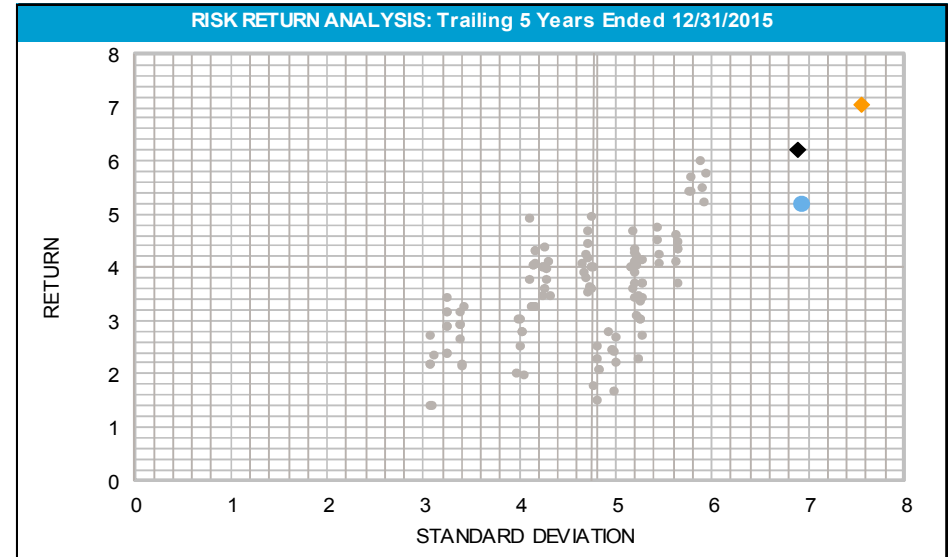
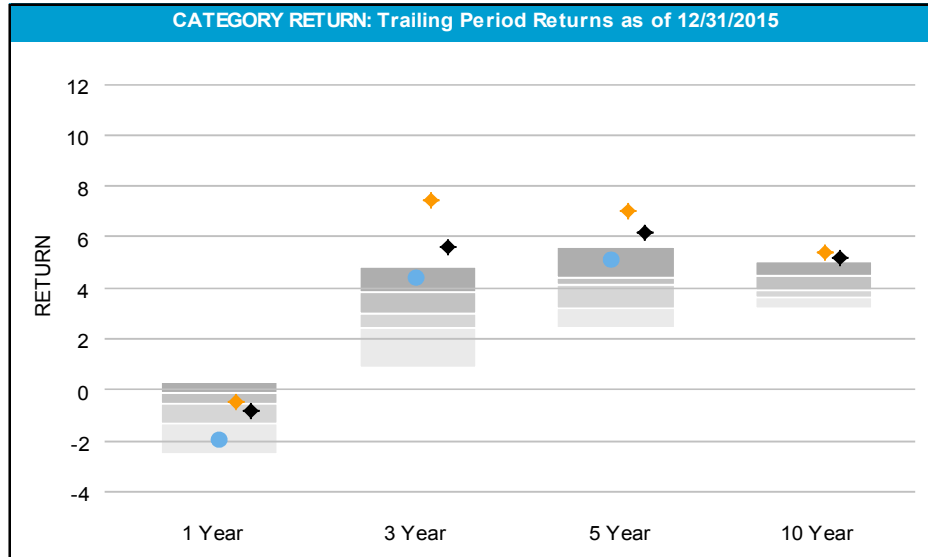
  

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> Bal Fund	85%	85%	14%	10%	---	100%	90%	77%

# of funds in Category	37	37	32	27	13
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.

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 Source: Morningstar<sup>TM</sup> Retirement Income Median

■ Open    ■ Watch List    ■ Closed

# Retirement Income - IncomeFlex (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
● Prudential IncomeFlex® Select™ Lifetime Bal Fund	-0.68%	-0.68%	6.77%	6.37%	4.53%	N/A	Nov-06	8.33%	-1.58%	0.78%	---	1.84%
● Prudential IncomeFlex® Select™ Lifetime Bal Fund	-1.18%	-1.18%	6.24%	5.84%	4.01%	N/A	Nov-06	8.33%	-2.08%	0.72%	---	2.34%
◆ Lifetime Balanced Primary Benchmark	0.54%	0.54%	8.55%	7.84%	6.02%	---	---	8.01%	0.00%	0.98%	---	---
◆ Lifetime Conservative Growth Primary Benchmark	0.59%	0.59%	7.42%	7.13%	5.84%	---	---	6.80%	0.00%	1.04%	---	---
Moderate Allocation Category Median	-1.29%	-1.29%	6.97%	6.53%	5.48%	---	---	8.26%	-1.73%	0.81%	---	---

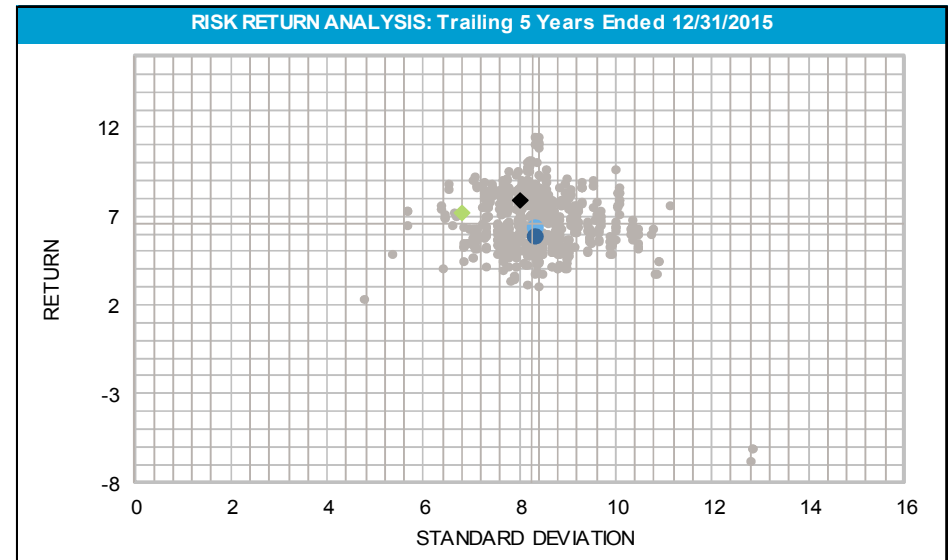
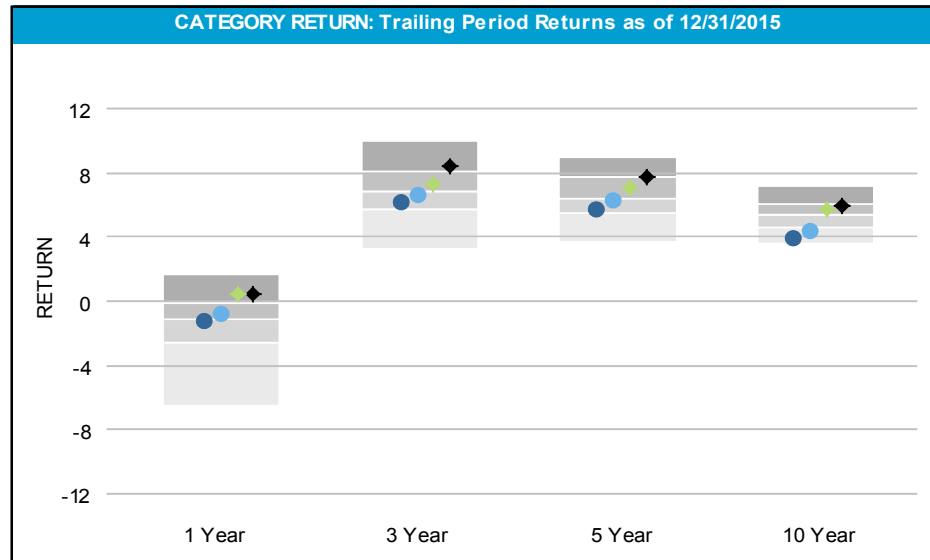
  

Return Rank w/in Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● Prudential IncomeFlex® Select™ Lifetime Bal Fund	35%	35%	55%	55%	79%	56%	59%	57%
● Prudential IncomeFlex® Select™ Lifetime Bal Fund	47%	47%	68%	70%	91%	55%	71%	67%

# of funds in Category	245	245	229	204	156
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 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Retirement Income - IncomeFlex (Moderate Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015				Inception Inception	Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years							
● IncomeFlex LT Conservative Growth Fund	-0.60%	-0.60%	5.81%	5.85%	4.49%	N/A	Nov-06	7.08%	-1.42%	0.83%	---	1.78%
● IncomeFlex LT Conservative Growth Fund	-1.10%	-1.10%	5.28%	5.32%	3.97%	N/A	Nov-06	7.08%	-1.92%	0.76%	---	2.28%
◆ Lifetime Conservative Growth Primary Benchmark	0.59%	0.59%	7.42%	7.13%	5.84%	---	---	6.80%	0.00%	1.04%	---	---
Moderate Allocation Category Median	-1.29%	-1.29%	6.97%	6.53%	5.48%	---	---	8.26%	-1.73%	0.81%	---	---

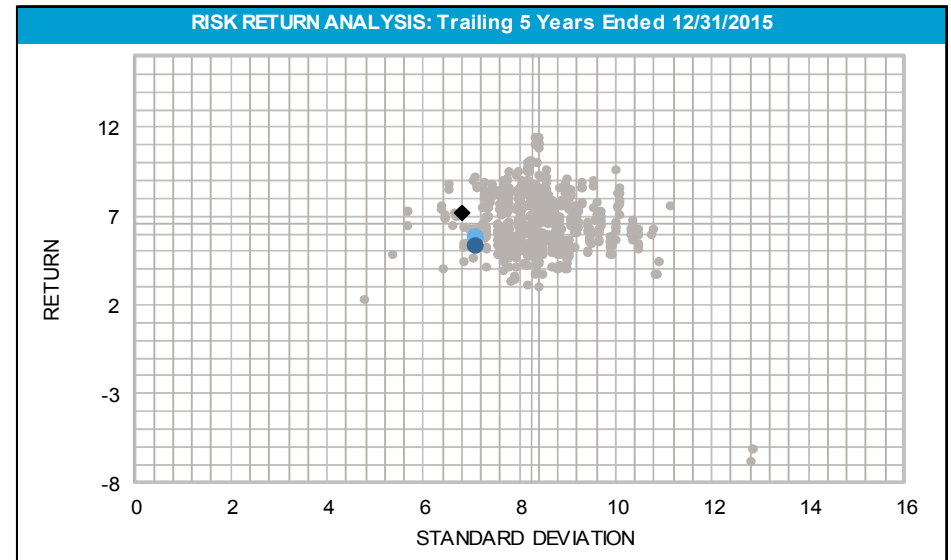
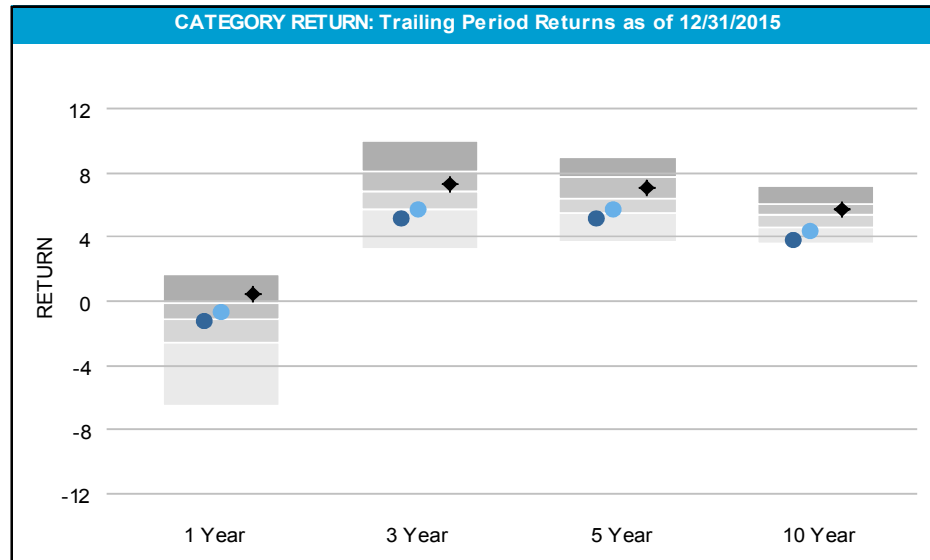
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● IncomeFlex LT Conservative Growth Fund	34%	34%	75%	70%	81%	8%	44%	45%
● IncomeFlex LT Conservative Growth Fund	45%	45%	82%	81%	92%	8%	57%	58%

# of funds in Category	245	245	229	204	156
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▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.  
 Source: Morningstar™ Moderate Allocation Category for creating asset class universe.

■ Open    ■ Watch List    ■ Closed

# Retirement Income - IncomeFlex (Conservative Allocation)

Investment Option/Benchmark	YTD Return	Average Annual Total Returns as of 12/31/2015					Inception Date	Risk 5 Years	Alpha 5 Years	Sharpe 5 Years	DDA Rank 12/31/15	Expense Ratio
		1 Year	3 Years	5 Years	10 Years	Inception						
IncomeFlex LT Income & Equity Fund	-0.53%	-0.53%	3.82%	4.53%	4.06%	N/A	Nov-06	4.66%	-1.21%	0.96%	---	1.69%
IncomeFlex LT Income & Equity Fund	-1.02%	-1.02%	3.30%	4.01%	3.54%	N/A	Nov-06	4.66%	-1.71%	0.86%	---	2.19%
Lifetime Income & Equity Primary Benchmark	0.62%	0.62%	5.17%	5.59%	5.28%	---	---	4.45%	0.00%	1.24%	---	---
Conservative Allocation Category Median	-1.25%	-1.25%	3.73%	4.61%	4.56%	---	---	5.75%	-1.90%	0.85%	---	---

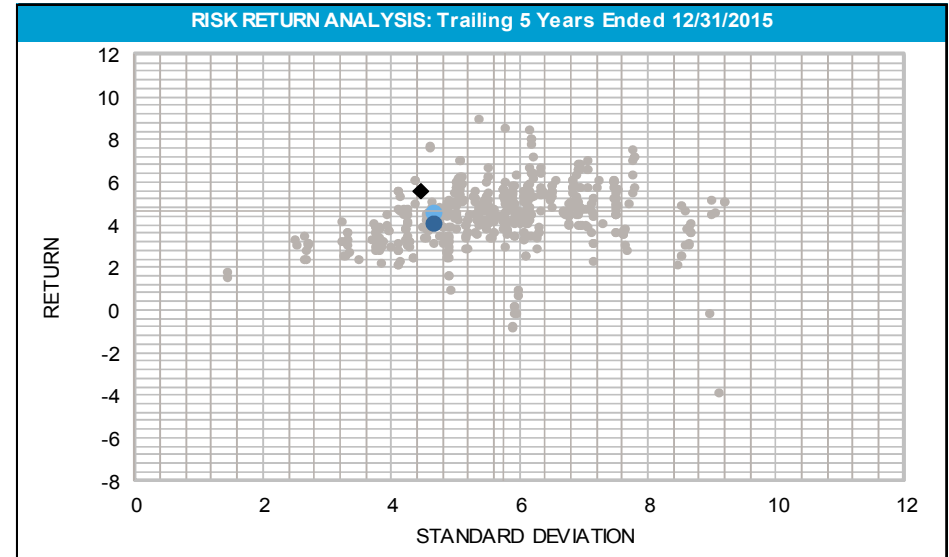
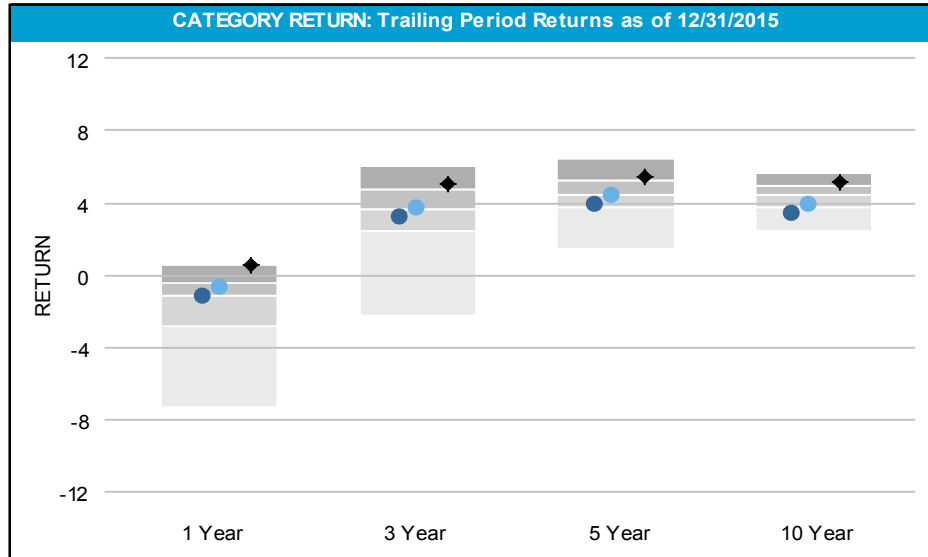
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
IncomeFlex LT Income & Equity Fund	25%	25%	48%	53%	72%	21%	30%	28%
IncomeFlex LT Income & Equity Fund	42%	42%	61%	71%	81%	21%	46%	47%

# of funds in Category	209	209	187	152	111
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.

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 Source: Morningstar™ Conservative Allocation Category for creating asset class universe.

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# Intermediate-Term Bond

Investment Option/Benchmark	YTD	Average Annual Total Returns as of 12/31/2015 <sup>+</sup>				Inception	Risk	Alpha	Sharpe	DDA Rank <sup>+</sup>	Expense	
	Return <sup>++</sup>	1 Year	3 Years	5 Years	10 Years							Date
● <b>Core Plus Bond / PIM</b>	<b>0.12%</b>	<b>0.12%</b>	<b>2.11%</b>	<b>4.80%</b>	<b>5.98%</b>	<b>N/A</b>	<b>Jun-02</b>	<b>3.53%</b>	<b>1.22%</b>	<b>1.33%</b>	<b>4</b>	<b>0.40%</b>
◆ <i>Barclays Aggregate Bond Index</i>	0.57%	0.57%	1.45%	3.25%	4.52%	---	---	2.71%	0.00%	1.18%	---	---
◆ <i>Intermediate-Term Bond Category Median</i>	0.18%	0.18%	1.29%	3.37%	4.48%	---	---	2.78%	0.35%	1.17%	---	---

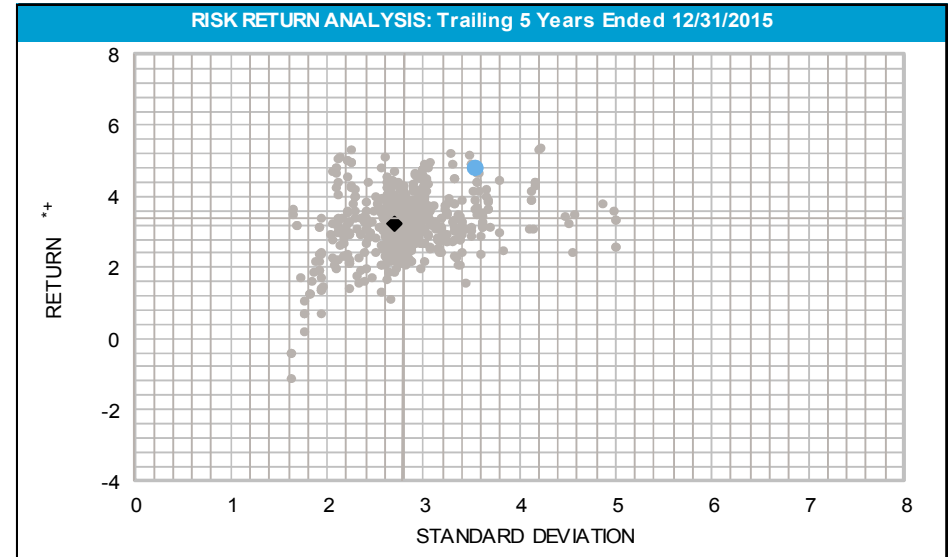
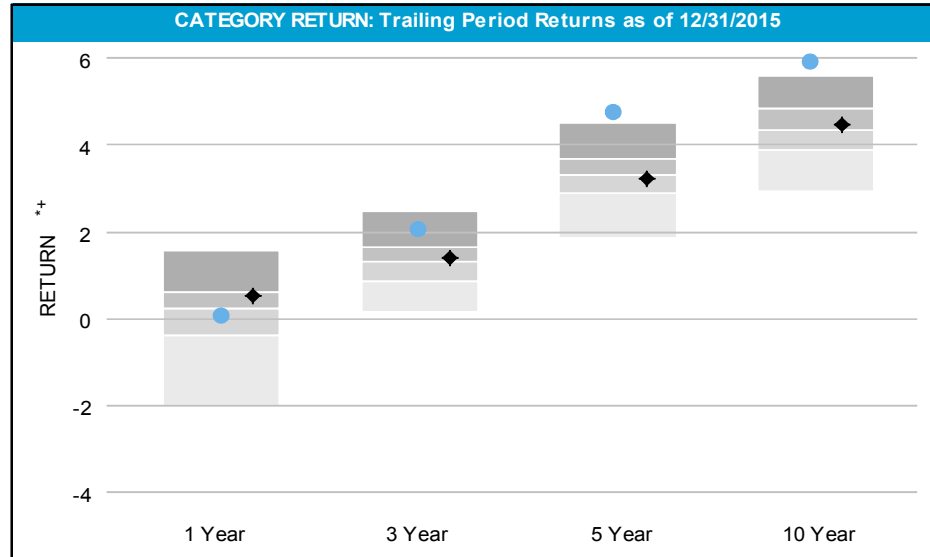
  

Return Rank w/within Category	YTD	1 Year	3 Years	5 Years	10 Years	Risk	Alpha	Sharpe
● <b>Core Plus Bond / PIM</b>	<b>54%</b>	<b>54%</b>	<b>10%</b>	<b>4%</b>	<b>2%</b>	<b>94%</b>	<b>15%</b>	<b>25%</b>

# of funds in Category	279	279	258	245	207
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Return rank within category is the percentile ranking of an investment option's returns relative to the other investment options in its category. The highest ranking a fund can receive is 1. The lowest is 100.



Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.

\* For Institutional Funds, the returns for periods prior to the investment manager's inception date may represent the blend of actual separate account performance and the manager's composite for similar strategies. Actual returns and the composite are shown separately in the Plan Summary section earlier in this report. Refer to the Glossary and Notes section at the end of this report for other important information.

+ For Institutional Funds and Alliance Funds, returns, expense ratios and rankings do not reflect any contract charges.

▲ Please refer to the glossary & notes section at the end of this report for all appropriate notes and disclaimers.

Source: Morningstar™ Intermediate-Term Bond Category for creating asset class universe.

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# Glossary & Notes



## Index Definitions & Disclosures

A market index is an unmanaged portfolio of securities such as stocks and bonds. An index is often used as a comparative benchmark for managed portfolios such as mutual funds. These indices are presented to help you evaluate the performance of the broad market which they represent, and provide you with an understanding of that market's historic long-term performance. They are an unmanaged weighted index providing a broad indicator of price movement. Individual investors cannot invest directly in an index/average. Past performance is not indicative of future results.

**60% R1000 / 40% Barclays Agg :** 60% Russell 1000 Index/40% Barclays U.S. Aggregate Index is an unmanaged, weighted average composite composed of 60% Russell 1000 Index and 40% Barclays U.S. Aggregate Index (measuring U.S. bonds with maturities of at least one year).

**Barclays Agency :** Barclays U.S. Agency Index accounts for roughly 35% of the Government Index and includes publicly issued debt of U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government.

**Barclays Aggregate Bond Index :** Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

**Barclays Asset-Backed Securities Index :** Barclays U.S. Asset Backed Securities Index is a component of the U.S. Aggregate index. The Asset-Backed Securities (ABS) Index has five subsectors: (1) Credit and charge cards, (2) Autos, (3) Home equity loans, (4) Utility, and (5) Manufactured Housing. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche.

**Barclays Credit Index :** The Barclays US Credit Index: measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. It is comprised of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

**Barclays Government Bond Index :** The Barclays U.S. Government Index: Is comprised of the U.S. Treasury and U.S. Agency Indices. The U.S. Government Index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The U.S. Government Index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

**Barclays High Yield Bond Index :** Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt (having a maximum quality rating of Ba1), a minimum outstanding amount of \$150 million and at least one year to maturity.

**Barclays MBS Index :** Barclays U.S. Mortgage Backed Securities Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

**Barclays Treasury Bond :** Barclays U.S. Treasury Index accounts for nearly 65% of the Government Index and includes public obligations of the U.S. Treasury that have remaining maturities of more than one year.

**Barclays US Treasury TIPS Index :** This index includes all publicly issued United States Treasury inflation-protected securities that have at least one year remaining until maturity, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars, and must be fixed-rate and non-convertible securities. The index is a market capitalization-weighted index. Inflation notes were included in the broader Barclays U.S. Treasury Index in March 1997 and removed from that index on January 1, 1998.

**Source: Barclays Indices, POINT ©2016 Barclays Capital Inc. Barclays Capital and POINT are registered trademarks of Barclays Capital Inc. or its affiliates.**

**5 Year Treasury Average Yield :** The 5-Year Treasury Average Yield is the average daily treasury yield (Constant Maturity) for U.S. Treasuries with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

**CRSP Mid Cap Index :** The CRSP US Mid Cap Index targets inclusion of the U.S. companies that fall between the 70%-85% of investable market capitalization. The index includes securities traded on NYSE, NYSE Market, NASDAQ or ARCA.

**CRSP Small Cap Index :** The CRSP US Small Cap Index includes U.S. companies that fall between the bottom 2%-15% of the investable market capitalization. There is no lower limit in market capitalization, other than what is specified by investability screens. The index includes securities traded on NYSE, NYSE Market, NASDAQ or ARCA.

**FTSE NAREIT Equity® Index :** The FTSE NAREIT Equity® Index is an unmanaged market capitalization index of all tax-qualified Equity REITS listed on the NYSE, AMEX, and the NASDAQ that have 75% or more of their gross invested book of assets invested directly or indirectly in the equity ownership of real estate. This Fund is not sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") and FTSE makes no recommendation regarding investing in the Fund. See the User's Guide for a more detailed description of the limited relationship FTSE has with Prudential.

**Lifetime Balanced Primary Benchmark :** Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Conservative Growth Primary Benchmark :** Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Income & Equity Primary Benchmark :** Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Lipper Balanced Funds Index :** Lipper Balanced Funds Index is an equal dollar weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to conserve principal by maintaining a balanced portfolio of stocks and bonds). Typically the stock/bond ratio ranges around 60%/40%.

**Lipper Global Funds Index :** Lipper Global Funds Index is an equal dollar-weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest at least 25% of its portfolio in securities traded outside of the United States). These funds may own U.S. securities as well.

**Lipper International Funds Index :** Lipper International Funds Index is an equal dollar-weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest assets in securities whose primary trading markets are outside the United States).

**Lipper Large Cap Core Funds Index :** Lipper Large-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large Cap Growth Funds Index :** Lipper Large-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large Cap Value Funds Index :** Lipper Large-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Mid Cap Core Funds Index :** Lipper Mid-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid Cap Growth Funds Index :** Lipper Mid-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid Cap Value Funds Index :** Lipper Mid-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Small Cap Core Funds Index :** Lipper Small-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P Super-Composite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small Cap Growth Funds Index :** Lipper Small-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small Cap Value Funds Index :** Lipper Small-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**MSCI EAFE™ Growth Index(net) :** MSCI EAFE™ Growth Index (net) includes those firms in the MSCI EAFE Index with higher Price/Book (P/BV) ratios relative to their respective MSCI country index. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

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**MSCI EAFE™ Index(net) :** MSCI EAFE™ Index(net) is a market capitalization weighted index comprised of companies representative of the market structure of 21 developed market countries in Europe, Australia and the Far East. The MSCI EAFE Index is available both in local currency and U.S. dollar terms. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

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**MSCI Emerging Markets™ Index(net)** : The MSCI Emerging Markets™ Index(net) is a market capitalization-weighted index comprised of companies representative of the market structure of 25 emerging market countries open to foreign investment. The MSCI EMF Index excludes closed markets and those shares in otherwise open markets that are not available for purchase by foreigners. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. The index is available both in local currency and U.S. dollar terms.

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**MSCI Europe ex U.K. Index** : MSCI EAFE Value Index is a market capitalization weighted index comprised of those firms in the MSCI EAFE Index with lower Price/Book Value (P/BV) ratios relative to their respective MSCI country index.

**MSCI Japan Net Dividend Index** : MSCI Japan Index measures the performance of the Japanese equity market, listed in U.S. dollars, with net dividends reinvested.

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**MSCI Pacific Ex Japan Net Dividend Index** : MSCI Pacific ex. Japan index measures the performance of stock markets in Australia, Hong Kong, New Zealand, and Singapore, and Malaysia.

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**MSCI United Kingdom Net Dividend Index** : MSCI United Kingdom (net index) is constructed including every listed security in the market. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax.

**MSCI World™ Index(net)** : MSCI World™ Index(net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets (includes 24 countries in the North America, Europe, and Asia/Pacific region).

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**Prudential Day One IncomeFlex Target Bal Benchmark** : The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Russell 1000™ Growth Index** : The Russell 1000™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 1000™ Index** : The Russell 1000™ Index is a market-capitalization weighted index that measures the performance of the 1,000 largest companies in the Russell 3000® Index.

**Russell 1000™ Value Index** : The Russell 1000™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 2000™ Growth Index** : The Russell 2000™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 2000™ Index** : The Russell 2000™ Index is a market capitalization-weighted index that measures the performance of the 2000 smallest companies in the Russell 3000® Index.

**Russell 2000™ Value Index** : The Russell 2000™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell Midcap™ Growth Index** : The Russell Midcap™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth rates. The stocks are also members of the Russell 1000® Growth Index.

**Russell Midcap™ Index :** The Russell Midcap™ Index is a market capitalization-weighted index that measures the performance of the mid-cap segment of the U.S. equity universe. The index consists of approximately 800 of the smallest companies in the Russell 1000® Index.

**Russell Midcap™ Value Index :** The Russell Midcap™ Value index is a market capitalization-weighted index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates. The stocks are also members of the Russell 1000® Value Index.

**S&P 500® Index :** S&P 500® Index (registered trademark of The McGraw-Hill Companies, Inc.) is an unmanaged index with over US \$5.58 trillion benchmarked (index assets comprising approximately US \$1.31 trillion of this total) that includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

**S&P 500®-Consumer Discretionary Index :** S&P 500®-Consumer Discretionary Index includes companies that tend to be most sensitive to economic cycles. Its manufacturing segment includes automotive, household durable goods, textile and apparel, and leisure equipment. The services segment includes hotels, restaurants and other leisure facilities, media production and services and consumer retailing.

**S&P 500®-Consumer Staples Index :** S&P 500®-Utilities Index includes companies that tend to be less sensitive to economic cycles. It includes manufacturing and distributors of food, beverages and tobacco and producers of non-durable household goods and personal products. It also includes food and drug retailing companies.

**S&P 500®-Financial Services Index :** S&P 500®-Financial Services Index contains companies involved in activities such as banking, consumer finance, investment banking and brokerage, asset management, insurance and investment, and real estate, including REITs.

**S&P 500®-Health Care Index :** S&P 500®-Health Care Index encompasses two main industry groups. The first includes companies who manufacture health care equipment and supplies or provide health care related services, including distributors of health care products, providers of basic health-care services, and owners and operators of health care facilities and organizations. The second regroups companies primarily involved in the research, development, production and marketing of pharmaceuticals and biotechnology products.

**S&P 500®-Industrials Index :** S&P 500®-Industrials Index includes companies whose businesses manufacture and distribute capital goods, including aerospace and defense, construction, engineering and building products, electrical and industrial machinery. It also includes companies who provide commercial services and supplies, including printing, employment, environmental, office services and transportation services including airlines, couriers, marine, road, and rail and transportation infrastructure.

**S&P 500®-Information Technology Index :** S&P 500®-Information Technology Index: Standard & Poor's offers sector indices on the S&P 500 based upon the Global Industry Classification Standard (GICS®). This standard is jointly Standard & Poor's and MSCI. Each stock is classified into one of 10 sectors, 24 industry groups, 64 industries and 139 sub-industries according to their largest source of revenue. Standard & Poor's and MSCI jointly determine all classifications. The 10 sectors are Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services and Utilities. These indices are calculated using the same guiding principles that apply to all Standard & Poor's indices.

**S&P 500®-Materials and Processing Index :** S&P 500®-Materials and Processing Index includes companies that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, metals, minerals and mining companies, including producers of steel.

**S&P 500®-Other Energy Index :** S&P 500®-Other Energy Index encompasses two main industry groups. The first includes companies who manufacture oil rigs, drilling equipment and other energy-related services and equipment, including seismic data collection. The second group includes the exploration, production, marketing, refining and/or transportation of oil and gas products

**S&P 500®-Telecom Service Index :** S&P 500®-Telecom Service Index contains companies that provide communications services primarily through a fixed-line, cellular, wireless, high bandwidth and/or fiber optic cable network.

**S&P 500®-Utilities Index :** S&P 500®-Utilities Index encompasses those companies considered electric, gas or water utilities, or companies that operate as independent producers and/or distributors of power. This sector includes both nuclear and non-nuclear facilities

# Investment Performance Notes

## Important Information about Investment Product Performance

Prudential Retirement constructs Asset Class Categories using MPI Stylus, a product of Markov Processes International LLC, and data provided by Morningstar™, Inc. Categories are constructed by using the appropriate Morningstar™, Inc. category and then removing duplicate share classes from the universe. Duplicate share classes are identified in a database field, and in general the share class with the longest history is used for category construction. Category medians and fund percentile rankings are then calculated using MPI Stylus and therefore may differ from those provided directly by Morningstar™, Inc.

## Fund Specific Footnotes

**Core Plus Bond / PIM** – The Separate Account was established 7/19/2002. All performance results are net of the management fee for this Fund of 0.38%. Actual Fund performance is also net of other Fund operating expenses of 0.02% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures. Effective 12/15/2014, Prudential Investment Management, Inc replaced Pacific Investment Management Company, LLC as sub-advisor of the Separate Account. Performance prior to 12/15/2014 reflects that of Pacific Investment Management Company, LLC.

**IncomeFlex LT Conservative Growth Fund** – The Separate Account was established 11/28/2006. The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 2.26%, other operating expenses of 0.02% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 1.76%, other operating expenses of 0.02% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

**IncomeFlex LT Income & Equity Fund** – The Separate Account was established 11/28/2006. The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 2.17%, other operating expenses of 0.02% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 1.67%, other operating expenses of 0.02% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines “enhanced index” as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

**Mid Cap Growth / Westfield Capital Fund** – The Separate Account was established 6/28/2007. All performance results are net of the management fee for this Fund of 0.85%. Actual Fund performance is also net of other Fund operating expenses of 0.00% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> Bal Fund** – The Separate Account was established 6/30/2009. All performance results are net of the management fee for this Fund of 1.59%. Actual Fund performance is also net of other Fund operating expenses of 0.02% for the prior calendar year. Such Fund operating expenses may reflect the benefit of a commission recapture program. Fee waivers of 0.00% are in place for this Fund. Actual performance shown reflects the imposition of the foregoing expenses and the benefit of any fee waivers and commission recaptures. Performance shown beginning 09/22/2009 represents the actual performance track record of the Prudential Day One IncomeFlex Target Balanced Fund. Performance prior to 09/22/2009 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target Balanced Fund’s glidepath, beginning with the Glidepath Inception Date of

June 30, 2009 ("Glidepath Performance"). Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

Prudential IncomeFlex® Select™ Lifetime Bal Fund - The Separate Account was established 11/28/2006. Results are net of the highest management fee for this Fund of 2.32%, other operating expenses of 0.02% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. Results are net of the highest management fee for this Fund of 1.82%, other operating expenses of 0.02% for the prior year and the IncomeFlex guarantee fee of 0.95%, but are before any contract-related expenses. Participants who elect the optional Spousal Benefit will pay a total guarantee fee of 1.45% after making that election, which will further reduce the performance shown above. The Funds used in the Lifetime Funds may have an arrangement to recapture a portion of trade commissions that are used to offset operating expenses of the Fund. The benchmarks reflect the weighted average of the benchmarks for the underlying Funds. The underlying manager defines "enhanced index" as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect. The underlying manager defines "enhanced index" as an actively managed portfolio that attempts to outperform a benchmark index, while managing exposure to risks that may cause substantial performance deviations from that benchmark. An enhanced index strategy is not a better index fund. Rather, it is an actively managed strategy that, like all active strategies, may actually underperform the benchmark index and be more volatile than we expect.

# Glossary

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## Alpha

A measure of value added by a manager as compared to a passive portfolio with the same market sensitivity or beta. Alpha is a measure of return for residual, or non-market, risk, and is used to measure a manager's contribution to performance due to security or sector selection.

## DDA

The Due Diligence Advisor Program employs a disciplined process to select, evaluate, and monitor the institutional sub-advised and mutual fund-based investment offerings. This Program helps to ensure that investments offered by Prudential Retirement are highly competitive and meet the varied investment requirements of retirement plan sponsors and their employees, as well as retirement plan consultants. The "Due Diligence Quartile Rank" provides an overall rank for each manager within the relevant style universe (e.g. Large Cap Stock – Growth). Each Fund is assessed on the basis of nominal risk-adjusted returns, and downside risk (versus and appropriate benchmark). These metrics are weighted based on 1-, 3-, and 5-year results with greatest emphasis place on long-term timeframes. Criteria are then used to generate an overall rating that determines a quartile distribution for the Fund within its peer group on a quarterly basis.

## Expense Ratio

Investment returns are reduced by various fees and expenses. For each plan investment option, the column shows these charges as an annual percentage. Depending on the type of investment, these charges are paid to Prudential or to unaffiliated mutual fund complexes or bank collective trusts. If the plan has mutual fund investment options, the Expense Ratio is not reduced by any fee or expense waivers from the fund complex, and therefore the actual Expense Ratio may be lower. For other investment options, the benefit of any waivers is reflected in the Expense Ratio shown.

Some mutual funds and bank collective trusts, or their affiliates, compensate Prudential for selling their shares and servicing the retirement plan, as detailed in the Fact Sheet for that investment option. For other investment options, the charges reflected in the Expense Ratio are typically deducted by Prudential in return for investment and recordkeeping services, and product distribution. For some plans, the charges also enable Prudential to satisfy the plan's request for allowances to defray plan expenses. The retirement plan may not include investment options with lower fee structures or lower cost share classes in order to compensate Prudential, in the aggregate, for servicing the retirement plan.

## Growth Stocks

Investors employing a growth investment strategy buy stocks of companies with a recent history of increasing earnings, in anticipation that earnings momentum will continue. Growth stocks are often characterized by high valuation ratios (e.g., price-to-earnings ratios). See also: value stocks.

## Risk

This statistic measures the volatility of a stream of data compared to its average value. Applied to investment performance, standard deviation measures how "choppy" the monthly returns are over a period of time. 66% of all monthly values would fall within one standard deviation of the average, while 95% of all values would fall within two standard deviations of the average.

## Sharpe Ratio

This statistic measures the quality of the returns for an investment on a risk-adjusted basis over a given period. It is defined as the excess returns of an investment divided by the standard deviation of returns. Excess returns are the returns of the investment minus the risk-free rate of return offered in the market, typically measured by short-term government instruments such as 3-month T-Bills. For two funds to have the same Sharpe Ratio, the fund with greater volatility must also deliver greater returns. (Sharpe Ratio = Excess Returns/Risk = (Returns on the Investment - Returns on T-Bills) / Standard Deviation)

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# Glossary

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## Value Stocks

Investors employing a value investment strategy buy stocks of companies they believe are under-priced based on their fundamental ability to generate earnings, in anticipation that the price performance of the stock will reverse. Value stocks are often characterized by low valuation ratios (e.g., price-to-earnings ratios). See also: growth stocks.

## Risk-Return Charts

Investors who choose to take on additional risk do so in anticipation of higher returns. The risk-return charts are often used to compare investment performance to a benchmark on a risk-adjusted basis. A benchmark (typically an index or market average) is plotted on the chart along with a risk-free rate of return.

See also: Sharpe Ratio

## Fund Rank Charts

In order to measure a fund's performance relative to a style specific benchmark and peer group or universe, funds and benchmarks are plotted relative to where they would rank within a given fund category. For example, the top line of the bar indicates the top 5th percentile return of the category. The 25th percentile return of the category is indicated by the second line. The median or 50th percentile return of the category is indicated by the third line. The 75th percentile return of the category is indicated by the fourth line. The bottom line of the bar indicates the 95th percentile return of the category.

## Important Information About Prudential and its Businesses

#Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

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## **Section II: Fund Performance**

# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Select Funds, Sub-Advised Funds, Alliance Mutual Funds, and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS			AVERAGE ANNUAL RETURNS				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		AS OF DECEMBER 31, 2015 *			AS OF DECEMBER 31, 2015 *									
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>LARGE VALUE</b>														
Large Cap Value Fund (sub-advised by Wellington Mgt) #	9/29/00	-2.07	6.51	-1.00	-1.00	12.18	9.59	4.79	N/A	11.72	-1.10	0.84	2	1.12%
Large Cap Value / Barrow Hanley Fund #	3/28/02	-2.45	4.75	-2.53	-2.53	12.75	10.00	5.11	N/A	12.21	-1.00	0.84	2	1.12%
Large Cap Value / Ceredex Fund #	3/22/13	-3.11	6.74	-4.77	-4.77	---	---	---	9.02	---	---	---	2	1.10%
<i>Manager Composite</i>	12/31/03	-3.21	6.62	-4.84	-4.84	12.19	9.93	7.27	N/A	12.44	-1.28	0.82	---	1.10%
<i>Blended Performance</i>	12/31/03	-3.11	6.74	-4.77	-4.77	12.00	9.82	7.21	N/A	12.43	-1.37	0.81	---	1.10%
Large Cap Value / LSV Asset Management #	7/19/02	-2.53	4.07	-3.83	-3.83	15.18	12.59	5.98	N/A	13.79	0.00	0.93	1	1.12%
Large Cap Value / AJO Fund #	8/1/97	-3.75	4.96	-0.67	-0.67	13.92	11.75	6.39	N/A	12.69	0.15	0.94	1	1.12%
SA/T. Rowe Price Equity Income Strategy #	7/16/01	-2.24	5.71	-6.77	-6.77	9.07	8.50	5.43	N/A	11.77	-2.14	0.75	3	0.88%
AllianzGI NFJ Dividend Value Instl	5/8/00	-2.43	3.50	-8.32	-8.32	9.22	9.03	5.16	N/A	12.21	-1.83	0.77	---	0.71%
Russell 1000™ Value Index		-2.15	5.64	-3.84	-3.84	13.08	11.27	6.16	---	12.12	0.00	0.94	---	---
S&P 500® Value Index		-1.68	6.05	-3.14	-3.14	13.16	10.83	5.73	---	12.24	-0.06	0.92	---	---
S&P 500® Index		-1.58	7.04	1.38	1.38	15.13	12.57	7.31	---	11.70	1.71	1.07	---	---
Lipper Large Cap Value Funds Index		-2.41	5.64	-3.65	-3.65	12.53	10.02	5.70	---	12.39	-1.29	0.83	---	---
Large Value Category Median		-2.38	4.96	-3.54	-3.54	12.25	10.01	5.80	---	12.33	-0.88	0.84	---	---

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\*Please see footnote section for more information.

# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS			AVERAGE ANNUAL RETURNS				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		AS OF DECEMBER 31, 2015 *			AS OF DECEMBER 31, 2015 *									
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>LARGE BLEND</b>														
Large Cap Blend / AJO Fund #	1/31/95	-2.20	5.70	-0.54	-0.54	15.75	13.32	7.06	N/A	12.11	0.72	1.09	1	1.12%
Large Cap Blend / MFS Fund #	1/31/92	-1.48	5.71	0.60	0.60	13.51	9.92	5.79	N/A	13.13	-3.19	0.78	3	1.06%
<i>Manager Composite</i>	3/31/93	-1.83	5.32	-0.08	-0.08	13.27	11.06	7.17	N/A	12.51	-1.65	0.90	---	1.05%
<i>Blended Performance</i>	3/31/93	-1.48	5.71	0.60	0.60	13.51	11.16	7.22	N/A	12.52	-1.56	0.91	---	1.06%
QMA Large Cap Quantitative Core Equity Fund #	12/21/05	-1.72	6.73	1.08	1.08	15.39	12.77	7.30	N/A	12.29	-0.04	1.04	1	0.77%
American Funds Fundamental Invs R4	7/25/02	-1.77	8.11	3.35	3.35	13.95	11.19	7.73	N/A	12.40	-1.43	0.92	---	0.66%
Russell 1000™ Index		-1.80	6.50	0.91	0.91	15.00	12.44	7.40	---	11.88	0.00	1.05	---	---
S&P 500® Index		-1.58	7.04	1.38	1.38	15.13	12.57	7.31	---	11.70	0.30	1.07	---	---
Lipper Large Cap Core Funds Index		-1.83	6.16	-0.68	-0.68	13.38	10.96	6.35	---	11.67	-1.12	0.95	---	---
Large Blend Category Median		-1.97	5.85	-0.63	-0.63	13.80	11.19	6.61	---	12.05	-0.90	0.94	---	---
Dryden S&P 500® Index Fund #	12/31/87	-1.61	6.97	1.10	1.10	14.75	12.22	7.03	N/A	11.69	-0.30	1.04	---	0.32%
QMA U.S. Broad Market Index Fund #	5/27/09	-1.91	6.51	0.70	0.70	14.54	12.01	---	15.02	11.82	-0.30	1.02	---	0.31%
S&P Composite 1500® Index		-1.88	6.59	0.99	0.99	14.89	12.38	7.41	---	11.86	0.00	1.04	---	---
Russell 1000™ Index		-1.80	6.50	0.91	0.91	15.00	12.44	7.40	---	11.88	0.04	1.05	---	---
S&P 500® Index		-1.58	7.04	1.38	1.38	15.13	12.57	7.31	---	11.70	0.34	1.07	---	---
Lipper Large Cap Core Funds Index		-1.83	6.16	-0.68	-0.68	13.38	10.96	6.35	---	11.67	-1.07	0.95	---	---
Large Blend Category Median		-1.97	5.85	-0.63	-0.63	13.80	11.19	6.61	---	12.05	-0.85	0.94	---	---
Vanguard 500 Index Admiral	11/13/00	-1.58	7.04	1.36	1.36	15.09	12.53	7.30	N/A	11.70	-0.03	1.07	---	0.05%
S&P 500® Index		-1.58	7.04	1.38	1.38	15.13	12.57	7.31	---	11.70	0.00	1.07	---	---
Russell 1000™ Index		-1.80	6.50	0.91	0.91	15.00	12.44	7.40	---	11.88	-0.27	1.05	---	---
Lipper Large Cap Core Funds Index		-1.83	6.16	-0.68	-0.68	13.38	10.96	6.35	---	11.67	-1.38	0.95	---	---
Large Blend Category Median		-1.97	5.85	-0.63	-0.63	13.80	11.19	6.61	---	12.05	-1.14	0.94	---	---

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		AS OF DECEMBER 31, 2015 *			AS OF DECEMBER 31, 2015 *									
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>LARGE GROWTH</b>														
Large Cap Growth / Columbia Management Fund #	8/31/97	-0.78	8.81	8.29	8.29	17.52	13.58	8.13	N/A	12.69	-0.25	1.07	1	1.11%
<i>Manager Composite</i>	12/31/01	-0.45	9.18	8.84	8.84	17.32	13.47	8.23	N/A	13.18	-0.81	1.03	---	1.10%
<i>Blended Performance</i>	12/31/01	-0.78	8.81	8.29	8.29	17.16	13.38	8.19	N/A	13.22	-0.95	1.02	---	1.11%
Large Cap Growth / Eaton Vance Fund #	7/6/11	-1.07	7.93	6.53	6.53	17.74	---	---	15.15	---	---	---	2	1.12%
<i>Manager Composite</i>	9/30/02	-1.13	7.91	6.84	6.84	18.04	11.95	8.08	N/A	12.55	-1.75	0.96	---	1.10%
<i>Blended Performance</i>	9/30/02	-1.07	7.93	6.53	6.53	17.74	11.70	7.96	N/A	12.52	-1.94	0.95	---	1.12%
Large Cap Growth / JP Morgan Investment Mgt Fund #	5/31/98	-0.93	7.38	7.34	7.34	16.27	11.44	5.88	N/A	13.37	-2.53	0.88	4	1.12%
<i>Manager Composite</i>	7/31/04	-0.89	7.41	7.35	7.35	16.34	12.61	8.99	N/A	13.00	-1.10	0.98	---	1.10%
<i>Blended Performance</i>	7/31/04	-0.93	7.38	7.34	7.34	16.27	12.60	8.98	N/A	13.05	-1.15	0.97	---	1.12%
Large Cap Growth / MFS Fund #	3/1/04	-0.98	8.40	7.00	7.00	16.90	11.06	7.25	N/A	12.46	-2.32	0.90	3	1.12%
<i>Manager Composite</i>	8/31/95	-0.99	8.43	6.99	6.99	16.54	12.95	9.11	N/A	12.37	-0.51	1.05	---	1.10%
<i>Blended Performance</i>	8/31/95	-0.98	8.40	7.00	7.00	16.54	12.94	9.11	N/A	12.40	-0.55	1.04	---	1.12%
SA/T. Rowe Price Growth Stock Strategy #	6/24/05	-0.42	8.58	10.64	10.64	18.55	14.21	8.81	N/A	13.56	-0.44	1.05	1	0.89%
Large Cap Growth I Fund (managed by T. Rowe Price) #	7/31/01	-0.69	9.52	10.40	10.40	19.33	15.24	9.05	N/A	13.77	0.28	1.10	1	1.05%
Fidelity Advisor® New Insights I	7/31/03	-1.94	5.53	2.64	2.64	14.26	11.45	8.03	N/A	11.47	-0.98	1.00	---	0.67%
Russell 1000™ Growth Index		-1.47	7.32	5.68	5.68	16.84	13.54	8.54	---	12.02	0.00	1.12	---	---
S&P 500® Growth Index		-1.52	7.87	5.54	5.54	17.19	14.21	8.78	---	11.53	1.07	1.20	---	---
S&P 500® Index		-1.58	7.04	1.38	1.38	15.13	12.57	7.31	---	11.70	-0.28	1.07	---	---
Lipper Large Cap Growth Funds Index		-0.98	8.24	5.63	5.63	16.43	12.30	7.24	---	13.31	-2.13	0.94	---	---
Large Growth Category Median		-1.58	6.72	3.48	3.48	15.46	11.71	7.38	---	13.15	-1.95	0.92	---	---

# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS			AVERAGE ANNUAL RETURNS				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		AS OF DECEMBER 31, 2015 *			AS OF DECEMBER 31, 2015 *									
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>MID VALUE</b>														
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>														
Mid Cap Value Fund (sub-advised by Wellington Mgt) #	9/29/00	-4.98	4.45	-1.51	-1.51	12.53	9.75	7.09	N/A	14.92	-2.77	0.70	2	1.17%
Mid Cap Value / WEDGE Fund #	3/8/13	-4.95	1.13	-6.98	-6.98	---	---	---	8.90	---	---	---	2	1.16%
<i>Manager Composite</i>	12/31/98	-5.03	1.09	-7.09	-7.09	13.57	11.72	8.15	N/A	13.60	0.09	0.88	---	1.15%
<i>Blended Performance</i>	12/31/98	-4.95	1.13	-6.98	-6.98	13.65	11.77	8.18	N/A	13.57	0.15	0.89	---	1.16%
Mid Cap Value / Cooke & Bieler Fund #	6/30/04	-4.29	3.39	-2.94	-2.94	11.60	10.15	7.01	N/A	13.47	-1.09	0.78	3	1.15%
Mid Cap Value / Integrity Fund #	6/1/05	-4.15	3.48	-6.06	-6.06	12.84	10.33	6.90	N/A	14.47	-1.95	0.75	2	1.16%
Mid Cap Value / Invesco Fund #	5/17/07	-5.50	-0.99	-9.07	-9.07	10.18	9.69	---	5.86	13.68	-1.71	0.74	4	1.17%
Mid Cap Value / QMA Fund #	6/30/08	-4.30	0.99	-6.02	-6.02	9.50	7.52	---	6.49	14.12	-4.28	0.58	4	1.15%
<i>Manager Composite</i>	1/31/07	-4.37	0.55	-6.55	-6.55	13.77	11.00	---	6.74	12.86	-0.30	0.87	---	1.15%
<i>Blended Performance</i>	1/31/07	-4.30	0.99	-6.41	-6.41	13.82	11.02	---	6.75	12.86	-0.27	0.88	---	1.15%
Mid Cap Value / Robeco Boston Partners Fund #	6/1/05	-2.90	4.89	1.75	1.75	14.67	10.34	7.53	N/A	12.72	-0.42	0.84	1	1.17%
<i>Manager Composite</i>	4/30/95	-2.90	4.90	1.62	1.62	17.05	13.81	10.64	N/A	13.52	1.90	1.02	---	1.15%
<i>Blended Performance</i>	4/30/95	-2.90	4.89	1.75	1.75	17.11	13.84	10.66	N/A	13.52	1.93	1.03	---	1.17%
Fidelity Advisor® Leveraged Co Stkl	12/27/00	-4.86	2.44	-5.52	-5.52	10.94	9.66	7.47	N/A	16.50	-3.62	0.64	---	0.81%
Vanguard Selected Value Inv	2/15/96	-3.74	3.41	-3.80	-3.80	13.27	11.05	7.74	N/A	12.52	0.32	0.90	---	0.44%
Russell Midcap™ Value Index		-3.10	3.11	-4.79	-4.79	13.40	11.25	7.61	---	12.65	0.00	0.90	---	---
Russell Midcap™ Index		-2.68	3.62	-2.45	-2.45	14.18	11.44	8.00	---	13.05	0.00	0.89	---	---
Russell 2500™ Value Index		-4.58	2.78	-5.49	-5.49	10.51	9.23	6.51	---	14.16	-2.78	0.69	---	---
Lipper Mid Cap Value Funds Index		-4.35	2.21	-5.00	-5.00	12.18	9.62	6.89	---	13.79	-2.21	0.73	---	---
Mid-Cap Value Category Median		-3.91	2.80	-5.05	-5.05	12.11	9.46	6.81	---	13.70	-2.27	0.71	---	---

# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>MID BLEND</b>												
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>														
QMA Mid Cap Quantitative Core Equity Fund #	12/21/05	-3.92	4.22	1.56	1.56	15.18	12.66	9.07	N/A	14.64	0.09	0.89	1	0.87%
Russell Midcap™ Index		-2.68	3.62	-2.45	-2.45	14.18	11.44	8.00	---	13.05	0.00	0.89	---	---
Lipper Mid Cap Core Funds Index		-3.60	2.77	-3.60	-3.60	12.33	9.19	7.12	---	14.08	-2.75	0.69	---	---
Mid-Cap Blend Category Median		-3.71	2.69	-3.35	-3.35	12.23	9.97	7.11	---	13.90	-1.71	0.74	---	---
Vanguard Mid Cap Index Adm	11/12/01	-2.66	3.44	-1.34	-1.34	14.90	11.52	7.90	N/A	13.24	---	0.89	---	0.09%
CRSP Mid Cap Index		-2.65	3.46	-1.28	-1.28	14.98	---	---	---	---	---	---	---	---
Lipper Mid Cap Core Funds Index		-3.60	2.77	-3.60	-3.60	12.33	9.19	7.12	---	14.08	---	0.69	---	---
Mid-Cap Blend Category Median		-3.71	2.69	-3.35	-3.35	12.23	9.97	7.11	---	13.90	---	0.74	---	---
<b>MID GROWTH</b>														
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>														
Mid Cap Growth / American Century Fund #	5/17/07	-2.07	3.04	1.61	1.61	12.87	9.30	---	6.97	14.27	-2.11	0.69	2	1.22%
Mid Cap Growth / Frontier Capital Fund #	6/28/07	-3.10	1.97	2.39	2.39	14.65	10.97	---	7.37	12.94	0.38	0.87	1	1.21%
Mid Cap Growth / Westfield Capital Fund #	6/28/07	-1.97	7.45	1.26	1.26	15.82	10.81	---	7.44	15.32	-1.47	0.74	2	0.85%
Eaton Vance Atlanta Capital SMID-Cap I	4/30/02	-2.38	7.44	9.74	9.74	16.23	13.64	11.86	N/A	12.88	3.29	1.06	---	0.98%
Russell Midcap™ Growth Index		-2.26	4.11	-0.20	-0.20	14.88	11.55	8.16	---	13.73	0.00	0.86	---	---
Russell Midcap™ Index		-2.68	3.62	-2.45	-2.45	14.18	11.44	8.00	---	13.05	0.52	0.89	---	---
Lipper Mid Cap Growth Funds Index		-2.56	3.40	-0.96	-0.96	13.42	9.42	7.81	---	14.01	-2.04	0.71	---	---
Mid-Cap Growth Category Median		-2.61	3.18	-0.94	-0.94	12.43	9.55	7.28	---	14.38	-1.72	0.70	---	---

# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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		AS OF DECEMBER 31, 2015 *			AS OF DECEMBER 31, 2015 *									
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>SMALL VALUE</b>														
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>														
Small Cap Value / Ceredex Fund #	1/29/01	-4.82	-0.79	-5.93	-5.93	8.66	7.74	4.96	N/A	15.96	0.15	0.54	3	1.35%
<i>Manager Composite</i>	6/30/03	-4.87	-0.79	-5.85	-5.85	8.89	7.73	7.46	N/A	14.96	0.63	0.57	---	1.35%
<i>Blended Performance</i>	6/30/03	-4.82	-0.79	-5.93	-5.93	8.66	7.60	7.40	N/A	14.93	0.52	0.56	---	1.35%
Small Cap Value / Integrity Fund #	6/1/05	-6.07	1.66	-6.63	-6.63	12.33	9.30	7.41	N/A	15.55	1.57	0.65	1	1.35%
Small Cap Value / Silvercrest Asset Management Fund #	12/5/97	-5.06	1.90	-4.82	-4.82	10.22	7.84	3.10	N/A	14.44	0.63	0.59	2	1.27%
<i>Manager Composite</i>	4/30/02	-5.07	1.91	-3.23	-3.23	11.50	9.76	9.66	N/A	15.84	1.94	0.66	---	1.25%
<i>Blended Performance</i>	4/30/02	-5.06	1.90	-3.74	-3.74	11.29	9.63	9.59	N/A	15.85	1.82	0.66	---	1.27%
Small Cap Value / Vaughan Nelson Fund #	12/30/05	-4.09	1.33	-0.95	-0.95	12.38	8.91	5.68	N/A	14.69	1.91	0.65	2	1.36%
<i>Manager Composite</i>	6/30/96	-4.09	1.60	-0.36	-0.36	14.47	10.59	9.81	N/A	13.92	3.65	0.79	---	1.35%
<i>Blended Performance</i>	6/30/96	-4.09	1.33	-0.95	-0.95	13.95	10.29	9.66	N/A	13.92	3.37	0.77	---	1.36%
Small Cap Value / Victory Fund #	12/15/09	-5.91	3.00	-0.36	-0.36	12.09	9.76	---	12.32	14.69	2.36	0.70	1	1.38%
Small Cap Value / Kennedy Capital Fund #	1/29/01	-4.99	3.34	-4.88	-4.88	13.60	10.13	9.49	N/A	16.82	1.94	0.66	1	1.36%
Small Cap Value / TBCAM Fund #	12/15/04	-4.04	2.95	-6.36	-6.36	9.04	8.51	1.81	N/A	15.45	0.86	0.60	2	1.36%
AllianzGI NFJ Small-Cap Value Instl	10/1/91	-4.53	0.81	-7.93	-7.93	7.44	7.09	7.48	N/A	13.15	0.83	0.58	---	0.87%
Russell 2000™ Value Index		-5.27	2.88	-7.47	-7.47	9.06	7.67	5.57	---	15.33	0.00	0.56	---	---
Russell 2000™ Index		-5.02	3.59	-4.42	-4.42	11.65	9.19	6.80	---	15.95	1.26	0.63	---	---
Lipper Small Cap Value Funds Index		-5.51	2.41	-7.16	-7.16	8.98	7.30	5.99	---	15.10	-0.16	0.54	---	---
Small Value Category Median		-5.36	2.16	-6.47	-6.47	10.14	7.84	6.16	---	15.48	0.80	0.59	---	---

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# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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		AS OF DECEMBER 31, 2015 *			AS OF DECEMBER 31, 2015 *									
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>SMALL BLEND</b>														
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>														
Small Cap Blend / Glenmede Fund #	1/29/01	-6.16	3.27	-3.28	-3.28	10.95	6.93	6.67	N/A	16.90	-2.26	0.48	3	1.27%
<i>Manager Composite</i>	4/30/91	-6.25	3.14	-3.28	-3.28	13.57	11.20	7.91	N/A	16.37	1.86	0.73	---	1.25%
<i>Blended Performance</i>	4/30/91	-6.16	3.27	-3.28	-3.28	13.50	11.16	7.89	N/A	16.38	1.83	0.73	---	1.27%
Royce Pennsylvania Mutual Invmt	10/31/72	-5.46	1.72	-11.43	-11.43	5.96	5.49	5.42	N/A	15.59	-3.03	0.42	---	0.92%
Russell 2000™ Index		-5.02	3.59	-4.42	-4.42	11.65	9.19	6.80	---	15.95	0.00	0.63	---	---
Lipper Small Cap Core Funds Index		-5.17	2.81	-4.24	-4.24	10.71	8.64	6.71	---	14.89	0.08	0.63	---	---
Small Blend Category Median		-5.00	2.96	-4.52	-4.52	11.31	9.04	6.44	---	15.68	0.32	0.64	---	---
Vanguard Small Cap Index Adm	11/13/00	-4.18	3.11	-3.64	-3.64	12.60	10.43	7.95	N/A	15.02	---	0.73	---	0.09%
CRSP Small Cap Index		-4.19	3.10	-3.67	-3.67	12.78	---	---	---	---	---	---	---	---
Lipper Small Cap Core Funds Index		-5.17	2.81	-4.24	-4.24	10.71	8.64	6.71	---	14.89	---	0.63	---	---
Small Blend Category Median		-5.00	2.96	-4.52	-4.52	11.31	9.04	6.44	---	15.68	---	0.64	---	---
<b>SMALL GROWTH</b>														
<i>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.</i>														
SA/Invesco Small Cap Growth Strategy #	12/1/01	-4.69	1.94	-1.98	-1.98	13.73	11.41	8.47	N/A	14.99	1.93	0.79	1	1.23%
Small Cap Growth / Emerald Fund #	3/31/06	-5.75	-1.76	2.61	2.61	17.63	10.07	---	4.32	17.69	-0.19	0.63	2	1.35%
<i>Manager Composite</i>	10/31/92	-5.58	-1.59	2.87	2.87	17.56	13.21	8.51	N/A	18.63	2.14	0.76	---	1.35%
<i>Blended Performance</i>	10/31/92	-5.75	-1.76	2.61	2.61	17.63	13.25	8.53	N/A	18.51	1.88	0.75	---	1.35%
Small Cap Growth / RBC Fund #	3/28/02	-4.59	4.44	0.50	0.50	13.16	9.39	4.02	N/A	14.73	0.38	0.68	2	1.26%
<i>Manager Composite</i>	9/30/01	-4.51	4.56	0.72	0.72	12.47	12.17	8.05	N/A	14.04	3.30	0.89	---	1.25%
<i>Blended Performance</i>	9/30/01	-4.59	4.44	0.50	0.50	12.17	11.99	7.97	N/A	14.07	3.14	0.87	---	1.26%
Small Cap Growth / Palisade Capital Fund #	5/16/13	-4.95	3.59	-5.68	-5.68	---	---	---	5.08	---	---	---	4	1.27%
<i>Manager Composite</i>	4/30/04	-5.03	3.61	-5.72	-5.72	9.55	9.21	8.10	N/A	16.76	-0.80	0.61	---	1.25%
<i>Blended Performance</i>	4/30/04	-4.95	3.59	-5.68	-5.68	9.59	9.23	8.11	N/A	16.73	-0.76	0.61	---	1.27%
BlackRock Small Cap Growth Eq Instl	9/14/93	-5.19	0.02	-3.60	-3.60	12.67	9.75	8.11	N/A	17.63	-0.70	0.61	---	0.86%
Russell 2000™ Growth Index		-4.77	4.32	-1.38	-1.38	14.28	10.68	7.95	---	16.90	0.00	0.68	---	---
Russell 2000™ Index		-5.02	3.59	-4.42	-4.42	11.65	9.19	6.80	---	15.95	-0.76	0.63	---	---
Lipper Small Cap Growth Funds Index		-3.93	3.50	-1.15	-1.15	12.43	9.67	6.75	---	15.47	-0.08	0.67	---	---
Small Growth Category Median		-4.36	2.88	-2.31	-2.31	12.36	9.48	7.25	---	16.30	-0.34	0.63	---	---

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# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>GLOBAL VALUE</b>												
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>														
SA/Templeton Growth Strategy #	4/1/96	-3.32	3.67	-6.53	-6.53	6.06	6.39	3.07	N/A	15.42	-0.81	0.48	3	1.02%
MSCI World™ Value Index(net)		-1.97	4.64	-4.82	-4.82	7.71	6.38	3.79	---	12.91	0.00	0.54	---	---
MSCI World™ Index(net)		-1.76	5.49	-0.88	-0.88	9.63	7.59	4.98	---	12.79	1.27	0.63	---	---
Lipper Global Funds Index		-2.12	4.88	-1.13	-1.13	8.89	6.08	4.78	---	13.09	-0.14	0.51	---	---
World Stock Category Median		-1.96	4.33	-1.41	-1.41	8.74	7.04	5.11	---	13.53	0.97	0.57	---	---
<b>GLOBAL BLEND</b>														
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>														
American Funds Capital World Gr&Inc R4	6/27/02	-2.17	3.99	-2.20	-2.20	8.28	6.93	5.82	N/A	12.39	-0.27	0.60	---	0.79%
MSCI World™ Index(net)		-1.76	5.49	-0.88	-0.88	9.63	7.59	4.98	---	12.79	0.00	0.63	---	---
Lipper Global Funds Index		-2.12	4.88	-1.13	-1.13	8.89	6.08	4.78	---	13.09	-1.47	0.51	---	---
World Stock Category Median		-1.96	4.33	-1.41	-1.41	8.74	7.04	5.11	---	13.53	-0.40	0.57	---	---
<b>GLOBAL GROWTH</b>														
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>														
SA/OFII Global Strategy #	7/9/02	-1.50	5.48	3.57	3.57	10.12	8.02	5.66	N/A	14.69	0.89	0.60	2	1.06%
MSCI All Country World™ Index		-1.76	5.15	-1.84	-1.84	8.26	6.65	5.30	---	13.05	0.00	0.56	---	---
MSCI World™ Index(net)		-1.76	5.49	-0.88	-0.88	9.63	7.59	4.98	---	12.79	1.02	0.63	---	---
Lipper Global Funds Index		-2.12	4.88	-1.13	-1.13	8.89	6.08	4.78	---	13.09	-0.49	0.51	---	---
World Stock Category Median		-1.96	4.33	-1.41	-1.41	8.74	7.04	5.11	---	13.53	0.62	0.57	---	---
<b>INTERNATIONAL VALUE</b>														
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>														
International Value / LSV Asset Management Fund #	1/5/05	-2.70	2.15	-6.18	-6.18	1.08	0.81	-0.34	N/A	16.17	-1.61	0.13	4	1.35%
Manager Composite	5/31/04	-2.30	2.70	-6.75	-6.75	1.34	1.18	2.94	N/A	15.56	-1.19	0.15	---	1.30%
Blended Performance	5/31/04	-2.70	2.15	-6.18	-6.18	1.08	1.06	2.88	N/A	15.90	-1.31	0.14	---	1.35%
SA/Templeton Foreign Strategy #	4/1/96	-3.83	1.06	-7.21	-7.21	1.49	1.57	2.69	N/A	16.84	-0.84	0.17	4	1.09%
MSCI EAFE™ Value Index(net)		-1.93	2.68	-5.69	-5.69	3.14	2.55	1.96	---	15.81	0.00	0.23	---	---
MSCI EAFE™ Index(net)		-1.35	4.71	-0.81	-0.81	5.02	3.60	3.03	---	14.99	1.14	0.31	---	---
Lipper International Funds Index		-1.99	3.70	-1.35	-1.35	4.62	3.17	3.58	---	14.58	0.85	0.28	---	---
Foreign Large Value Category Median		-2.23	2.76	-3.34	-3.34	2.89	2.40	2.47	---	15.14	0.02	0.23	---	---

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>INTERNATIONAL BLEND</b>												
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>														
International Blend Fd (sub-advised by Wellington Mgt) #	2/25/03	-1.95	2.97	0.99	0.99	5.10	1.86	1.86	N/A	14.79	-1.43	0.20	3	1.33%
<i>Manager Composite</i>	5/31/94	-1.53	3.87	1.26	1.26	5.91	3.88	5.19	N/A	13.63	0.60	0.34	---	1.30%
<i>Blended Performance</i>	5/31/94	-1.95	2.97	0.99	0.99	5.10	3.42	4.96	N/A	13.73	0.15	0.31	---	1.33%
International Blend / AQR Fund #	12/5/97	-1.27	3.24	1.18	1.18	5.57	4.28	1.77	N/A	15.00	0.70	0.35	1	1.34%
International Blend / Lazard Fund #	8/17/10	-2.34	3.08	-3.37	-3.37	-1.45	-1.14	---	0.65	14.24	-4.42	-0.01	4	1.33%
<i>Manager Composite</i>	7/31/06	-1.97	3.77	-5.39	-5.39	1.53	3.14	---	1.50	14.39	-0.22	0.28	---	1.30%
<i>Blended Performance</i>	7/31/06	-2.34	3.08	-3.37	-3.37	1.81	3.31	---	1.60	14.36	-0.05	0.30	---	1.33%
International Blend / Pictet Asset Management Fund #	1/18/07	-0.94	4.96	5.62	5.62	4.20	3.34	---	-0.31	15.62	-0.23	0.28	2	1.34%
<i>MSCI EAFE™ Index(net)</i>		-1.35	4.71	-0.81	-0.81	5.02	3.60	3.03	---	14.99	0.00	0.31	---	---
<i>Lipper International Funds Index</i>		-1.99	3.70	-1.35	-1.35	4.62	3.17	3.58	---	14.58	-0.28	0.28	---	---
<i>Foreign Large Blend Category Median</i>		-1.90	3.66	-1.15	-1.15	3.98	2.88	2.83	---	14.84	-0.49	0.26	---	---
QMA International Developed Markets Index Fund #	6/17/09	-1.43	4.38	-1.28	-1.28	4.63	3.26	---	5.45	14.95	-0.61	0.29	---	0.57%
<i>Russell Developed ex-North America Large Cap Index (net)</i>		-1.28	4.75	-0.28	-0.28	5.55	3.92	3.39	---	15.12	0.00	0.33	---	---
<i>Lipper International Funds Index</i>		-1.99	3.70	-1.35	-1.35	4.62	3.17	3.58	---	14.58	-0.56	0.28	---	---
<i>Foreign Large Blend Category Median</i>		-1.90	3.66	-1.15	-1.15	3.98	2.88	2.83	---	14.84	-0.76	0.26	---	---
<b>INTERNATIONAL GROWTH</b>														
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>														
International Growth / Artisan Partners Fund #	2/28/01	-1.89	6.80	-3.50	-3.50	6.02	6.58	5.01	N/A	15.74	1.86	0.48	2	1.13%
American Funds Europacific Growth R4	6/7/02	-2.36	2.87	-0.82	-0.82	5.08	3.62	4.58	N/A	13.81	-0.64	0.32	---	0.84%
<i>MSCI EAFE™ Growth Index(net)</i>		-0.78	6.66	4.08	4.08	6.82	4.59	4.02	---	14.52	0.00	0.38	---	---
<i>MSCI EAFE™ Index(net)</i>		-1.35	4.71	-0.81	-0.81	5.02	3.60	3.03	---	14.99	-1.00	0.31	---	---
<i>Lipper International Funds Index</i>		-1.99	3.70	-1.35	-1.35	4.62	3.17	3.58	---	14.58	-1.31	0.28	---	---
<i>Foreign Large Growth Category Median</i>		-1.60	4.66	0.23	0.23	4.87	4.05	4.21	---	14.50	-0.37	0.34	---	---

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		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>DIVERSIFIED EMERGING MKTS</b>												
<i>Investing in emerging markets is generally riskier than investing in foreign securities. Emerging-market countries may have unstable governments and/or economies that are subject to sudden change. These changes may be magnified by the countries' emergent financial markets, resulting in significant volatility to investments in these countries. These countries also may lack the legal, business, and social framework to support securities markets.</i>														
Emerging Markets Equity / JP Morgan Fund #	11/30/12	-3.61	-0.42	-14.84	-14.84	-8.21	---	---	-6.27	---	---	---	2	1.51%
<i>Manager Composite</i>	12/31/06	-3.21	0.28	-15.24	-15.24	-7.94	-5.43	---	0.99	18.30	-0.50	-0.22	---	1.40%
<i>Blended Performance</i>	12/31/06	-3.61	-0.42	-14.84	-14.84	-8.21	-5.43	---	1.00	18.34	-1.01	-0.24	---	1.51%
Emerging Markets Equity / QMA Fund #	8/31/95	-3.28	-2.97	-17.62	-17.62	-8.18	-5.30	3.63	N/A	18.71	-0.22	-0.20	3	1.53%
<i>MSCI Emerging Markets™ Index(net)</i>		-2.23	0.66	-14.91	-14.91	-6.76	-4.80	3.61	---	17.79	0.00	-0.19	---	---
<i>Diversified Emerging Mkts Category Median</i>		-2.63	0.55	-14.28	-14.28	-6.81	-4.63	3.39	---	17.49	-0.03	-0.19	---	---
<b>GLOBAL REAL ESTATE</b>														
<i>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.</i>														
Prudential Global Real Estate Fund SA #	12/12/14	0.67	3.24	-0.17	-0.17	---	---	---	-0.17	---	---	---	3	1.15%
<i>Manager Composite</i>	3/31/06	0.86	3.66	-0.19	-0.19	5.86	7.08	---	4.54	14.77	-3.17	0.53	---	1.15%
<i>Blended Performance</i>	3/31/06	0.67	3.24	-0.17	-0.17	5.86	7.08	---	4.54	14.75	-3.15	0.54	---	1.15%
<i>Lipper Global Real Estate benchmark</i>		0.54	3.94	-0.15	-0.15	5.81	7.04	---	---	14.23	-2.80	0.55	---	---
<i>FTSE NAREIT Equity® Index</i>		1.31	7.68	2.82	2.82	10.63	11.91	7.81	---	15.18	0.00	0.82	---	---
<i>Global Real Estate Category Median</i>		0.52	3.57	-0.40	-0.40	5.36	6.67	4.59	---	14.63	-3.18	0.52	---	---
<b>REAL ESTATE</b>														
<i>Sector funds are subject to risks within their specific sectors because they concentrate their investments in securities of companies within those industries. Therefore, the prices of these securities can be volatile.</i>														
Prudential Retirement Real Estate Fund #	3/31/06	1.23	3.26	10.64	10.64	11.14	11.68	---	3.51	3.09	8.91	3.59	---	1.50%
Real Estate / Cohen & Steers Fund #	5/17/07	1.66	8.12	7.78	7.78	14.15	13.21	---	5.91	15.43	1.07	0.88	1	1.22%
<i>FTSE NAREIT Equity® Index</i>		1.31	7.68	2.82	2.82	10.63	11.91	7.81	---	15.18	0.00	0.82	---	---
<i>Real Estate Category Median</i>		1.71	7.10	3.11	3.11	10.88	11.59	7.15	---	15.54	-0.42	0.78	---	---
Real Estate / American Century Fund #	5/17/07	2.14	6.90	2.71	2.71	10.49	12.14	---	3.39	15.47	0.46	0.82	3	1.22%
<i>MSCI US REIT Index</i>		1.83	7.08	2.52	2.52	11.05	11.88	7.35	---	15.78	0.00	0.79	---	---
<i>Real Estate Category Median</i>		1.71	7.10	3.11	3.11	10.88	11.59	7.15	---	15.54	-0.05	0.78	---	---
<b>SPECIALTY - OTHER</b>														
Prudential Real Assets Fund #	12/4/12	-1.59	-1.33	-9.24	-9.24	-2.10	---	---	-1.96	---	---	---	---	0.95%
<i>Prudential Real Assets Custom Benchmark</i>		-0.99	-2.06	-8.56	-8.56	-4.45	---	---	---	---	---	---	---	---
<i>Moderate Allocation Category Median</i>		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	---	0.81	---	---

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		AS OF DECEMBER 31, 2015 *			AS OF DECEMBER 31, 2015 *									
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>BALANCED VALUE (MODERATE ALLOCATION)</b>														
Balanced Fund (sub-advised Wellington Mgt, PIM) #	7/23/01	-1.50	3.57	-0.19	-0.19	7.86	7.29	4.70	N/A	6.91	-0.55	1.05	1	0.82%
Balanced I Fund (sub-advised by Wellington Mgt) #	11/30/99	-1.98	3.46	-2.25	-2.25	8.43	7.67	6.28	N/A	8.23	-1.56	0.94	1	0.97%
60% Russell 1000 Value / 40% Barclays Aggr		-1.42	3.18	-1.88	-1.88	8.45	8.21	5.83	---	7.13	0.00	1.14	---	---
60% R1000 / 40% Barclays Agg		-1.21	3.69	1.00	1.00	9.54	8.88	6.55	---	7.04	0.86	1.24	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.08	3.96	1.48	1.48	9.46	8.65	6.29	---	7.01	0.67	1.21	---	---
Lipper Balanced Funds Index		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-1.28	0.94	---	---
Moderate Allocation Category Median		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-2.28	0.81	---	---
<b>BALANCED BLEND (MODERATE ALLOCATION)</b>														
Prudential IncomeFlex® Select <sup>SM</sup> EasyPath Balanced Fund #	6/30/09	-1.47	1.84	-2.14	-2.14	4.29	5.06	---	7.36	6.96	-3.40	0.74	---	1.71%
60% S&P 500 / 40% Barclays Agg Bond Index		-1.08	4.02	1.29	1.29	9.62	8.95	6.48	---	6.93	0.00	1.27	---	---
60% R1000 / 40% Barclays Agg		-1.21	3.69	1.00	1.00	9.54	8.88	6.55	---	7.04	-0.18	1.24	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.08	3.96	1.48	1.48	9.46	8.65	6.29	---	7.01	-0.36	1.21	---	---
Lipper Balanced Funds Index		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-2.34	0.94	---	---
Moderate Allocation Category Median		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-3.41	0.81	---	---
Oakmark Equity & Income I	11/1/95	-2.39	1.55	-4.59	-4.59	8.22	6.82	6.62	N/A	9.06	-3.51	0.77	---	0.74%
60% R1000 / 40% Barclays Agg		-1.21	3.69	1.00	1.00	9.54	8.88	6.55	---	7.04	0.00	1.24	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.08	3.96	1.48	1.48	9.46	8.65	6.29	---	7.01	-0.15	1.21	---	---
Lipper Balanced Funds Index		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-2.18	0.94	---	---
Moderate Allocation Category Median		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-3.26	0.81	---	---
<b>BALANCED GROWTH (MODERATE ALLOCATION)</b>														
Balanced Fund / JP Morgan Investment Mgt, PIM #	10/19/00	-0.81	4.09	4.85	4.85	10.32	8.49	5.38	N/A	7.93	-1.38	1.06	1	0.82%
60% Russell 1000 Growth / 40% Barclays Aggr.		-1.01	4.18	3.85	3.85	10.59	9.52	7.22	---	7.20	0.00	1.30	---	---
60% R1000 / 40% Barclays Agg		-1.21	3.69	1.00	1.00	9.54	8.88	6.55	---	7.04	-0.24	1.24	---	---
60% S&P 500 / 40% Barclays Int Govt Credit		-1.08	3.96	1.48	1.48	9.46	8.65	6.29	---	7.01	-0.37	1.21	---	---
Lipper Balanced Funds Index		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-2.44	0.94	---	---
Moderate Allocation Category Median		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-3.51	0.81	---	---

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>BALANCED BLEND (CONSERVATIVE ALLOCATION)</b>												
Prudential IncomeFlex Select EasyPath Conservative Fund #	6/30/09	-1.07	0.02	-2.38	-2.38	0.40	2.43	---	3.89	3.85	-1.50	0.63	---	1.71%
Prudential IncomeFlex® Select <sup>SM</sup> EasyPath Moderate Fund #	6/30/09	-1.28	0.85	-2.37	-2.37	2.25	3.67	---	5.60	5.30	-2.47	0.70	---	1.71%
<i>60% R1000 / 40% Barclays Agg</i>		-1.21	3.69	1.00	1.00	9.54	8.88	6.55	---	7.04	0.00	1.24	---	---
<i>60% S&amp;P 500 / 40% Barclays Int Govt Credit</i>		-1.08	3.96	1.48	1.48	9.46	8.65	6.29	---	7.01	-0.15	1.21	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-2.18	0.94	---	---
<i>Conservative Allocation Category Median</i>		-1.32	1.05	-1.25	-1.25	3.73	4.61	4.56	---	5.75	-1.82	0.85	---	---
<b>LIFETIMES - AGGRESSIVE ALLOCATION</b>														
Lifetime Aggressive Growth Fund #	4/30/94	-2.10	3.63	-0.07	-0.07	9.02	7.96	5.39	N/A	10.27	-0.98	0.79	---	1.12%
<i>Lifetime Aggressive Growth Primary Benchmark</i>		-1.57	4.61	0.42	0.42	10.14	8.79	6.24	---	9.90	0.00	0.90	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.32	0.94	---	---
<i>Aggressive Allocation Category Median</i>		-2.08	3.44	-1.97	-1.97	8.19	7.07	5.24	---	10.60	-2.10	0.69	---	---
<b>LIFETIMES - MODERATE ALLOCATION</b>														
Lifetime Growth Fund #	4/30/94	-1.87	3.16	0.12	0.12	8.09	7.48	5.42	N/A	8.98	-0.79	0.84	---	1.06%
<i>Lifetime Growth Primary Benchmark</i>		-1.41	3.96	0.50	0.50	9.02	8.11	6.06	---	8.65	0.00	0.94	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-0.01	0.94	---	---
<i>Moderate Allocation Category Median</i>		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-0.91	0.81	---	---
Lifetime Balanced Fund #	4/30/94	-1.80	2.85	0.12	0.12	7.63	7.23	5.37	N/A	8.33	-0.78	0.88	---	1.04%
<i>Lifetime Balanced Primary Benchmark</i>		-1.33	3.65	0.54	0.54	8.55	7.84	6.02	---	8.01	0.00	0.98	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-0.29	0.94	---	---
<i>Moderate Allocation Category Median</i>		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-1.22	0.81	---	---
Lifetime Conservative Growth Fund #	4/30/94	-1.60	2.33	0.20	0.20	6.66	6.70	5.33	N/A	7.09	-0.62	0.95	---	0.98%
<i>Lifetime Conservative Growth Primary Benchmark</i>		-1.18	3.00	0.59	0.59	7.42	7.13	5.84	---	6.80	0.00	1.04	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-0.75	0.94	---	---
<i>Moderate Allocation Category Median</i>		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-1.73	0.81	---	---
<b>LIFETIMES - CONSERVATIVE ALLOCATION</b>														
Lifetime Income & Equity Fund #	4/30/94	-1.20	1.36	0.28	0.28	4.65	5.37	4.89	N/A	4.67	-0.40	1.14	---	0.89%
<i>Lifetime Income &amp; Equity Primary Benchmark</i>		-0.85	1.74	0.62	0.62	5.17	5.59	5.28	---	4.45	0.00	1.24	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-1.91	0.94	---	---
<i>Conservative Allocation Category Median</i>		-1.32	1.05	-1.25	-1.25	3.73	4.61	4.56	---	5.75	-1.90	0.85	---	---

## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>RETIREMENT INCOME</b>												
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Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> Bal Fund #	6/30/09	-1.50	1.80	-1.90	-1.90	4.44	5.20	---	7.49	6.93	-0.98	0.76	---	1.61%
<i>Prudential Day One IncomeFlex Target Bal Benchmark</i>		-1.22	2.48	-0.75	-0.75	5.69	6.22	5.27	---	6.90	0.00	0.90	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.34	0.94	---	---
<i>Retirement Income Median</i>		-1.08	0.96	-0.80	-0.80	2.87	4.01	3.82	---	4.74	0.01	0.87	---	---
Retirement Goal <sup>SM</sup> Income Fund #	11/30/02	-0.94	0.94	0.08	0.08	3.38	4.12	4.07	N/A	3.44	-0.49	1.18	---	0.83%
<i>Retirement Goal Income Primary Benchmark</i>		-0.65	1.19	0.54	0.54	3.91	4.44	4.56	---	3.26	0.00	1.33	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-2.31	0.94	---	---
<i>Retirement Income Median</i>		-1.08	0.96	-0.80	-0.80	2.87	4.01	3.82	---	4.74	-1.89	0.87	---	---
Prudential Day One <sup>SM</sup> Income Fund #	6/30/09	-1.10	0.55	-1.15	-1.15	2.19	3.95	---	5.55	4.23	-0.29	0.93	---	0.76%
<i>Prudential Day One Income Fund Benchmark</i>		-0.86	0.93	-0.67	-0.67	2.73	4.29	4.44	---	4.26	0.00	1.00	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.31	0.94	---	---
<i>Retirement Income Median</i>		-1.08	0.96	-0.80	-0.80	2.87	4.01	3.82	---	4.74	-0.38	0.87	---	---
<b>TARGET DATE 2000-2010</b>														
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.</i>														
Prudential Day One <sup>SM</sup> 2010 Fund #	6/30/09	-1.12	0.69	-1.09	-1.09	3.07	4.54	---	6.47	4.86	-0.28	0.93	---	0.76%
<i>Prudential Day One 2010 Fund Benchmark</i>		-0.89	1.07	-0.63	-0.63	3.58	4.84	4.66	---	4.86	0.00	0.99	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.06	0.94	---	---
<i>Target-Date 2000-2010 Median</i>		-1.19	1.68	-0.80	-0.80	4.51	4.84	4.29	---	6.07	-0.95	0.78	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2010 Fund #	6/30/09	-1.52	1.75	-2.20	-2.20	4.23	5.01	---	7.31	6.94	-1.22	0.73	---	1.76%
<i>Prudential Day One IncomeFlex Target 2010 Benchmark</i>		-1.19	2.48	-0.65	-0.65	5.73	6.24	5.28	---	6.88	0.00	0.91	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.30	0.94	---	---
<i>Target-Date 2000-2010 Median</i>		-1.19	1.68	-0.80	-0.80	4.51	4.84	4.29	---	6.07	-0.62	0.78	---	---
Retirement Goal <sup>SM</sup> 2010 Fund #	11/30/02	-0.94	0.94	0.09	0.09	3.55	4.40	4.09	N/A	3.74	-0.44	1.16	---	0.83%
<i>Retirement Goal 2010 Primary Benchmark</i>		-0.65	1.19	0.59	0.59	4.13	4.67	4.62	---	3.56	0.00	1.29	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-2.15	0.94	---	---
<i>Target-Date 2000-2010 Median</i>		-1.19	1.68	-0.80	-0.80	4.51	4.84	4.29	---	6.07	-2.57	0.78	---	---

## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>TARGET DATE 2011-2015</b>												
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.</i>														
Prudential Day One <sup>SM</sup> 2015 Fund #	6/30/09	-1.22	1.06	-0.99	-0.99	3.55	4.91	---	6.93	5.33	-0.24	0.92	---	0.76%
<i>Prudential Day One 2015 Fund Benchmark</i>		-0.96	1.48	-0.54	-0.54	4.04	5.16	4.78	---	5.32	0.00	0.96	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.09	0.94	---	---
<i>Target-Date 2011-2015 Median</i>		-1.32	1.87	-1.03	-1.03	4.83	5.25	4.77	---	6.95	-1.21	0.77	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2015 Fund #	6/30/09	-1.52	1.76	-2.19	-2.19	4.24	5.01	---	7.31	6.94	-1.21	0.73	---	1.76%
<i>Prudential Day One IncomeFlex Target 2015 Benchmark</i>		-1.19	2.48	-0.65	-0.65	5.73	6.24	5.28	---	6.88	0.00	0.91	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.30	0.94	---	---
<i>Target-Date 2011-2015 Median</i>		-1.32	1.87	-1.03	-1.03	4.83	5.25	4.77	---	6.95	-0.91	0.77	---	---
<b>TARGET DATE 2016-2020</b>														
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.</i>														
Prudential Day One <sup>SM</sup> 2020 Fund #	6/30/09	-1.31	1.63	-0.85	-0.85	4.40	5.46	---	8.09	6.36	-0.22	0.86	---	0.76%
<i>Prudential Day One 2020 Fund Benchmark</i>		-1.07	2.03	-0.43	-0.43	4.87	5.66	4.91	---	6.31	0.00	0.90	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.44	0.94	---	---
<i>Target-Date 2016-2020 Median</i>		-1.40	2.22	-0.98	-0.98	5.62	5.52	4.61	---	7.66	-1.15	0.74	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2020 Fund #	6/30/09	-1.52	1.76	-2.19	-2.19	4.24	5.01	---	7.48	6.94	-1.21	0.73	---	1.76%
<i>Prudential Day One IncomeFlex Target 2020 Benchmark</i>		-1.19	2.48	-0.65	-0.65	5.73	6.24	5.22	---	6.88	0.00	0.91	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.30	0.94	---	---
<i>Target-Date 2016-2020 Median</i>		-1.40	2.22	-0.98	-0.98	5.62	5.52	4.61	---	7.66	-1.26	0.74	---	---
Retirement Goal <sup>SM</sup> 2020 Fund #	11/30/02	-1.28	1.59	0.06	0.06	5.65	5.96	4.68	N/A	6.29	-0.81	0.95	---	0.91%
<i>Retirement Goal 2020 Primary Benchmark</i>		-0.91	2.10	0.66	0.66	6.43	6.51	5.41	---	5.94	0.00	1.08	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-1.03	0.94	---	---
<i>Target-Date 2016-2020 Median</i>		-1.40	2.22	-0.98	-0.98	5.62	5.52	4.61	---	7.66	-2.54	0.74	---	---

## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>TARGET DATE 2021-2025</b>												
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Prudential Day One <sup>SM</sup> 2025 Fund #	6/30/09	-1.50	2.46	-0.67	-0.67	6.47	6.68	---	9.51	8.03	-0.21	0.84	---	0.76%
<i>Prudential Day One 2025 Fund Benchmark</i>		-1.24	2.93	-0.25	-0.25	6.86	6.83	5.30	---	7.92	0.00	0.87	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.55	0.94	---	---
<i>Target-Date 2021-2025 Median</i>		-1.55	2.75	-1.26	-1.26	6.68	6.23	4.96	---	8.98	-1.20	0.73	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2025 Fund #	6/30/09	-1.52	1.76	-2.18	-2.18	5.69	6.21	---	9.14	7.95	-0.46	0.79	---	1.76%
<i>Prudential Day One IncomeFlex Target 2025 Benchmark</i>		-1.19	2.48	-0.65	-0.65	6.47	6.59	5.18	---	7.80	0.00	0.85	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.70	0.94	---	---
<i>Target-Date 2021-2025 Median</i>		-1.55	2.75	-1.26	-1.26	6.68	6.23	4.96	---	8.98	-1.04	0.73	---	---
<b>TARGET DATE 2026-2030</b>														
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.</i>														
Prudential Day One <sup>SM</sup> 2030 Fund #	6/30/09	-1.67	3.23	-0.72	-0.72	7.95	7.62	---	10.53	9.23	-0.18	0.84	---	0.76%
<i>Prudential Day One 2030 Fund Benchmark</i>		-1.41	3.73	-0.30	-0.30	8.31	7.72	5.63	---	9.09	0.00	0.86	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.60	0.94	---	---
<i>Target-Date 2026-2030 Median</i>		-1.66	3.22	-1.18	-1.18	7.64	6.51	4.72	---	9.83	-1.62	0.69	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2030 Fund #	6/30/09	-1.67	3.23	-0.76	-0.76	7.94	7.62	---	10.52	9.23	-0.19	0.84	---	0.76%
<i>Prudential Day One IncomeFlex Target 2030 Benchmark</i>		-1.41	3.73	-0.30	-0.30	8.31	7.72	5.63	---	9.09	0.00	0.86	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.60	0.94	---	---
<i>Target-Date 2026-2030 Median</i>		-1.66	3.22	-1.18	-1.18	7.64	6.51	4.72	---	9.83	-1.62	0.69	---	---
Retirement Goal <sup>SM</sup> 2030 Fund #	11/30/02	-1.81	2.87	0.05	0.05	8.01	7.40	5.03	N/A	9.09	-0.92	0.83	---	1.05%
<i>Retirement Goal 2030 Primary Benchmark</i>		-1.33	3.65	0.57	0.57	9.00	8.12	5.90	---	8.69	0.00	0.94	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.01	0.94	---	---
<i>Target-Date 2026-2030 Median</i>		-1.66	3.22	-1.18	-1.18	7.64	6.51	4.72	---	9.83	-2.37	0.69	---	---



## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>TARGET DATE 2031-2035</b>												
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.</i>														
Prudential Day One <sup>SM</sup> 2035 Fund #	6/30/09	-1.79	3.68	-0.88	-0.88	8.78	8.05	---	11.15	10.09	-0.20	0.81	---	0.76%
<i>Prudential Day One 2035 Fund Benchmark</i>		-1.52	4.25	-0.38	-0.38	9.13	8.16	5.76	---	9.95	0.00	0.84	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.80	0.94	---	---
<i>Target-Date 2031-2035 Median</i>		-1.86	3.61	-1.53	-1.53	8.06	6.93	5.13	---	10.86	-1.62	0.68	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2035 Fund #	6/30/09	-1.79	3.68	-0.93	-0.93	8.76	8.04	---	11.14	10.10	-0.20	0.81	---	0.76%
<i>Prudential Day One IncomeFlex Target 2035 Benchmark</i>		-1.52	4.25	-0.38	-0.38	9.13	8.15	5.76	---	9.95	0.00	0.83	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.81	0.94	---	---
<i>Target-Date 2031-2035 Median</i>		-1.86	3.61	-1.53	-1.53	8.06	6.93	5.13	---	10.86	-1.60	0.68	---	---
<b>TARGET DATE 2036-2040</b>														
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.</i>														
Prudential Day One <sup>SM</sup> 2040 Fund #	6/30/09	-1.85	3.72	-1.26	-1.26	9.23	8.32	---	11.50	10.70	-0.20	0.80	---	0.77%
<i>Prudential Day One 2040 Fund Benchmark</i>		-1.56	4.36	-0.71	-0.71	9.60	8.42	5.82	---	10.53	0.00	0.82	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.94	0.94	---	---
<i>Target-Date 2036-2040 Median</i>		-1.92	4.06	-1.50	-1.50	8.48	6.94	5.01	---	11.19	-1.57	0.66	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2040 Fund #	6/30/09	-1.85	3.72	-1.30	-1.30	9.22	8.31	---	11.50	10.70	-0.21	0.80	---	0.77%
<i>Prudential Day One IncomeFlex Target 2040 Benchmark</i>		-1.56	4.36	-0.71	-0.71	9.60	8.42	5.82	---	10.53	0.00	0.82	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.94	0.94	---	---
<i>Target-Date 2036-2040 Median</i>		-1.92	4.06	-1.50	-1.50	8.48	6.94	5.01	---	11.19	-1.57	0.66	---	---
Retirement Goal <sup>SM</sup> 2040 Fund #	11/30/02	-2.15	3.62	-0.22	-0.22	9.25	8.04	5.09	N/A	10.66	-1.10	0.78	---	1.11%
<i>Retirement Goal 2040 Primary Benchmark</i>		-1.57	4.61	0.42	0.42	10.41	8.97	6.07	---	10.23	0.00	0.89	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.40	0.94	---	---
<i>Target-Date 2036-2040 Median</i>		-1.92	4.06	-1.50	-1.50	8.48	6.94	5.01	---	11.19	-2.34	0.66	---	---

# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>TARGET DATE 2041-2045</b>												
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.</i>														
Prudential Day One <sup>SM</sup> 2045 Fund #	6/30/09	-1.90	3.63	-1.69	-1.69	9.42	8.44	---	11.64	10.97	-0.20	0.79	---	0.77%
<i>Prudential Day One 2045 Fund Benchmark</i>		-1.59	4.34	-1.03	-1.03	9.77	8.53	5.86	---	10.78	0.00	0.81	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.99	0.94	---	---
<i>Target-Date 2041-2045 Median</i>		-1.95	4.27	-1.68	-1.68	8.51	7.09	5.87	---	11.59	-1.66	0.65	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2045 Fund #	6/30/09	-1.90	3.63	-1.69	-1.69	9.42	8.44	---	11.64	10.97	-0.20	0.79	---	0.77%
<i>Prudential Day One IncomeFlex Target 2045 Benchmark</i>		-1.59	4.34	-1.03	-1.03	9.77	8.53	5.86	---	10.78	0.00	0.81	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	0.99	0.94	---	---
<i>Target-Date 2041-2045 Median</i>		-1.95	4.27	-1.68	-1.68	8.51	7.09	5.87	---	11.59	-1.66	0.65	---	---
<b>TARGET DATE 2046-2050</b>														
<i>The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will become more conservative as the target date approaches by lessening your equity exposure and increasing your exposure in fixed income type investments. The principal value of an investment in a target date fund is not guaranteed at any time; including the target date.</i>														
Retirement Goal <sup>SM</sup> 2050 Fund #	6/24/05	-2.34	4.10	-0.37	-0.37	10.10	8.47	5.10	N/A	11.97	-5.75	0.74	---	1.16%
<i>Retirement Goal 2050 Primary Benchmark</i>		-1.72	5.26	0.35	0.35	11.45	9.56	6.19	---	11.51	-4.51	0.85	---	---
<i>60% S&amp;P 500 / 40% Barclays Agg Bond Index</i>		-1.08	4.02	1.29	1.29	9.62	8.95	6.48	---	6.93	0.00	1.27	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-2.34	0.94	---	---
<i>Target Date 2046-2050 Median</i>		-1.98	4.30	-1.45	-1.45	8.78	6.99	5.33	---	11.67	-6.60	0.64	---	---
Prudential Day One <sup>SM</sup> 2050 Fund #	6/30/09	-1.91	3.73	-1.73	-1.73	9.55	8.46	---	11.76	11.21	-0.20	0.78	---	0.77%
<i>Prudential Day One 2050 Fund Benchmark</i>		-1.60	4.45	-1.06	-1.06	9.89	8.55	5.88	---	11.02	0.00	0.80	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	1.10	0.94	---	---
<i>Target Date 2046-2050 Median</i>		-1.98	4.30	-1.45	-1.45	8.78	6.99	5.33	---	11.67	-1.69	0.64	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2050 Fund #	6/30/09	-1.91	3.73	-1.73	-1.73	9.55	8.46	---	11.76	11.21	-0.20	0.78	---	0.77%
<i>Prudential Day One IncomeFlex Target 2050 Benchmark</i>		-1.60	4.45	-1.06	-1.06	9.89	8.55	5.88	---	11.02	0.00	0.80	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	1.10	0.94	---	---
<i>Target Date 2046-2050 Median</i>		-1.98	4.30	-1.45	-1.45	8.78	6.99	5.33	---	11.67	-1.69	0.64	---	---

For institutional plan sponsor use only. Not to be distributed to plan participants or the general public.

\*Please see footnote section for more information.

# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>TARGET DATE 2051+</b>												
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Prudential Day One <sup>SM</sup> 2055 Fund #	6/30/09	-1.94	3.79	-1.88	-1.88	9.77	8.60	---	11.90	11.40	-0.22	0.78	---	0.77%
<i>Prudential Day One 2055 Fund Benchmark</i>		-1.63	4.53	-1.21	-1.21	10.15	8.70	5.93	---	11.20	0.00	0.80	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	1.09	0.94	---	---
<i>Target-Date 2051 Median</i>		-1.98	4.29	-1.59	-1.59	8.92	7.38	---	---	11.95	-1.62	0.65	---	---
Prudential Day One <sup>SM</sup> 2060 Fund #	5/31/13	-1.95	3.86	-1.87	-1.87	---	---	---	6.85	---	---	---	---	0.77%
<i>Prudential Day One 2060 Fund Benchmark</i>		-1.65	4.60	-1.21	-1.21	---	---	---	---	---	---	---	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	---	0.94	---	---
<i>Target-Date 2051 Median</i>		-1.98	4.29	-1.59	-1.59	8.92	7.38	---	---	11.95	---	0.65	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2055 Fund #	6/30/09	-1.94	3.78	-1.88	-1.88	9.77	8.60	---	11.90	11.40	-0.22	0.78	---	0.77%
<i>Prudential Day One IncomeFlex Target 2055 Benchmark</i>		-1.63	4.53	-1.21	-1.21	10.15	8.70	5.93	---	11.20	0.00	0.80	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	1.09	0.94	---	---
<i>Target-Date 2051 Median</i>		-1.98	4.29	-1.59	-1.59	8.92	7.38	---	---	11.95	-1.62	0.65	---	---
Prudential Day One <sup>SM</sup> IncomeFlex Target <sup>®</sup> 2060 Fund #	6/30/09	-1.95	3.86	-1.88	-1.88	9.80	8.62	---	11.92	11.43	-0.19	0.78	---	0.77%
<i>Prudential Day One IncomeFlex Target 2060 Benchmark</i>		-1.65	4.60	-1.21	-1.21	10.14	8.70	5.93	---	11.24	0.00	0.80	---	---
<i>Lipper Balanced Funds Index</i>		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	1.11	0.94	---	---
<i>Target-Date 2051 Median</i>		-1.98	4.29	-1.59	-1.59	8.92	7.38	---	---	11.95	-1.59	0.65	---	---

# Lancaster County



## Defined Contribution Fund Performance as of December 31, 2015

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Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>RETIREMENT INCOME - INCOME FLEX (MODERATE ALLOCATION)</b>												
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Prudential IncomeFlex® Select™ Lifetime Bal Fund #	11/28/06	-1.87	2.64	-0.68	-0.68	6.77	6.37	4.53	N/A	8.33	-1.58	0.78	---	1.84%
Prudential IncomeFlex® Select™ Lifetime Bal Fund #	11/28/06	-1.91	2.51	-1.18	-1.18	6.24	5.84	4.01	N/A	8.33	-2.08	0.72	---	2.34%
Lifetime Balanced Primary Benchmark		-1.33	3.65	0.54	0.54	8.55	7.84	6.02	---	8.01	0.00	0.98	---	---
Lipper Balanced Funds Index		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-0.29	0.94	---	---
Moderate Allocation Category Median		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-1.22	0.81	---	---
IncomeFlex LT Conservative Growth Fund #	11/28/06	-1.67	2.13	-0.60	-0.60	5.81	5.85	4.49	N/A	7.08	-1.42	0.83	---	1.78%
IncomeFlex LT Conservative Growth Fund #	11/28/06	-1.71	2.00	-1.10	-1.10	5.28	5.32	3.97	N/A	7.08	-1.92	0.76	---	2.28%
Lifetime Conservative Growth Primary Benchmark		-1.18	3.00	0.59	0.59	7.42	7.13	5.84	---	6.80	0.00	1.04	---	---
Lipper Balanced Funds Index		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-0.75	0.94	---	---
Moderate Allocation Category Median		-1.63	2.63	-1.29	-1.29	6.97	6.53	5.48	---	8.26	-1.73	0.81	---	---
<b>RETIREMENT INCOME - INCOME FLEX (CONSERVATIVE ALLOCATION)</b>														
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IncomeFlex LT Income & Equity Fund #	11/28/06	-1.26	1.15	-0.53	-0.53	3.82	4.53	4.06	N/A	4.66	-1.21	0.96	---	1.69%
IncomeFlex LT Income & Equity Fund #	11/28/06	-1.30	1.03	-1.02	-1.02	3.30	4.01	3.54	N/A	4.66	-1.71	0.86	---	2.19%
Lifetime Income & Equity Primary Benchmark		-0.85	1.74	0.62	0.62	5.17	5.59	5.28	---	4.45	0.00	1.24	---	---
Lipper Balanced Funds Index		-1.40	2.98	-0.40	-0.40	7.51	7.06	5.46	---	7.55	-1.91	0.94	---	---
Conservative Allocation Category Median		-1.32	1.05	-1.25	-1.25	3.73	4.61	4.56	---	5.75	-1.90	0.85	---	---

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		AS OF DECEMBER 31, 2015 *			AS OF DECEMBER 31, 2015 *									
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
<b>INTERMEDIATE-TERM BOND</b>														
<i>Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.</i>														
Core Bond / PIM Fund #	12/15/98	-0.38	-0.72	-0.03	-0.03	1.23	3.31	4.39	N/A	2.75	0.06	1.18	1	0.82%
Core Bond Enhanced Index / PIM Fund #	3/15/99	-0.74	-0.88	0.14	0.14	1.10	3.04	4.40	N/A	2.78	-0.28	1.07	---	0.37%
Core Plus Bond / Multi-Manager #	3/11/14	-1.00	-1.06	-0.46	-0.46	---	---	---	1.73	---	---	---	---	0.82%
Core Plus Bond / PIM #	7/19/02	-0.66	-0.42	0.12	0.12	1.36	3.25	5.31	N/A	3.43	0.02	0.94	4	0.40%
<i>Manager Composite</i>	6/30/02	-0.40	-0.47	0.29	0.29	2.17	4.84	6.00	N/A	3.52	1.25	1.35	---	0.38%
<i>Blended Performance</i>	6/30/02	-0.66	-0.42	0.12	0.12	2.11	4.80	5.98	N/A	3.53	1.22	1.33	---	0.40%
Core Plus Bond / Reams Fund #	11/1/99	-1.31	-1.59	-0.64	-0.64	0.47	3.28	5.09	N/A	2.72	0.78	1.18	3	0.82%
High Grade Bond / GSAM Fund #	11/1/99	-0.49	-0.42	0.36	0.36	1.29	3.31	3.96	N/A	2.61	0.27	1.25	1	0.82%
Prudential Total Return Bond Fund #	2/28/14	-0.66	-0.65	-0.54	-0.54	---	---	---	1.83	---	---	---	2	0.77%
<i>Manager Composite</i>	6/30/02	-0.43	-0.56	-0.08	-0.08	1.79	4.45	5.61	N/A	3.52	0.88	1.24	---	0.75%
<i>Blended Performance</i>	6/30/02	-0.66	-0.65	-0.54	-0.54	1.53	4.29	5.53	N/A	3.56	0.70	1.19	---	0.77%
<i>Barclays Aggregate Bond Index</i>		-0.32	-0.56	0.57	0.57	1.45	3.25	4.52	---	2.71	0.00	1.18	---	---
<i>Intermediate-Term Bond Category Median</i>		-0.47	-0.60	0.18	0.18	1.29	3.37	4.48	---	2.78	0.35	1.17	---	---
Corporate Bond / PIM Fund #	1/1/97	-0.88	-0.50	-1.28	-1.28	1.47	4.29	5.20	N/A	4.03	-0.05	1.05	2	0.82%
<i>Barclays Credit Index</i>		-0.77	-0.52	-0.78	-0.78	1.49	4.38	5.18	---	4.03	0.00	1.07	---	---
<i>Intermediate-Term Bond Category Median</i>		-0.47	-0.60	0.18	0.18	1.29	3.37	4.48	---	2.78	0.49	1.17	---	---
<b>HIGH YIELD BOND</b>														
<i>High yield bonds, commonly known as junk bonds, are subject to a high level of credit and market risks. Fixed Income investment mutual funds are subject to interest rate risk, and that their value will decline as interest rates rise.</i>														
High Yield Bond / Prudential Fund #	11/1/02	-2.36	-1.37	-1.67	-1.67	2.04	4.82	6.43	N/A	5.96	0.06	0.81	1	0.97%
<i>Manager Composite</i>	2/28/02	-2.51	-1.90	-2.83	-2.83	2.06	4.84	6.29	N/A	5.80	0.17	0.84	---	0.95%
<i>Blended Performance</i>	2/28/02	-2.36	-1.37	-1.67	-1.67	2.38	5.04	6.39	N/A	5.82	0.35	0.87	---	0.97%
<i>Barclays High Yield Bond Index</i>		-2.52	-2.06	-4.46	-4.46	1.69	5.04	6.96	---	6.25	0.00	0.81	---	---
<i>Lipper High Current Yield Bond Funds Index</i>		-2.69	-2.65	-4.55	-4.55	1.65	4.50	5.55	---	6.31	-0.53	0.72	---	---
<i>High Yield Bond Category Median</i>		-2.31	-1.78	-3.66	-3.66	1.54	4.40	5.85	---	6.17	-0.37	0.73	---	---

## Defined Contribution Fund Performance as of December 31, 2015

The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, please call 1-877-778-2100 or visit our website at [www.prudential.com](http://www.prudential.com).

The following grid provides fund performance information, and other relevant performance and supplementary information concerning Institutional Select Funds, Sub-Advised Funds, Alliance Mutual Funds, and Proprietary Funds. Please see the EXPLANATION OF PERFORMANCE INFORMATION in the footnote section for more information on the performance shown.

The investments below represent investments into a separate account. Separate accounts have been identified with #.

Fund/Benchmark Name	Inception Date	CUMULATIVE RETURNS AS OF DECEMBER 31, 2015 *			AVERAGE ANNUAL RETURNS AS OF DECEMBER 31, 2015 *				Since Inception	Risk 5 YRS	Alpha 5 YRS	Sharpe 5 YRS	DDA Rank 12/31/15	Expense Ratio*
		Return 1 MO.	Return 3 MOS.	Return YTD	Return 1 YR	Return 3 YRS	Return 5 YRS	Return 10 YRS						
		<b>INFLATION-PROTECTED BOND</b>												
<i>Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.</i>														
Prudential TIPS Enhanced Index Fund #	6/24/09	-0.91	-0.86	-2.17	-2.17	-3.08	1.68	---	2.81	4.92	-0.84	0.35	---	0.83%
<i>Barclays US Treasury TIPS Index</i>		-0.79	-0.64	-1.42	-1.42	-2.26	2.55	3.93	---	4.96	0.00	0.52	---	---
<i>Barclays Treasury Bond</i>		-0.16	-0.94	0.84	0.84	1.00	2.90	4.18	---	3.24	1.73	0.89	---	---
<i>Inflation-Protected Bond Median</i>		-0.93	-0.74	-2.15	-2.15	-2.72	1.84	3.53	---	4.82	-0.49	0.39	---	---
<b>GOVERNMENT SECURITIES</b>														
<i>Shares of this Fund are not issued or guaranteed by the U.S. government. Fixed Income investment bond funds are subject to interest rate risk, and that their value will decline as interest rates rise.</i>														
Government Securities Enhanced Index Fund #	12/15/98	-0.25	-1.30	-0.31	-0.31	0.03	1.92	3.35	N/A	3.11	-0.89	0.61	---	0.82%
<i>Barclays Government Bond Index</i>		-0.17	-0.92	0.83	0.83	1.00	2.76	4.10	---	3.03	0.00	0.90	---	---
<i>Intermediate Government Category Median</i>		-0.22	-0.56	0.69	0.69	0.93	2.57	4.00	---	2.33	0.51	0.99	---	---
<b>FIXED INCOME - GLOBAL &amp; INTERNATIONAL</b>														
<i>Fixed Income investment (bond) funds are subject to interest rate risk; their value will decline as interest rates rise.</i>														
International Bond Plus / PIMCO Fund #	12/17/12	-1.78	0.25	-2.07	-2.07	2.78	---	---	2.78	---	---	---	---	0.97%
<i>Manager Composite</i>	12/31/92	-0.69	0.59	0.07	0.07	3.60	5.53	5.48	N/A	3.27	1.16	1.65	---	0.92%
<i>Blended Performance</i>	12/31/92	-1.78	0.25	-2.07	-2.07	2.78	5.03	5.23	N/A	3.75	0.26	1.32	---	0.97%
<i>JP Morgan GBI Global ex-US Index (US Dollar Hedged)</i>		-0.22	0.60	1.68	1.68	4.24	4.49	4.42	---	2.76	0.00	1.59	---	---
<i>World Bond Category Median</i>		-0.44	-0.49	-3.59	-3.59	-1.12	1.50	4.02	---	5.02	-0.12	0.32	---	---
<b>FI - MONEY MARKET</b>														
<i>An investment in the money market Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.</i>														
Prudential Short-Term Fund #	6/30/76	0.02	0.03	0.09	0.09	0.07	0.07	1.21	N/A	---	---	---	---	0.21%
<i>Citigroup Three Month T-Bill</i>		0.01	0.01	0.01	0.01	0.03	0.05	1.17	---	0.01	0.00	---	---	---
<b>STABLE VALUE</b>														
Gibraltar Guaranteed Fund	11/11/08	2.59	0.22	0.65	2.59	2.47	2.81	---	3.34	---	---	---	---	0.55%
<i>Current Net Annualized Rate as of 7/1/2015: 2.62%</i>														
<i>5 Year Treasury Average Yield</i>		0.15	0.41	1.50	1.50	1.44	1.31	2.23	---	0.12	0.00	10.03	---	---

## EXPLANATION OF PERFORMANCE INFORMATION

The following tables provide fund performance information, and other relevant performance and supplementary information concerning Institutional Sub-Advised, Institutional Select, Alliance Mutual Funds and Proprietary Funds if applicable. For Institutional Sub-Advised and Institutional Select Funds, the PRIAC Separate Accounts hold the investment securities. Prudential Retirement Insurance and Annuity Company (PRIAC) assumes no responsibility for monitoring performance of the investment manager of any Institutional Select Fund. PERFORMANCE: When such funds have fewer than five years of performance history, three types of performance information are provided to assist you in choosing your plan's investment options. "Fund Performance" represents the actual performance of the fund for all periods since the inception date of the fund (which is shown in this line). "Manager's Composite" represents the composite return of multiple portfolios advised by the Manager since the inception date.

These portfolios have an investment style and approach similar to the investment style of the fund. "Blended" represents a combination of the actual Fund performance and the current Manager's Composite performance. Actual Fund performance is used for periods after the fund was managed by the current Manager. For periods before the current Manager's assumption of Fund management, the Manager's Composite return is used. Therefore, when no Actual Fund performance with the current manager exists, the Blended performance line will equal the Manager Composite line. The inception date associated with this line is the inception date of the Manager's Composite. "Since Inception" returns are only provided when the inception date is less than 10 years ago. All performance is net of the expense ratio shown for that line.

For Alliance Mutual Funds, performance shown for the Separate Account is the performance of the underlying mutual fund. If the mutual fund's inception was before the Separate Account's inception date, mutual fund performance is shown for the prior periods. Performance for all periods reflects the reinvestment of mutual fund dividends and capital gains (as applicable). Any sub-accounting or distribution fees paid to Prudential by the underlying mutual fund complex is disclosed in the fact sheet for the fund. Any reference to share class refers to the underlying investment of the separate account and does not indicate that this is an investment directly into this share class.

Our pricing for your plan sometimes includes contract charges. If included, the contract charges would reduce the performance shown below. Any contract charges are disclosed to you. Regarding your members, the expense ratio shown in their statements and in the performance shown on their statements will reflect any contract charges imposed. The management fees, fund fees and contract charges compensate us for the distribution and servicing associated with your plan. Other plan investment options may generate more or less revenue for us than the fees associated with the fund you select. If the aggregate revenue from your plan exceeds our associated costs, we earn a profit. Otherwise, we incur a loss. Other plans investing in the Fund may have lower fees, but these are not available to your plan in order to compensate us for distribution and plan servicing.

For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

## Footnotes

Your current funds are highlighted in yellow.

Funds represented in green text are closed and are no longer available as a new fund option to Plan Sponsors.

Outside Fund information offered through other firms was provided by the fund's custodian or from publicly available sources.

*While past performance is never an indication of future results, short periods of performance may be particularly unrepresentative of long-term performance.*

Funds offered by Prudential may be closed to new investors or new contributions at any time without prior notice.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

For Manager of Managers Institutional Sub-Advised funds and Institutional Select Funds, ACTUAL PERFORMANCE MAY BE AFFECTED BY THE MANAGER NOT BEING ABLE TO INVEST DIRECTLY IN A COUNTRY PRIOR TO SATISFACTION OF THAT COUNTRY'S LEGAL REQUIREMENTS.

All returns are net of the management fees charged for the separate account and net of other operational expenses and are before any contract charges, if any, unless noted otherwise. Historical returns reflect actual account performance and the investment manager's composite, which may consist of one account. Performance is representative of each separate account's investment management discipline. All returns are deemed accurate at the time of reporting but are subject to change. For more information, please contact your Prudential Retirement Representative at 1-877-778-2100.

At times Prudential Retirement solicits and/or receives financial support for certain of its conferences from investment advisory firms. Please contact your Prudential Retirement representative for more information.

**Gibraltar Guaranteed Fund** - The Gibraltar Guaranteed Fund is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency.

Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.



**Prudential Day One<sup>SM</sup> 2010 Fund** - Performance shown beginning 02/15/2013 represents the actual performance track record of the Day One 2010 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2015 Fund** - Performance shown beginning 12/16/2011 represents the actual performance track record of the Day One 2015 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2020 Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One 2020 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2025 Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One 2025 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2030 Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One 2030 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Day One 2030 Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2035 Fund** - Performance shown beginning 09/06/2013 represents the actual performance track record of the Day One 2035 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2040 Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One 2040 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2045 Fund** - Performance shown beginning 08/23/2013 represents the actual performance track record of the Day One 2045 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2050 Fund** - Performance shown beginning 08/15/2013 represents the actual performance track record of the Day One 2050 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009.

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2055 Fund** - Performance shown beginning 9/6/2013 represents the actual performance track record of the Day One 2055 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by Fund's glidepath ("Glidepath Performance"), beginning with the Glidepath Inception Date of June 30, 2009 .

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> 2060 Fund** - Performance shown beginning 08/13/2013 represents the actual performance track record of the Day One 2060 Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath ("Glidepath Performance"), beginning with the Fund's Inception Date of May 31, 2013. Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Day One 2060 Fund, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One<sup>SM</sup> Income Fund** - Performance shown beginning 08/01/2013 represents the actual performance track record of the Day One Income Fund. Performance prior to this date represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of each Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, Glidepath Performance does not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund. On December 7, 2011, the Bache Commodities Total Return Fund sleeve was replaced with the Jefferies Commodity Strategies Fund. Subsequently on April 16, 2012, the Jefferies Commodity Strategies Fund changed its name to the CoreCommodity Strategies Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on December 6, 2011 represents the weighted actual performance track record of the Bache Commodities Total Return Fund, and Glidepath Performance beginning on December 7, 2011 represents the weighted actual performance track record of the CoreCommodity Strategies Fund.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2010 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2010 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2010 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2015 Fund** - Performance shown beginning 12/10/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2015 Fund. Performance prior to 12/10/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2015 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2020 Fund** - Performance shown beginning 07/19/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2020 Fund. Performance prior to 07/19/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2020 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2025 Fund** - Performance shown beginning 07/19/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2025 Fund. Performance prior to 07/19/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2025 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2030 Fund** - Performance shown beginning 07/19/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2030 Fund. Performance prior to 07/19/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2030 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2035 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2035 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2035 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2040 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2040 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2040 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.



**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2045 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2045 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2045 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2050 Fund** - Performance shown beginning 12/21/2010 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2050 Fund. Performance prior to 12/21/2010 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2050 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2055 Fund** - Performance shown beginning 01/11/2011 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2055 Fund. Performance prior to 01/11/2011 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2055 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> 2060 Fund** - Performance shown beginning 01/07/2011 represents the actual performance track record of the Prudential Day One IncomeFlex Target 2060 Fund. Performance prior to 01/07/2011 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target 2060 Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity. On September 22, 2010, the QMA Small Cap Blend Enhanced Index Fund sleeve was replaced with the Jennison Small Cap Core Equity Fund. Glidepath Performance for the period beginning with the Glidepath Inception Date and ending on September 21, 2010 represents the weighted actual performance track record of the QMA Small Cap Blend Enhanced Index Fund, and Glidepath Performance beginning on September 22, 2010 represents the weighted actual performance of the Jennison Small Cap Core Equity Fund.

**Prudential Day One<sup>SM</sup> IncomeFlex Target<sup>®</sup> Bal Fund** - Performance shown beginning 09/22/2009 represents the actual performance track record of the Prudential Day One IncomeFlex Target Balanced Fund. Performance prior to 09/22/2009 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target Balanced Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

**SA/Invesco Small Cap Growth Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/OFII Global Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/T. Rowe Price Equity Income Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/T. Rowe Price Growth Stock Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Templeton Foreign Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**SA/Templeton Growth Strategy** - Effective April 2009 this Separate Account was converted from an Alliance Fund which invests in shares of a mutual fund to a "Retail Branded" Separate Account, which will invest in a portfolio of securities managed by the same investment manager in a manner substantially similar to the current underlying mutual fund investment.

**Redemption Fees** - The following funds have redemption fees.

<b>Fund</b>	<b>Fee Rate</b>	<b>Holding Period</b>
<b>Lazard International Equity Account (Open Shares)</b>	<b>1</b>	<b>30 Days</b>
<b>Lazard U.S. Small-Mid Cap Equity Fund (Open Shares)</b>	<b>1</b>	<b>30 Days</b>

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## Definitions

**DDA Rank** - The DDA Rank represents the quartile ranking assigned to the fund in the latest Due Diligence Advisor Program Report. Each separate account is assessed on the basis of nominal and risk adjusted returns, and downside and relative risk (versus an appropriate benchmark). These metrics are weighted based on 1-, 3- and 5-year results, with greatest emphasis placed on long term timeframes. Due Diligence Quartile Ranks shown are based on the last available Due Diligence Analysis (as of September 30, 2015), among the following peer group universe totals. ***Please note new process has Institutional Sub-Advised and RBSA funds utilize gross performance peer groups while Alliance funds utilize net performance peer groups.***

<b><u>Peer Group</u></b>	<b><u># of Funds</u></b>
Large Cap Value (sub-advised)	114
Large Cap Value (alliance)	197
Large Cap Blend (sub-advised)	202
Large Cap Blend (alliance)	213
Large Cap Growth (sub-advised)	158
Large Cap Growth (alliance)	158
Mid Cap Value (sub-advised)	36
Mid Cap Value (alliance)	31
Mid Cap Blend (sub-advised)	97
Mid Cap Blend (alliance)	99
Mid Cap Growth (sub-advised)	105
Mid Cap Growth (alliance)	102
Small Cap Value (sub-advised)	80
Small Cap Blend (sub-advised)	197
Small Cap Blend (alliance)	197
Small Cap Growth (sub-advised)	145
Small Cap Growth (alliance)	141
TIPS (sub-advised)	39
Global - Value (sub-advised)	30
Global - Growth (sub-advised)	61
Global - Growth (alliance)	64
International - Value (sub-advised)	59
International - Value (alliance)	61
International - Blend (sub-advised)	87
International - Blend (alliance)	90
International - Growth (sub-advised)	127
International - Growth (alliance)	127
International - Emerging Markets (sub-advised)	112
International - Emerging Markets (alliance)	112
Balanced (sub-advised)	82
Balanced (alliance)	81
Fixed Income - BBB-Rated Corp Debt (sub-advised)	51
Fixed Income - Core Bond (sub-advised)	113
Fixed Income - Core Plus Bond (sub-advised)	56
Fixed Income - Intermediate US Govt (sub-advised)	17
Fixed Income - US Mortgage (sub-advised)	26
Fixed Income - High Current Yield (sub-advised)	129
Real Estate (sub-advised)	58
Technology (alliance)	38

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**Morningstar # of funds in Category**

Morningstar Category	# of Funds						
	MTD	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Aggressive Allocation Category Median	134	134	126	126	114	99	77
Conservative Allocation Category Median	221	219	209	209	187	152	111
Diversified Emerging Mkts Category Median	242	242	226	226	166	121	64
Foreign Large Blend Category Median	224	222	202	202	187	169	123
Foreign Large Growth Category Median	92	92	89	89	83	73	54
Foreign Large Value Category Median	101	101	95	95	86	80	53
Global Real Estate Category Median	69	68	62	62	50	48	16
High Yield Bond Category Median	193	189	185	185	163	138	108
Inflation-Protected Bond Median	54	54	53	53	50	45	30
Intermediate Government Category Median	67	67	67	67	66	66	63
Intermediate-Term Bond Category Median	290	290	279	279	258	245	207
Large Blend Category Median	472	469	457	457	420	382	318
Large Growth Category Median	457	456	446	446	429	390	325
Large Value Category Median	369	368	356	356	318	290	242
Mid-Cap Blend Category Median	147	146	143	143	133	120	96
Mid-Cap Growth Category Median	209	209	209	209	190	177	153
Mid-Cap Value Category Median	118	118	116	116	106	92	69
Moderate Allocation Category Median	253	250	245	245	229	204	156
Real Estate Category Median	72	72	71	71	67	60	50
Retirement Income Median	40	39	37	37	32	27	13
Small Blend Category Median	253	251	242	242	208	189	147
Small Growth Category Median	222	222	215	215	200	186	160
Small Value Category Median	129	129	122	122	108	98	78
Target Date 2046-2050 Median	55	54	51	51	41	29	3
Target-Date 2000-2010 Median	35	34	31	31	27	25	13
Target-Date 2011-2015 Median	43	42	39	39	32	28	6
Target-Date 2016-2020 Median	55	54	51	51	42	34	15
Target-Date 2021-2025 Median	54	53	50	50	41	33	9
Target-Date 2026-2030 Median	56	54	51	51	42	34	15
Target-Date 2031-2035 Median	55	53	50	50	41	33	9
Target-Date 2036-2040 Median	55	54	51	51	42	34	15
Target-Date 2041-2045 Median	53	53	50	50	40	32	5
Target-Date 2051 Median	80	76	63	63	32	14	0
World Bond Category Median	97	96	88	88	79	61	40
World Stock Category Median	330	329	307	307	253	197	120

Prudential Retirement constructs Asset Class Categories using MPI Stylus, a product of Markov Processes International LLC, and data provided by Morningstar™, Inc. Categories are constructed by using the appropriate Morningstar™, Inc. category and then removing duplicate share classes from the universe. Duplicate share classes are identified in a database field, and in general the share class with the longest history is used for category construction. Category medians and fund percentile rankings are then calculated using MPI Stylus and therefore may differ from those provided directly by Morningstar™, Inc.

**Alpha** - A measure of value added by a manager as compared to a passive portfolio with the same market sensitivity or beta. Alpha is a measure of return for residual, or non-market, risk, and is used to measure a manager's contribution to performance due to security or sector selection.

**Expense Ratio** - Expense Ratio includes management fee charges by the fund's Investment Manager against the fund's assets for managing the portfolio as well as for such services as shareholder relations or investment-related administration (fund analysis and research, etc.), 12(b)-1 fee [Mutual funds may charge this fee against the fund's assets to cover distribution expenses incurred by the fund], if applicable, "Other Expenses" [Charges by the fund's sponsor against the fund's assets for additional operating expenses. For example: related legal fees, auditing expenses, compliance with governmental regulations, mailing or postage costs, etc. The amount included for Prudential Institutional Sub-Advised and Proprietary Funds is actual for the prior calendar year end. The amount listed for Prudential Alliance Funds is for the last period reported by the Fund's sponsor]. The benefit of any "Fee Waivers" would be reflected in the Expense Ratio. Expense Ratio is prior to any contract-related charges.

**Risk** - This statistic measures the volatility of a stream of data compared to its average value. Applied to investment performance, standard deviation measures how "choppy" the monthly returns are over a period of time. 66% of all monthly values would fall within one standard deviation of the average, while 95% of all values would fall within two standard deviations of the average.

**Sharpe Ratio** - This statistic measures the quality of the returns for an investment on a risk-adjusted basis over a given period. It is defined as the excess returns of an investment divided by the standard deviation of returns. Excess returns are the returns of the investment minus the risk-free rate of return offered in the market, typically measured by short-term government instruments such as 3-month T-Bills. For two funds to have the same Sharpe Ratio, the fund with greater volatility must also deliver greater returns.

Sharpe Ratio = Excess Returns/Risk = (Returns on the Investment - Returns on T-Bills) / Standard Deviation

**Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-877-778-2100 for a free prospectus and if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available carefully before investing. It is possible to lose money when investing in securities.**

For Institutional Funds and Alliance Funds, returns, expense ratios and rankings do not reflect any contract charges.

Shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company.

This fund is not part of Prudential Retirement's Manager of Managers Program and Prudential Retirement does not assume any responsibility for the plan's decision to invest in the funds, to monitor their performance or to provide information regarding the funds. Each of those is the sole responsibility of the plan. To the extent Prudential Retirement provides such information, it makes no warranty as to the accuracy of such information and makes no undertaking to continue to provide such information unless Prudential Retirement agrees to continue to provide such information in writing.

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Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

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## **INDEX DEFINITIONS & DISCLOSURES**

Indexes are unmanaged and cannot be invested in directly.

### **60% R1000 / 40% Barclays Agg**

60% Russell 1000 Index/40% Barclays U.S. Aggregate Index is an unmanaged, weighted average composite composed of 60% Russell 1000 Index and 40% Barclays U.S. Aggregate Index (measuring U.S. bonds with maturities of at least one year).

### **60% Russell 1000 Growth / 40% Barclays Aggr.**

A composite index that consists of the Russell 1000® Index (60%) and the Barclays U.S. Aggregate Bond Index (40%).

### **60% Russell 1000 Value / 40% Barclays Aggr**

60% Russell 1000 Value Index/40% Barclays U.S. Aggregate Bond Index is an unmanaged, weighted average composite composed of 60% Russell 1000 Value Index and 40% Barclays U.S. Aggregate Bond Index (measuring U.S. bonds with maturities of at least one year).

### **60% S&P 500 / 40% Barclays Agg Bond Index**

60% S&P 500 Index/40% Barclays U.S. Aggregate Bond Index is an unmanaged, weighted average composite composed of 60% S&P 500 Index (measuring U.S. equities) and 40% Barclays U.S. Aggregate Bond Index (measuring U.S. bonds with maturities of at least one year).

### **60% S&P 500 / 40% Barclays Int Govt Credit**

60% S&P 500 Index/40% Barclays U.S. Intermediate Government/ Credit Index is an unmanaged, weighted average composite composed of 60% S&P 500 Index (measuring U.S. equities) and 40% Barclays U.S. Intermediate Government/Credit Index (measuring U.S. bonds with maturities of at least one year).

### **Barclays Aggregate Bond Index**

Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

### **Barclays Credit Index**

The Barclays US Credit Index: measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. It is comprised of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

### **Barclays Government Bond Index**

The Barclays U.S. Government Index: Is comprised of the U.S. Treasury and U.S. Agency Indices. The U.S. Government Index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The U.S. Government Index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

### **Barclays High Yield Bond Index**

Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt (having a maximum quality rating of Ba1), a minimum outstanding amount of \$150 million and at least one year to maturity.

### **Barclays Treasury Bond**

Barclays U.S. Treasury Index accounts for nearly 65% of the Government Index and includes public obligations of the U.S. Treasury that have remaining maturities of more than one year.



**Barclays US Treasury TIPS Index**

This index includes all publicly issued United States Treasury inflation-protected securities that have at least one year remaining until maturity, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars, and must be fixed-rate and non-convertible securities. The index is a market capitalization-weighted index. Inflation notes were included in the broader Barclays U.S. Treasury Index in March 1997 and removed from that index on January 1, 1998.

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**5 Year Treasury Average Yield**

The 5-Year Treasury Average Yield is the average daily treasury yield (Constant Maturity) for U.S. Treasuries with a maturity of five years (negotiable debt obligations of the U.S. Government, considered intermediate in maturity).

**CRSP Mid Cap Index**

The CRSP US Mid Cap Index targets inclusion of the U.S. companies that fall between the 70%-85% of investable market capitalization. The index includes securities traded on NYSE, NYSE Market, NASDAQ or ARCA.

**CRSP Small Cap Index**

The CRSP US Small Cap Index includes U.S. companies that fall between the bottom 2%-15% of the investable market capitalization. There is no lower limit in market capitalization, other than what is specified by investability screens. The index includes securities traded on NYSE, NYSE Market, NASDAQ or ARCA.

**Citigroup Three Month T-Bill**

Citigroup 3 Month T-Bill Index is an index whereby equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value.

**FTSE NAREIT Equity® Index**

The FTSE NAREIT Equity® Index is an unmanaged market capitalization index of all tax-qualified Equity REITs listed on the NYSE, AMEX, and the NASDAQ that have 75% or more of their gross invested book of assets invested directly or indirectly in the equity ownership of real estate. This Fund is not sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") and FTSE makes no recommendation regarding investing in the Fund. See the User's Guide for a more detailed description of the limited relationship FTSE has with Prudential.

**JP Morgan GBI Global ex-US Index (US Dollar Hedged)**

The JP Morgan GBI Global ex-US Index (US Dollar Hedged) is an index composed of globally traded, fixed-rate government bonds of 13 countries. These countries all have liquid debt markets, meaning that they are stable, actively traded markets with sufficient scale and regular issuance. Using globally traded and highly liquid government bond issues, the index provides a measure of market performance. The index excludes bonds from the US and represents the USD hedged total return index level.

**Lifetime Aggressive Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Balanced Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Conservative Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Growth Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index and the Barclays U.S. Aggregate Bond Index, respectively.

**Lifetime Income & Equity Primary Benchmark**

Each Lifetime Fund's composite benchmark reflects the weighted average of the Fund's stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively.

**Lipper Balanced Funds Index**

Lipper Balanced Funds Index is an equal dollar weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to conserve principal by maintaining a balanced portfolio of stocks and bonds). Typically the stock/bond ratio ranges around 60%/40%.

**Lipper Global Funds Index**

Lipper Global Funds Index is an equal dollar-weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest at least 25% of its portfolio in securities traded outside of the United States). These funds may own U.S. securities as well.

**Lipper Global Real Estate benchmark**

The FTSE NAREIT Equity Index is an unmanaged market capitalization index of all tax-qualified Equity REITS listed on the NYSE, AMEX and the NASDAQ that have 75% or more of their gross invested book of assets invested directly in the equity ownership of real estate.

**Lipper High Current Yield Bond Funds Index**

Lipper High Yield Bond Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to seek a high [relative] current yield from fixed income securities without regard to quality or maturity restrictions). These funds tend to invest in lower-grade debt issues.

**Lipper International Funds Index**

Lipper International Funds Index is an equal dollar-weighted index of the 30 largest qualifying mutual funds (based on year-end total net assets) for the investment objective (to invest assets in securities whose primary trading markets are outside the United States).

**Lipper Large Cap Core Funds Index**

Lipper Large-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large Cap Growth Funds Index**

Lipper Large-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Large Cap Value Funds Index**

Lipper Large-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Large-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P 500 Index.

**Lipper Mid Cap Core Funds Index**

Lipper Mid-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid Cap Growth Funds Index**

Lipper Mid-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Mid Cap Value Funds Index**

Lipper Mid-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Mid-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P Midcap 400 Index.

**Lipper Small Cap Core Funds Index**

Lipper Small-Cap Core Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P Super-Composite 1500 Index. These funds typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small Cap Growth Funds Index**

Lipper Small-Cap Growth Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have an above average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

**Lipper Small Cap Value Funds Index**

Lipper Small-Cap Value Funds Index represents the average of the 30 largest qualifying mutual funds (based on year-end total net assets) in the Lipper Small-Cap Universe. These funds, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index. These funds typically have a below average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SmallCap 600 Index.

### **MSCI All Country World™ Index**

MSCI All Country World™ Index is a free float-adjusted market capitalization index that is designed to measure equity performance in the global developed and emerging markets. The net version assumes reinvestment of dividends and is net of foreign taxes withheld. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Certain information contained in this product or report is derived by Prudential Investment Management, Inc. in part from MSCI's EAFE, Emerging Markets™, Europe ex U.K., Japan Net Dividend, Pacific Ex Japan Net Dividend and/or United Kingdom Net Dividend Index (the "Index Data"). However, MSCI has not reviewed this product or report, and MSCI does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. Neither MSCI nor any third party involved in or related to the computing or compiling of the Index Data makes any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived there from, and in no event shall MSCI or any third party have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information. Any use of the Index Data requires a direct license from MSCI. None of the Index Data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

### **MSCI EAFE™ Growth Index(net)**

MSCI EAFETM Growth Index (net) includes those firms in the MSCI EAFE Index with higher Price/Book (P/BV) ratios relative to their respective MSCI country index. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Certain information contained in this product or report is derived by Prudential Investment Management, Inc. in part from MSCI's EAFE, Emerging Markets™, Europe ex U.K., Japan Net Dividend, Pacific Ex Japan Net Dividend and/or United Kingdom Net Dividend Index (the "Index Data"). However, MSCI has not reviewed this product or report, and MSCI does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. Neither MSCI nor any third party involved in or related to the computing or compiling of the Index Data makes any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived there from, and in no event shall MSCI or any third party have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information. Any use of the Index Data requires a direct license from MSCI. None of the Index Data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

### **MSCI EAFE™ Index(net)**

MSCI EAFETM Index(net) is a market capitalization weighted index comprised of companies representative of the market structure of 21 developed market countries in Europe, Australia and the Far East. The MSCI EAFE Index is available both in local currency and U.S. dollar terms. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Certain information contained in this product or report is derived by Prudential Investment Management, Inc. in part from MSCI's EAFE, Emerging Markets™, Europe ex U.K., Japan Net Dividend, Pacific Ex Japan Net Dividend and/or United Kingdom Net Dividend Index (the "Index Data"). However, MSCI has not reviewed this product or report, and MSCI does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. Neither MSCI nor any third party involved in or related to the computing or compiling of the Index Data makes any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived there from, and in no event shall MSCI or any third party have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information. Any use of the Index Data requires a direct license from MSCI. None of the Index Data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

**MSCI EAFE™ Value Index(net)**

MSCI EAFETM Value Index(net) includes those firms in the MSCI EAFE Index with lower Price/Book Value (P/BV) ratios relative to their respective MSCI country index. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Certain information contained in this product or report is derived by Prudential Investment Management, Inc. in part from MSCI's EAFE, Emerging Markets™, Europe ex U.K., Japan Net Dividend, Pacific Ex Japan Net Dividend and/or United Kingdom Net Dividend Index (the "Index Data"). However, MSCI has not reviewed this product or report, and MSCI does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. Neither MSCI nor any third party involved in or related to the computing or compiling of the Index Data makes any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived there from, and in no event shall MSCI or any third party have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information. Any use of the Index Data requires a direct license from MSCI. None of the Index Data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

**MSCI Emerging Markets™ Index(net)**

The MSCI Emerging Markets™ Index(net) is a market capitalization-weighted index comprised of companies representative of the market structure of 25 emerging market countries open to foreign investment. The MSCI EMF Index excludes closed markets and those shares in otherwise open markets that are not available for purchase by foreigners. The returns shown in the performance chart are calculated with dividends reinvested and are net of foreign withholding tax. The index is available both in local currency and U.S. dollar terms. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Certain information contained in this product or report is derived by Prudential Investment Management, Inc. in part from MSCI's EAFE, Emerging Markets™, Europe ex U.K., Japan Net Dividend, Pacific Ex Japan Net Dividend and/or United Kingdom Net Dividend Index (the "Index Data"). However, MSCI has not reviewed this product or report, and MSCI does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. Neither MSCI nor any third party involved in or related to the computing or compiling of the Index Data makes any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived there from, and in no event shall MSCI or any third party have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information. Any use of the Index Data requires a direct license from MSCI. None of the Index Data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

**MSCI US REIT Index**

The MSCI US REIT Index is a free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index, with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the US Reit universe.

**MSCI World™ Index(net)**

MSCI World™ Index(net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets (includes 24 countries in the North America, Europe, and Asia/Pacific region). MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. Certain information contained in this product or report is derived by Prudential Investment Management, Inc. in part from MSCI's EAFE, Emerging Markets™, Europe ex U.K., Japan Net Dividend, Pacific Ex Japan Net Dividend and/or United Kingdom Net Dividend Index (the "Index Data"). However, MSCI has not reviewed this product or report, and MSCI does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. Neither MSCI nor any third party involved in or related to the computing or compiling of the Index Data makes any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived there from, and in no event shall MSCI or any third party have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information. Any use of the Index Data requires a direct license from MSCI. None of the Index Data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

**MSCI World™ Value Index(net)**

MSCI World™ Value Index(net): A market capitalization-weighted index comprised of that half of the MSCI World Index based upon a two dimensional framework for style segmentation in which value and growth securities are categorized using different attributes – three for value and five for growth including forward looking variables.

**Prudential Day One 2010 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2015 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2020 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2025 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2030 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2035 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2040 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2045 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2050 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2055 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One 2060 Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

#### **Prudential Day One Income Fund Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

#### **Prudential Day One IncomeFlex Target 2010 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

#### **Prudential Day One IncomeFlex Target 2015 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

#### **Prudential Day One IncomeFlex Target 2020 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

#### **Prudential Day One IncomeFlex Target 2025 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

#### **Prudential Day One IncomeFlex Target 2030 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.



**Prudential Day One IncomeFlex Target 2035 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One IncomeFlex Target 2040 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One IncomeFlex Target 2045 Benchmark**

The custom benchmark reflects the normal weighted average of the respective underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One IncomeFlex Target 2050 Benchmark**

The custom benchmark reflects the normal weighted average of the respective underlying Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One IncomeFlex Target 2055 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One IncomeFlex Target 2060 Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Day One IncomeFlex Target Bal Benchmark**

The custom benchmark reflects the normal weighted average of the respective Day One Fund's stock/non-traditional assets/bond/cash allocation, as represented by the S&P 1500 Composite Index, the Russell Developed ex North America Large Cap Index, the MSCI Emerging Markets Net Dividend Index, the Bloomberg Commodities Index, the PRREF Composite Index, the Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index (Series-L), the Barclays U.S. Aggregate Bond Index and the Citigroup Three Month T-Bill. Effective January 1, 2013, the International asset class is represented in the mandate benchmark by the Russell Developed ex North America Large Cap Index, replacing the MSCI EAFE Net Dividend Index. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Prudential Real Assets Custom Benchmark**

This index is composed of future contracts on physical commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange.

**Retirement Goal 2010 Primary Benchmark**

The custom benchmark for the Fund is a pro rata combination of the benchmarks for the Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the Fund's U.S. stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Retirement Goal 2020 Primary Benchmark**

The custom benchmark for the Fund is a pro rata combination of the benchmarks for the Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the Fund's U.S. stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Retirement Goal 2030 Primary Benchmark**

The custom benchmark for the Fund is a pro rata combination of the benchmarks for the Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the Fund's U.S. stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Retirement Goal 2040 Primary Benchmark**

The custom benchmark for the Fund is a pro rata combination of the benchmarks for the Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the Fund's U.S. stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Retirement Goal 2050 Primary Benchmark**

The custom benchmark for the Fund is a pro rata combination of the benchmarks for the Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the Fund's U.S. stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Retirement Goal Income Primary Benchmark**

The custom benchmark for the Fund is a pro rata combination of the benchmarks for the Fund's underlying asset classes, based on the normal asset allocation for each Fund. The benchmark reflects the weighted average of the Fund's U.S. stock/international stock/bond/cash allocation, as represented by the Russell 3000 Index, the MSCI EAFE Index, the Barclays U.S. Aggregate Bond Index and the Citigroup 3-Month T-Bill Index, respectively. Because the asset allocation of each Fund changes over time, the custom benchmark allocations also change over time.

**Russell 1000™ Growth Index**

The Russell 1000™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 1000™ Index**

The Russell 1000™ Index is a market-capitalization weighted index that measures the performance of the 1,000 largest companies in the Russell 3000® Index.

**Russell 1000™ Value Index**

The Russell 1000™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 2000™ Growth Index**

The Russell 2000™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth rates.

**Russell 2000™ Index**

The Russell 2000™ Index is a market capitalization-weighted index that measures the performance of the 2000 smallest companies in the Russell 3000® Index.

**Russell 2000™ Value Index**

The Russell 2000™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth rates.

**Russell 2500™ Value Index**

The Russell 2500™ Value Index is a market capitalization-weighted index that measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell Developed ex-North America Large Cap Index (net)**

The Russell Developed ex-North America Large Cap Index measures the performance of the investable securities in developed countries globally, excluding companies assigned to the US and Canada. The Index is constructed to provide a comprehensive and unbiased barometer for this market segment and is completely reconstituted annually to accurately reflect the changes in the market over time.

**Russell Midcap™ Growth Index**

The Russell Midcap™ Growth Index is a market capitalization-weighted index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth rates. The stocks are also members of the Russell 1000® Growth Index.

**Russell Midcap™ Index**

The Russell Midcap™ Index is a market capitalization-weighted index that measures the performance of the mid-cap segment of the U.S. equity universe. The index consists of approximately 800 of the smallest companies in the Russell 1000® Index.

**Russell Midcap™ Value Index**

The Russell Midcap™ Value index is a market capitalization-weighted index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates. The stocks are also members of the Russell 1000® Value Index.

**S&P 500® Growth Index**

S&P 500® Growth Index: Standard & Poor's and Citigroup cooperate to employ a value calculation, whereby the market capitalization of the S&P 500 Index uses a multi-factor methodology to calculate growth and value in separate dimensions. Style scores are calculated taking standardized measures of 3 growth factors and 4 value factors for each constituent.

**S&P 500® Index**

S&P 500® Index (registered trademark of The McGraw-Hill Companies, Inc.) is an unmanaged index with over US \$5.58 trillion benchmarked (index assets comprising approximately US \$1.31 trillion of this total) that includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities.

**S&P 500® Value Index**

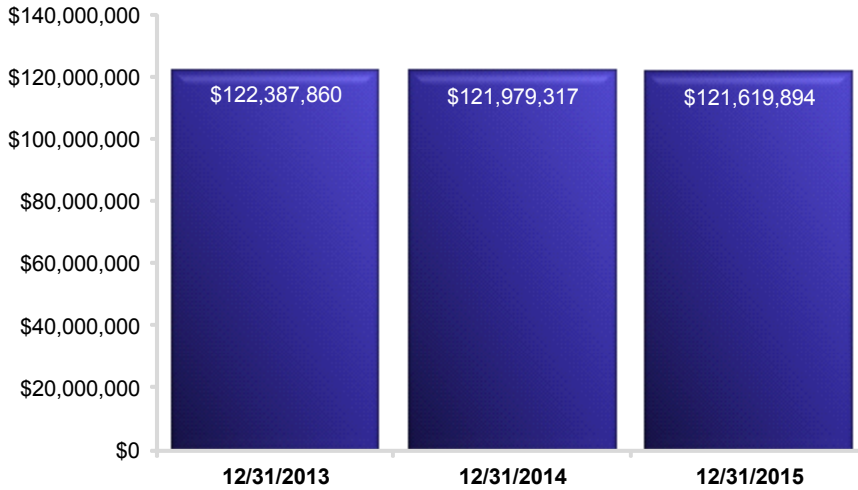
For the S&P 500/Citigroup Value Index, Standard & Poor's and Citigroup cooperate to employ a value calculation, whereby the market capitalization of the S&P 500 Index is divided equally between growth and value. The value component recognizes undervalued companies within the S&P 500 Index, which have lower price/book value ratios. The index is re-balanced semi-annually.

**S&P Composite 1500® Index**

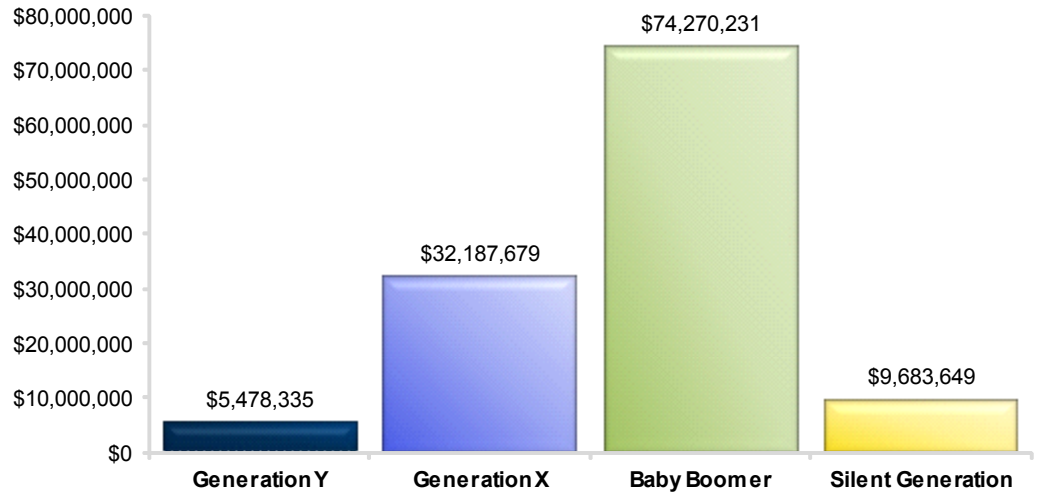
The S&P Composite 1500® Index combines the S&P 500®, S&P MidCap 400® and S&P SmallCap 600® indices into an efficient way to create a broad market portfolio representing about 85% of U.S. equities. This combination addresses the needs of investors wanting broader exposure beyond the S&P 500®.

# Section III: Dashboard - 006371

**Plan Assets Over 3 Year Period**



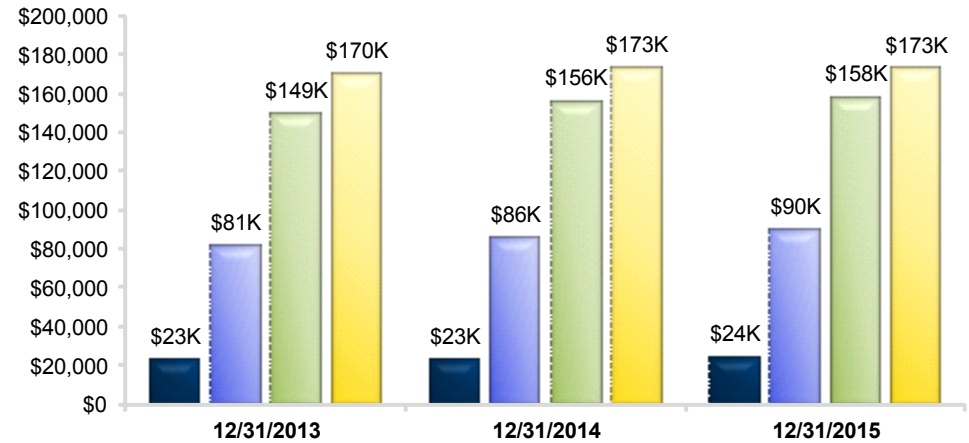
**Plan Assets By Age Group As Of 12/31/2015**



**Average Contribution Rate By Age Group**

Not Tracking Deferral Rate Changes

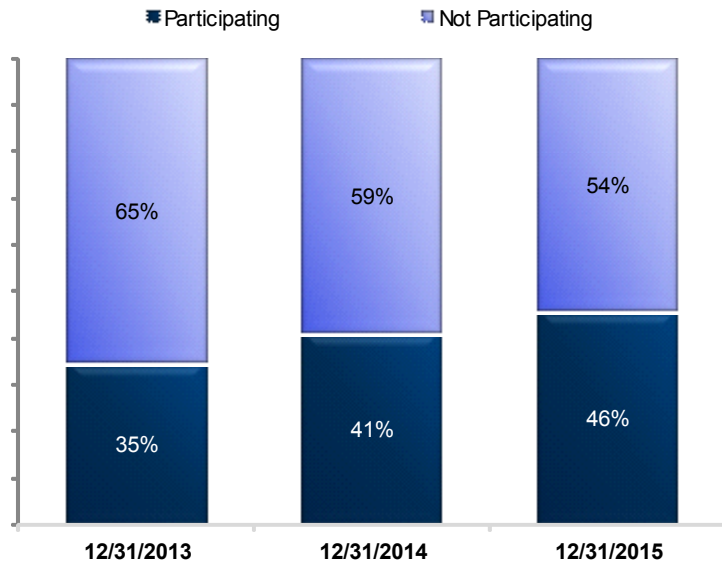
**Average Account Balance By Age Group Over 3 Year Period (\$1,000=1K)**



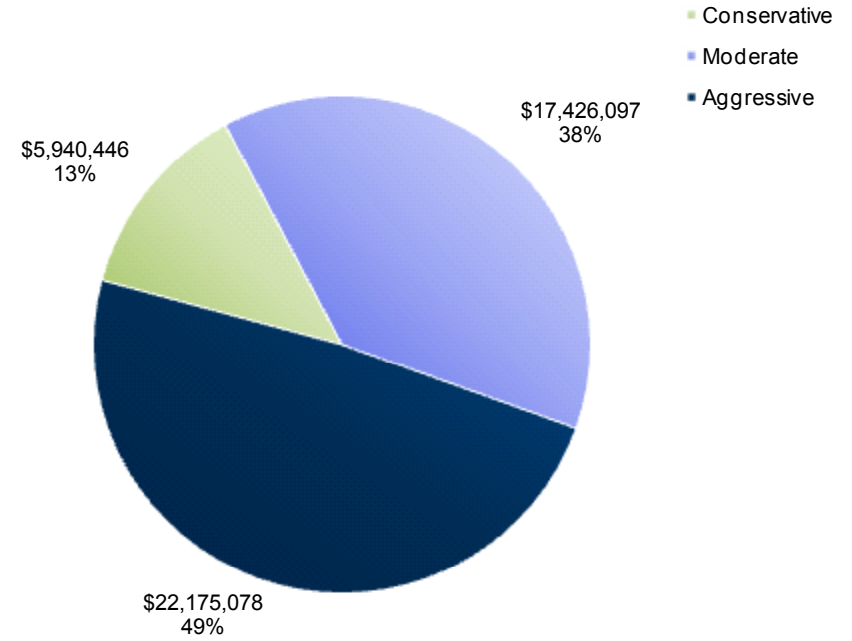
Legend

Total Assets	Generation Y	Generation X	Baby Boomer	Silent Generation
	1980-2000	1965-1979	1946-1964	1925-1945

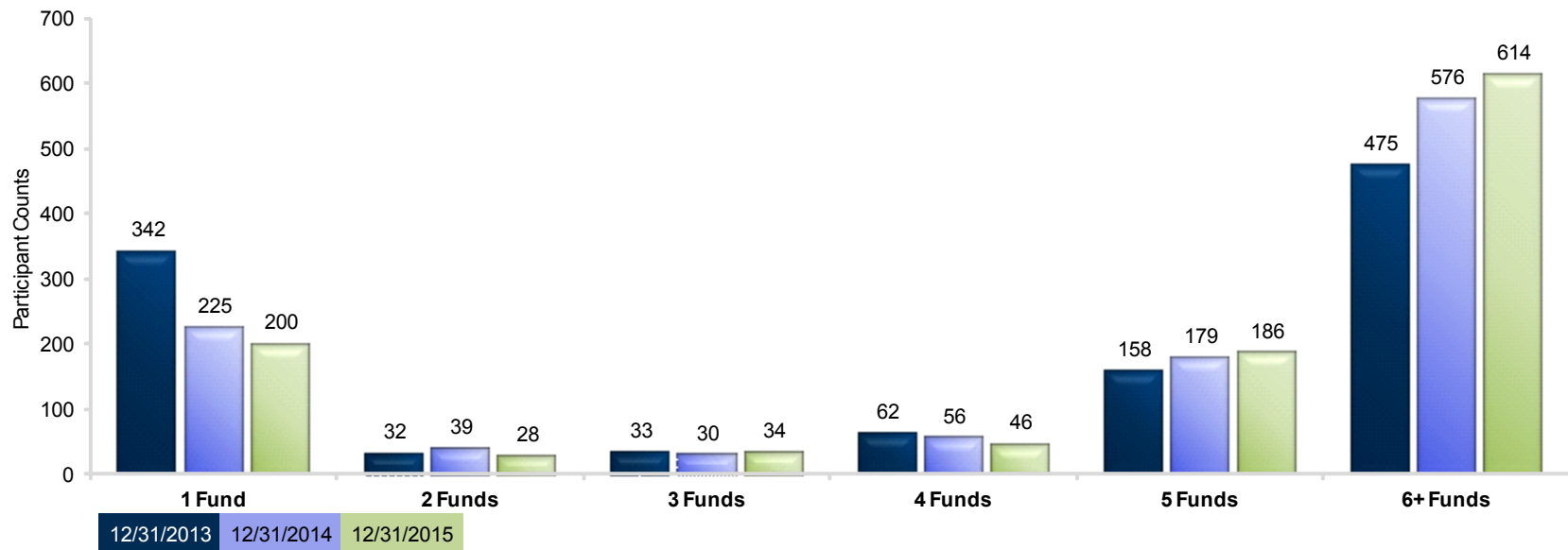
### GoalMaker® Participation Rates



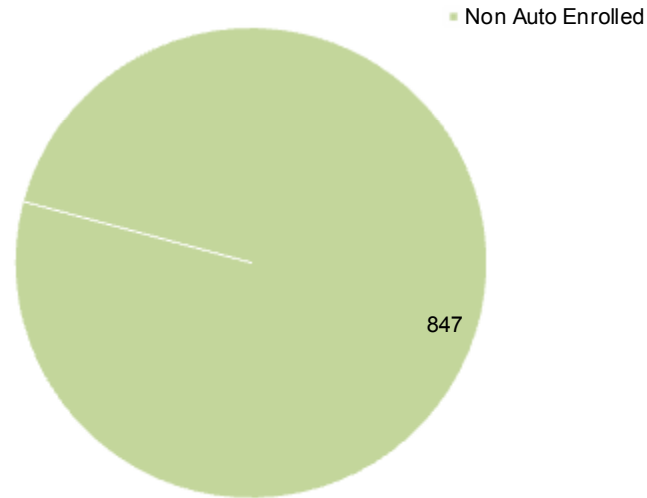
### GoalMaker® Allocations as of 12/31/2015



### Investment Utilization Over 3 Year Period



Current Enrollment Statistics of Active and Suspended  
Participants As Of 12/31/2015



Contribution Accelerator Participation Rates

Average Account Balance

(Contribution Accelerator)

Plan Does Not Have Contribution Accelerator

Plan Does Not Have Contribution Accelerator



Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

Customer should promptly report any inaccuracy or discrepancy to the brokerage firm(s).

All oral communications should be re-confirmed in writing to protect the customer's legal rights, including rights under the Securities Investor Protection act (SIPA). This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

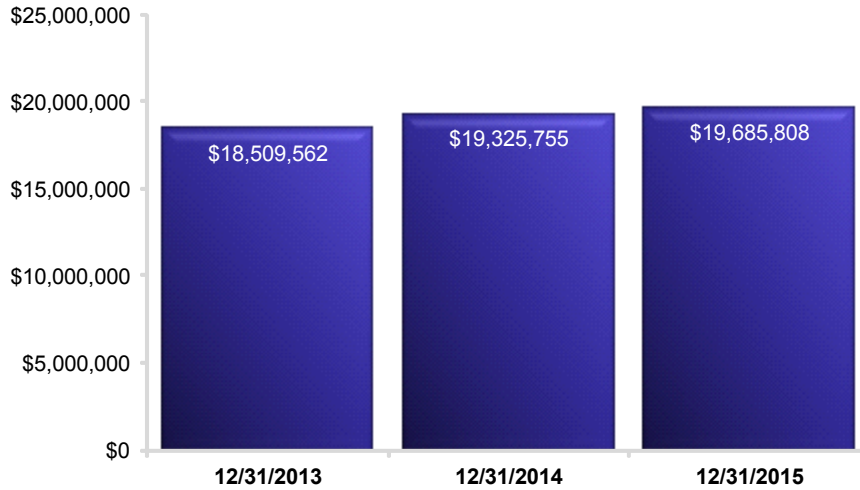
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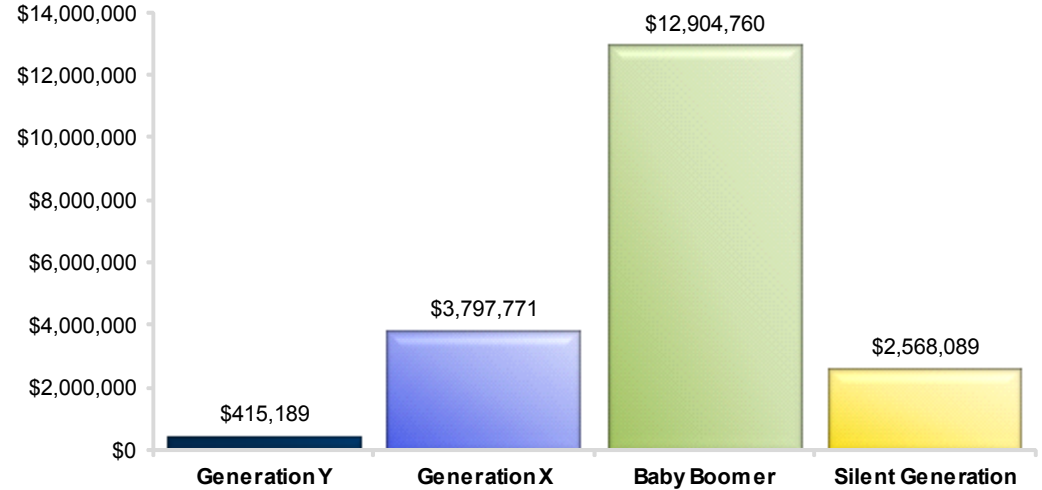
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# Section IV: Dashboard - 006372

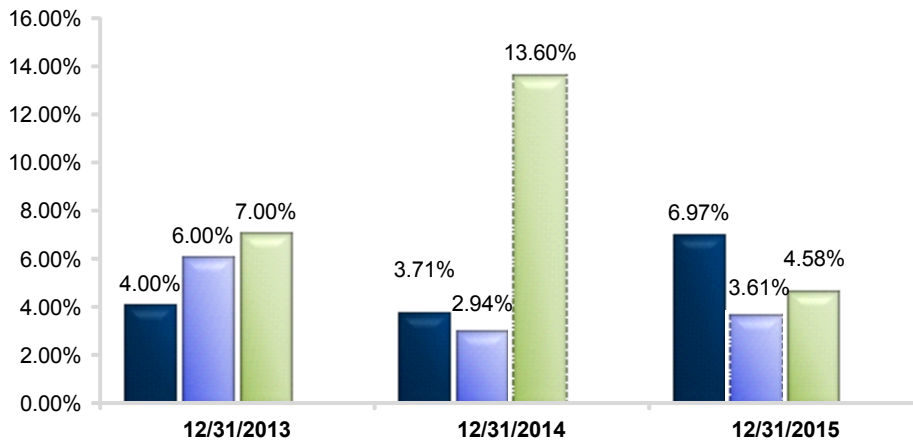
**Plan Assets Over 3 Year Period**



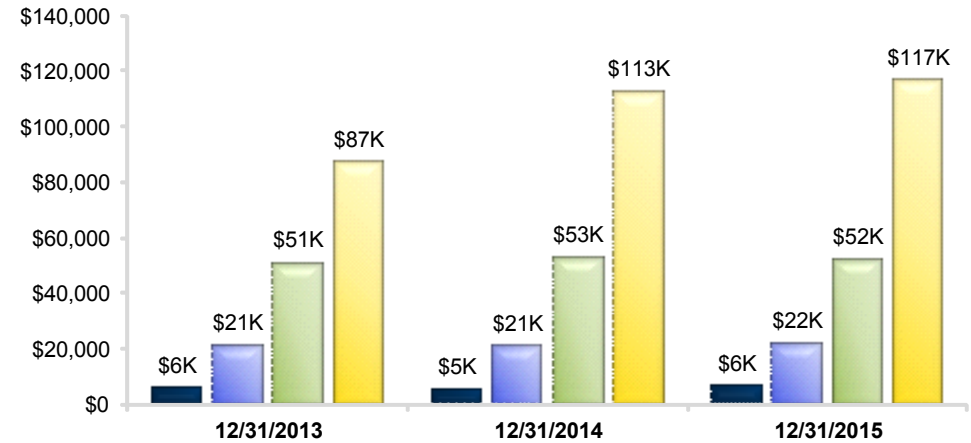
**Plan Assets By Age Group As Of 12/31/2015**



**Average Contribution Rate By Age Group Over 3 Year Period**



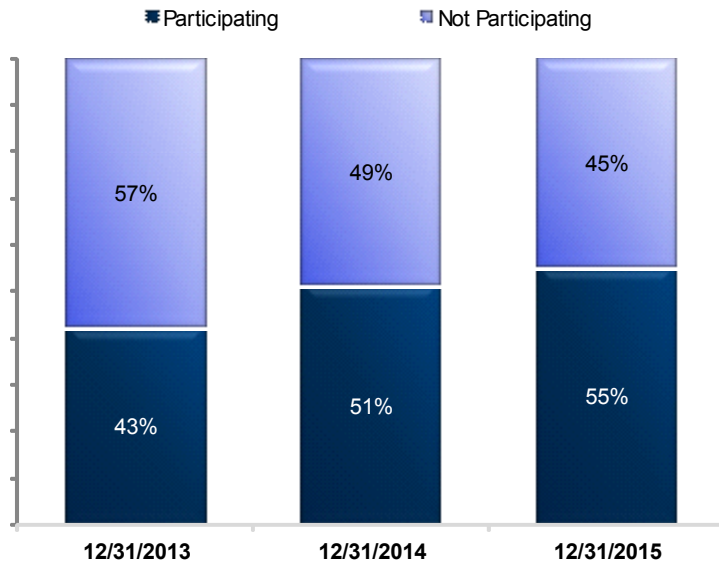
**Average Account Balance By Age Group Over 3 Year Period (\$1,000=1K)**



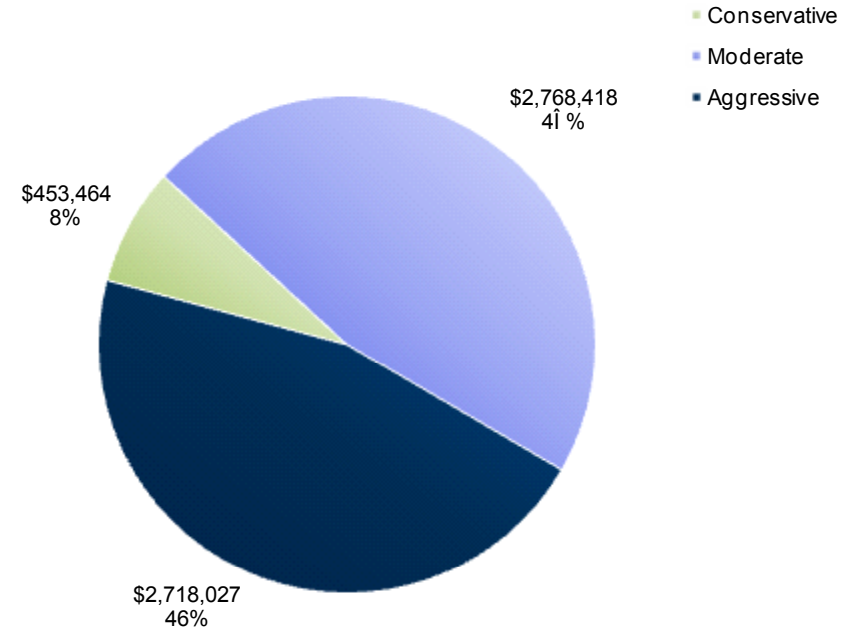
Legend

Total Assets	Generation Y	Generation X	Baby Boomer	Silent Generation
	1980-2000	1965-1979	1946-1964	1925-1945

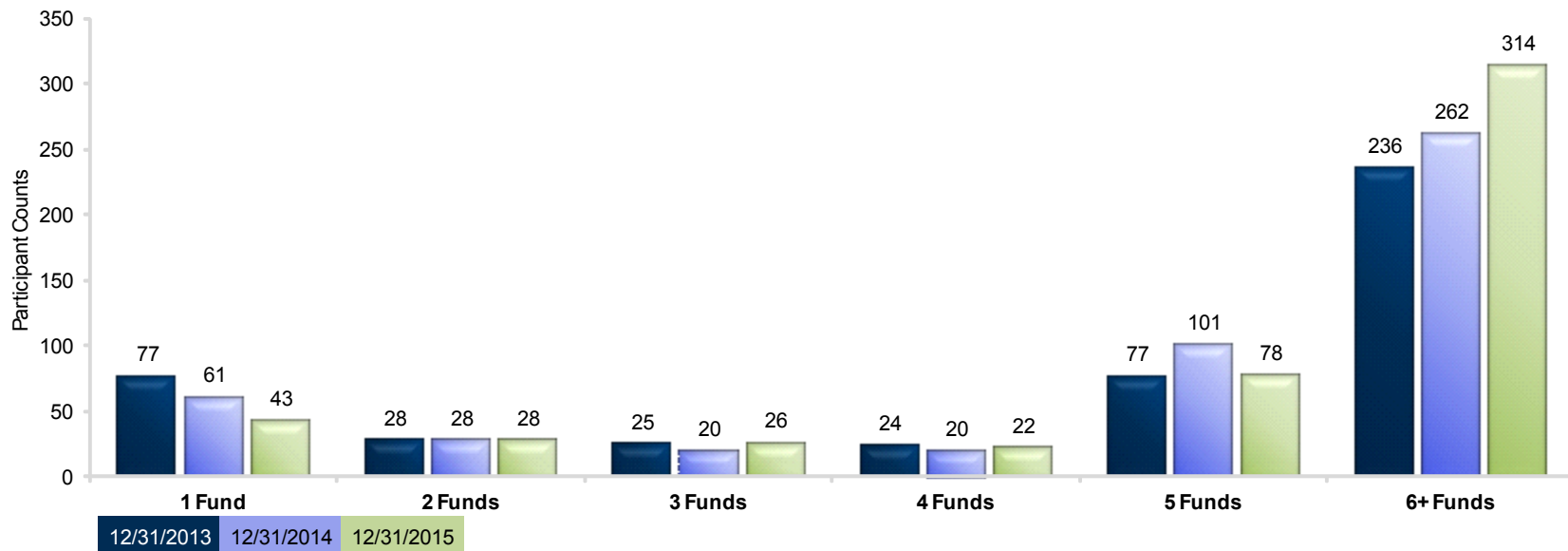
### GoalMaker®Participation Rates



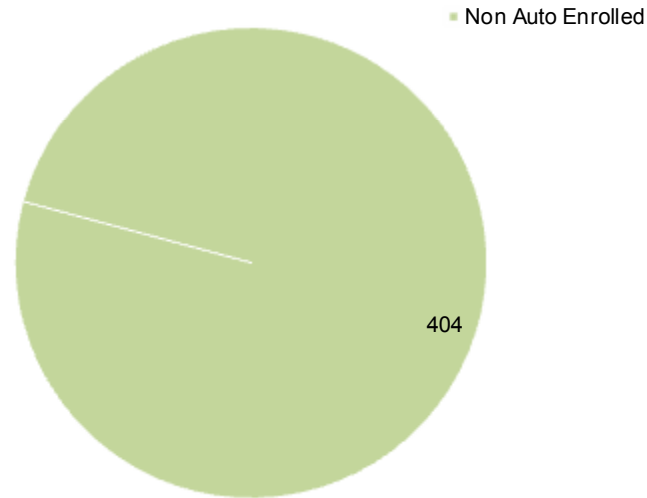
### GoalMaker®Allocations as of 12/31/2015



### Investment Utilization Over 3 Year Period



Current Enrollment Statistics of Active and Suspended Participants As Of 12/31/2015



Contribution Accelerator Participation Rates

Average Account Balance

(Contribution Accelerator)

Plan Does Not Have Contribution Accelerator

Plan Does Not Have Contribution Accelerator

Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

Customer should promptly report any inaccuracy or discrepancy to the brokerage firm(s).

All oral communications should be re-confirmed in writing to protect the customer's legal rights, including rights under the Securities Investor Protection act (SIPA). This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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# Section V: GoalMaker Performance

# GoalMaker<sup>®</sup> Performance

*Especially Prepared for The Lancaster County, Nebraska Employees Retirement Plan*

*Calculated using Actual Investment Fund Performance*

*For GoalMaker<sup>®</sup> Portfolios that include a Guaranteed Lifetime Income Feature*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2015	Weighted Average Annual Total Return as of 12/31/2015			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	CI1	1.55%	- 1.06%	4.19%	4.89%	n/a
	6-10	CI2	1.60%	- 1.10%	4.25%	4.91%	n/a
	11-15	CI3	1.90%	- 1.36%	4.95%	5.40%	n/a
	16+	CI4	2.14%	- 1.58%	5.40%	5.70%	n/a
Moderate	0-5	MI1	1.85%	- 0.79%	5.01%	5.32%	n/a
	6-10	MI2	2.05%	- 1.08%	5.43%	5.63%	n/a
	11-15	MI3	2.30%	- 1.26%	5.94%	5.95%	n/a
	16+	MI4	2.69%	- 1.58%	6.70%	6.40%	n/a
Aggressive	0-5	RI1	2.09%	- 0.73%	5.69%	5.72%	n/a
	6-10	RI2	2.46%	- 1.01%	6.44%	6.18%	n/a
	11-15	RI3	2.87%	- 1.30%	7.26%	6.65%	n/a
	16+	RI4	3.44%	- 1.72%	8.34%	7.23%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2015**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**

Prepared for The Lancaster County, Nebraska Employees Retirement Plan Plan Sponsor Use Only; Not For Use with Participants or the Public





# GoalMaker® Performance

***Epecially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Investment Fund Blended Performance of Actual Returns and Manager Composite  
For GoalMaker® Portfolios that include a Guaranteed Lifetime Income Feature***

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2015	Weighted Average Annual Total Return as of 12/31/2015			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	CI1	1.55%	- 1.06%	4.26%	5.05%	n/a
	6-10	CI2	1.60%	- 1.10%	4.32%	5.06%	n/a
	11-15	CI3	1.90%	- 1.36%	5.01%	5.53%	n/a
	16+	CI4	2.14%	- 1.58%	5.44%	5.78%	n/a
Moderate	0-5	MI1	1.85%	- 0.79%	5.10%	5.51%	n/a
	6-10	MI2	2.05%	- 1.08%	5.52%	5.82%	n/a
	11-15	MI3	2.30%	- 1.26%	6.00%	6.09%	n/a
	16+	MI4	2.69%	- 1.58%	6.73%	6.47%	n/a
Aggressive	0-5	RI1	2.09%	- 0.73%	5.83%	6.01%	n/a
	6-10	RI2	2.46%	- 1.01%	6.54%	6.39%	n/a
	11-15	RI3	2.87%	- 1.30%	7.32%	6.78%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2015**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**

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# GoalMaker® Performance

*Epecially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Investment Fund Actual Performance Supplemented by Manager Composite Performance*

*For GoalMaker® Portfolios that include a Guaranteed Lifetime Income Feature*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2015	Weighted Average Annual Total Return as of 12/31/2015			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	CI1	1.54%	- 1.04%	4.27%	5.06%	n/a
	6-10	CI2	1.60%	- 1.09%	4.33%	5.06%	n/a
	11-15	CI3	1.90%	- 1.35%	5.02%	5.54%	n/a
	16+	CI4	2.13%	- 1.57%	5.45%	5.79%	n/a
Moderate	0-5	MI1	1.84%	- 0.77%	5.10%	5.51%	n/a
	6-10	MI2	2.04%	- 1.06%	5.53%	5.83%	n/a
	11-15	MI3	2.29%	- 1.24%	6.01%	6.10%	n/a
	16+	MI4	2.69%	- 1.57%	6.73%	6.47%	n/a
Aggressive	0-5	RI1	2.08%	- 0.70%	5.85%	6.02%	n/a
	6-10	RI2	2.46%	- 0.99%	6.55%	6.40%	n/a
	11-15	RI3	2.87%	- 1.28%	7.33%	6.78%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2015**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**



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- Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**
- **The performance quoted represents past performance. The investment return and principal value will fluctuate so that an investor shares, when redeemed, may be worth more or less than original cost. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. For more information current to the most recent month end, please call 800-353-2847 or visit our website at [www.Prudential.com](http://www.Prudential.com).**
- This information should not be construed as an endorsement of GoalMaker. Plan participants may continue to make their own allocation decisions. As a service provider, neither Prudential Financial nor its representatives are permitted to render investment advice.
- The historical performance shown represents the change in net asset value of an investment over a stated period assuming the reinvestment of dividends and capital gains distributions. The performance results shown do not reflect the deduction of the sales charge that may apply if the Fund shares were purchased outside of the plans or other programs. If the sales charges were reflected, performance may be lower. This is the performance that best reflects your investment experience as sales charges do not apply to your plan. At times, certain mutual fund's performance may be extraordinarily high due to investing in sectors that achieved unprecedented returns. There can be no assurance that this performance can be repeated in the future.
- **Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Investors should carefully consider a fund's investment objectives, risks, charges and expenses before investing. For more complete information about the investment options available through your plan, please contact Prudential Retirement at 200 Wood Avenue South, Iselin, NJ, for a free prospectus that contains this and other information about our funds. Read the prospectus carefully before investing.**
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- Prudential Retirement's group variable annuity contracts are issued by Prudential Retirement Insurance & Annuity Company (PRIAC), Hartford, CT, a Prudential Financial Company.
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# GoalMaker<sup>®</sup> Fund Footnotes

<sup>6</sup>Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-800-353-2847 for a free prospectus and if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities. Securities products and services are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company.

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<sup>35</sup>Source: Morningstar Inc.. Morningstar average annual returns may differ from the returns calculated by the fund.

<sup>42</sup>Small and mid sized companies may present greater opportunities for capital appreciation, but may also involve greater risks than larger companies. As a result, the value of stocks issued by these companies may fluctuate more than stocks of larger issuers.

<sup>141</sup>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

<sup>248</sup>The Guaranteed Income Fund (GIF) is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. However, if you are a participant in a nonqualified deferred compensation plan, GIF may be only a reference account that is used to determine the plan's liability to you, and may not represent an actual investment in the group annuity. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency. Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss. Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

<sup>302</sup>Prudential Financial is a service mark of The Prudential Insurance Company of America, Newark, NJ and its affiliates. Institutional sub-advised funds are insurance products issued by Prudential Retirement Insurance and Annuity Company, Hartford, CT. Prudential Retirement is a Prudential Financial Business.

<sup>1254</sup>Fixed income investments (bond) are subject to interest rate risk; their value will decline as interest rates rise.

<sup>1413</sup>Group variable annuity contracts are issued by Prudential Retirement Insurance and Annuity Company (PRIAC) CA COA # 08003, Hartford, CT. Guarantees are based on the claims-paying ability of the issuing company and are subject to certain limitations, terms, and conditions. Contract form # GA-2020-TGWB4-0805 or state variations thereof.

Variable annuities are suitable for long-term investing, particularly retirement savings. This material must be accompanied or preceded by Prudential IncomeFlex®Target Important Considerations.

<sup>1759</sup>Effective 1/28/13, the Allianz NFJ Dividend Value Fund will change its name to AllianzGI NFJ Dividend Value Fund Fund. There will not be any CUSIP, Fund # or Ticker changes.

<sup>1824</sup>Performance shown beginning 09/22/2009 represents the actual performance track record of the Prudential Day One IncomeFlex Target Balanced Fund. Performance prior to 09/22/2009 represents simulated performance based on the historical track record of the underlying funds in the fund-of-funds structure, weighted in accordance with the asset allocation of each underlying fund as specified by the Prudential Day One IncomeFlex Target Balanced Fund's glidepath, beginning with the Glidepath Inception Date of June 30, 2009 ("Glidepath Performance").

<sup>1880</sup>Effective 9/30/13, the Prudential Incomeflex Target EasyPath funds will change their name to Prudential Day One Incomeflex Target funds.

<sup>1894</sup>Glidepath Performance is adjusted to reflect the fees and expenses of the Fund, and reflects daily rebalancing and annual ratcheting along the Fund's glidepath. Glidepath Performance is based on hypothetical performance results. Unlike the results shown in the actual performance track record of the Funds, as applicable, Glidepath Performance results do not represent actual trading and may not reflect the impact of material economic and market factors, such as lack of liquidity.

<sup>1906</sup>The performance in this report is based, in part, on adjusted historical returns of the oldest share class of the fund, which has been adjusted to reflect the fees and expenses of this share class.

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# GoalMaker® Performance

*Especially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Calculated using Actual Investment Fund Performance*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2015	Weighted Average Annual Total Return as of 12/31/2015			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	C01	1.16%	0.85%	4.02%	4.41%	n/a
	6-10	C02	1.55%	0.57%	4.80%	4.93%	n/a
	11-15	C03	2.17%	- 0.15%	6.18%	5.91%	n/a
	16+	C04	2.94%	- 0.76%	7.69%	6.82%	n/a
Moderate	0-5	M01	1.79%	0.37%	5.31%	5.26%	n/a
	6-10	M02	2.17%	- 0.15%	6.18%	5.91%	n/a
	11-15	M03	2.71%	- 0.60%	7.21%	6.53%	n/a
	16+	M04	3.52%	- 1.22%	8.80%	7.41%	n/a
Aggressive	0-5	R01	2.28%	- 0.27%	6.40%	6.06%	n/a
	6-10	R02	2.71%	- 0.60%	7.21%	6.53%	n/a
	11-15	R03	3.35%	- 1.06%	8.51%	7.27%	n/a
	16+	R04	4.16%	- 1.71%	10.08%	8.10%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2015**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**

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# GoalMaker® Performance

*Especially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Investment Fund Blended Performance of Actual Returns and Manager Composite*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2015	Weighted Average Annual Total Return as of 12/31/2015			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	C01	1.16%	0.85%	4.26%	4.92%	n/a
	6-10	C02	1.55%	0.57%	5.01%	5.36%	n/a
	11-15	C03	2.17%	- 0.15%	6.38%	6.33%	n/a
	16+	C04	2.94%	- 0.76%	7.81%	7.09%	n/a
Moderate	0-5	M01	1.79%	0.37%	5.50%	5.66%	n/a
	6-10	M02	2.17%	- 0.15%	6.38%	6.33%	n/a
	11-15	M03	2.71%	- 0.60%	7.35%	6.84%	n/a
	16+	M04	3.52%	- 1.22%	8.86%	7.54%	n/a
Aggressive	0-5	R01	2.28%	- 0.27%	6.59%	6.47%	n/a
	6-10	R02	2.71%	- 0.60%	7.35%	6.84%	n/a
	11-15	R03	3.35%	- 1.06%	8.59%	7.46%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2015**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**



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# GoalMaker® Performance

*Especially Prepared for The Lancaster County, Nebraska Employees Retirement Plan  
Investment Fund Actual Performance Supplemented by Manager Composite Performance*

Risk Level	Time Horizon (Years)	Portfolio	Current Quarter As of 12/31/2015	Weighted Average Annual Total Return as of 12/31/2015			
				1 Year	3 Year	5 Year	10 Year
Conservative	0-5	C01	1.14%	0.91%	4.28%	4.93%	n/a
	6-10	C02	1.54%	0.62%	5.03%	5.37%	n/a
	11-15	C03	2.16%	- 0.11%	6.39%	6.34%	n/a
	16+	C04	2.93%	- 0.73%	7.82%	7.10%	n/a
Moderate	0-5	M01	1.78%	0.42%	5.52%	5.67%	n/a
	6-10	M02	2.16%	- 0.11%	6.39%	6.34%	n/a
	11-15	M03	2.70%	- 0.57%	7.37%	6.85%	n/a
	16+	M04	3.52%	- 1.20%	8.87%	7.55%	n/a
Aggressive	0-5	R01	2.27%	- 0.23%	6.61%	6.48%	n/a
	6-10	R02	2.70%	- 0.57%	7.37%	6.85%	n/a
	11-15	R03	3.34%	- 1.04%	8.60%	7.46%	n/a

The calculated returns shown above are the weighted average returns of the underlying funds for the GoalMaker portfolios based on model allocations prior to **12/31/2015**. Returns are net of product expenses and fees and before any contract charges, with the exception of any fees the sponsor may have directed to be deducted from participant accounts. **Past performance does not guarantee future results.** The performance shown for the GoalMaker portfolios is for illustrative purposes only and does not reflect the actual experience of any individual participant in the program. This performance was calculated with the retroactive application of a model with the benefit of hindsight. **The performance shown above 1) was rebalanced on a (Quarterly) basis as per your plan 2) assumes no changes to the asset allocation percentages or to the investment options for the relevant periods 3) assumes that an individual was enrolled in GoalMaker for the entire relevant time period and 4) assumes an initial investment but does not include the effect of periodic contributions or withdrawals.**



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# GoalMaker® Allocations & Individual Fund Performance

Investment Option	Average Annual Return As of 12/31/2015												Gross Expense Ratio	Net Expense Ratio	Average Annual Return As of 12/31/2015					Since Inception	Inception Date
	Conservative				Moderate				Aggressive						Current Quarter	1 Year	3 Years	5 Years	10 Years		
	C01	C02	C03	C04	M01	M02	M03	M04	R01	R02	R03	R04									
<b>Stable Value</b>																					
Gibraltar Guaranteed Fund <sub>{248,302}</sub>	44%	39%	23%	14%	35%	23%	16%	7%	21%	16%	9%	0%		0.65%	2.59%	2.47%	2.81%	n/a	3.34%	Nov-2008	
<b>Fixed Income (Long Term &amp; Intermediate)</b>																					
Core Plus Bond / PIM <sub>{302,1254}</sub>	32%	27%	26%	16%	25%	26%	19%	8%	25%	19%	11%	0%	0.40%	0.40%	-0.42%	0.12%	1.36%	3.25%	5.30%	5.43%	Jul-2002
<i>Manager Composite</i>															-0.47%	0.29%	2.17%	4.84%	6.00%	6.00%	Jun-2002
<i>Blended Performance</i>															-0.42%	0.12%	2.11%	4.80%	5.98%	5.98%	Jun-2002
<b>Large Cap Stock - Value</b>																					
AllianzGI NFJ Dividend Value Instl <sub>{6,29,35,1759}</sub>	5%	7%	11%	15%	8%	11%	14%	17%	12%	14%	16%	19%	0.71%	0.71%	3.50%	-8.32%	9.22%	9.03%	5.16%	7.71%	May-2000
<b>Large Cap Stock - Growth</b>																					
Fidelity Advisor New Insights I <sub>{6,29,35}</sub>	5%	7%	11%	15%	8%	11%	14%	17%	12%	14%	16%	19%	0.67%	0.67%	5.53%	2.64%	14.26%	11.45%	8.03%	10.98%	Jul-2003
<b>Small/Mid Cap Stock - Value</b>																					
Vanguard Selected Value Inv <sub>{6,29,35,42}</sub>	3%	4%	6%	8%	5%	6%	7%	10%	6%	7%	10%	13%	0.44%	0.44%	3.41%	-3.80%	13.27%	11.05%	7.74%	8.61%	Feb-1996
<b>Small/Mid Cap Stock - Growth</b>																					
Mid Cap Growth / Westfield Capital Fund <sub>{42,302}</sub>	3%	4%	6%	8%	5%	6%	7%	10%	6%	7%	10%	13%	0.85%	0.85%	7.45%	1.26%	15.82%	10.81%	n/a	7.48%	Jun-2007
<b>International Stock</b>																					
American Funds Europacific Growth R4 <sub>{6,29,35,141,1906}</sub>	8%	12%	17%	24%	14%	17%	23%	31%	18%	23%	28%	36%	0.84%	0.84%	2.87%	-0.82%	5.08%	3.62%	4.58%	7.31%	Jun-2002

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<sup>35</sup>Source: Morningstar Inc.. Morningstar average annual returns may differ from the returns calculated by the fund.

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<sup>141</sup>Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

<sup>248</sup>The Guaranteed Income Fund (GIF) is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. However, if you are a participant in a nonqualified deferred compensation plan, GIF may be only a reference account that is used to determine the plan's liability to you, and may not represent an actual investment in the group annuity. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency. Prudential Retirement is compensated in connection with this product when general account investment returns exceed the interest credited on contract balances. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services. For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss. Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

<sup>302</sup>Prudential Financial is a service mark of The Prudential Insurance Company of America, Newark, NJ and its affiliates. Institutional sub-advised funds are insurance products issued by Prudential Retirement Insurance and Annuity Company, Hartford, CT. Prudential Retirement is a Prudential Financial Business.

<sup>1254</sup>Fixed income investments (bond) are subject to interest rate risk; their value will decline as interest rates rise.

<sup>1759</sup>Effective 1/28/13, the Allianz NFJ Dividend Value Fund will change its name to AllianzGI NFJ Dividend Value Fund Fund. There will not be any CUSIP, Fund # or Ticker changes.

<sup>1906</sup>The performance in this report is based, in part, on adjusted historical returns of the oldest share class of the fund, which has been adjusted to reflect the fees and expenses of this share class.

**Prepared for The Lancaster County, Nebraska Employees Retirement Plan Plan Sponsor Use Only; Not For Use with Participants or the Public**

# **Section VI: Executive Summary - 006371**

### Plan Demographics

	1/1/2014- 12/31/2014	1/1/2015- 12/31/2015
Total Participants**	1,105	1,108
Active Participants	832	847
Terminated Participants	272	261
Multiple Status Participants***	1	0
Average Participant Balance	\$110,389	\$109,765
Average Account Balance for Active Participants	\$117,044	\$111,083
Total (Contributions + Rollovers In)	\$5,570,655	\$6,042,978
Employee Contributions	\$2,186,449	\$2,391,396
Employer Contributions	\$3,229,224	\$3,464,924
Rollovers In	\$154,982	\$186,658
Total Distributions	(\$9,731,801)	(\$6,396,304)
Percentage of Assets Distributed	8.0%	5.3%
Total Participant Balances	\$121,979,317	\$121,619,894

\*\* Includes participants with balances. May include people with subplan specific status codes.

\*\*\*Multiple status Participants may include plan specific status definitions, Participants with more than one status code, or invalid/missing status codes.

Rollovers in is the total dollars credited to participant accounts within the period defined that originated in other qualified retirement plan accounts.

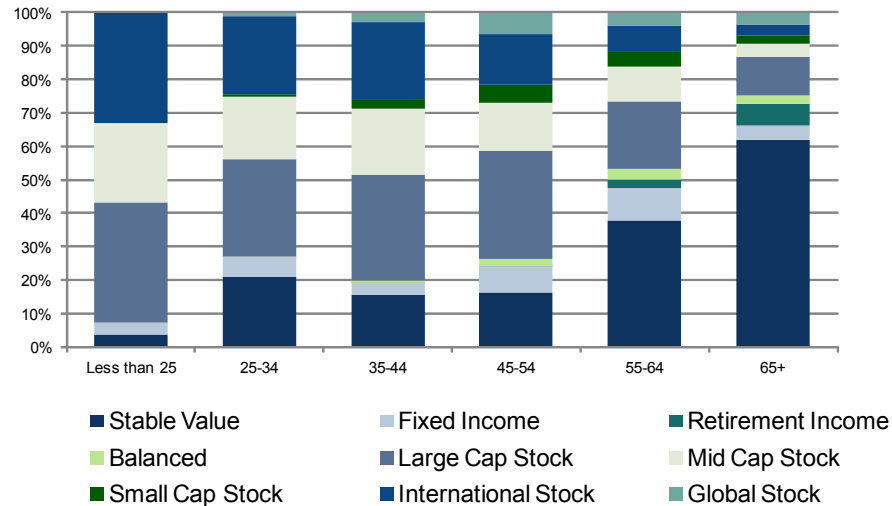
## Asset Allocation/Net Activity By Age

January 1, 2015 to December 31, 2015

	Less than 25	25-34	35-44	45-54	55-64	65+	Total
Total Participant Balances	\$24,150	\$4,231,654	\$15,509,291	\$34,398,727	\$42,936,935	\$24,519,137	\$121,619,894
% Assets	0.0%	3.5%	12.8%	28.3%	35.3%	20.2%	100.0%
Contributions	\$30,437	\$1,081,667	\$1,255,431	\$1,670,511	\$1,491,583	\$326,690	\$5,856,320
Rollovers In*	\$0	\$18,690	\$1,766	\$166,201	\$0	\$0	\$186,658
Total (Contributions + Rollovers In)	\$30,437	\$1,100,357	\$1,257,197	\$1,836,713	\$1,491,583	\$326,690	\$6,042,978
Cash Distributions	\$0	(\$84,975)	(\$321,930)	(\$175,622)	(\$419,902)	(\$852,682)	(\$1,855,110)
Rollovers Out	\$0	(\$92,475)	(\$301,149)	(\$660,685)	(\$1,390,465)	(\$2,096,420)	(\$4,541,194)
Total (Cash Distributions + Rollovers Out)	\$0	(\$177,450)	(\$623,079)	(\$836,307)	(\$1,810,367)	(\$2,949,102)	(\$6,396,304)
Net Activity	\$30,437	\$922,907	\$634,119	\$1,000,406	(\$318,784)	(\$2,622,412)	(\$353,326)
Total Participants	4	196	220	284	276	128	1,108
Average Account Balance	\$6,037	\$21,590	\$70,497	\$121,122	\$155,569	\$191,556	\$109,765
Median Account Balance	\$4,924	\$12,020	\$66,996	\$98,354	\$111,558	\$117,800	
<i>Prudential Participants Avg. Account Balance</i>	\$2,424	\$12,752	\$36,323	\$67,551	\$93,520	\$108,874	\$58,405

\*Rollovers in is the total dollars credited to participant accounts within the period defined that originated in other qualified retirement plan accounts.

### Assets by Asset Class and Age as of December 31, 2015



### Asset Allocation Trends

Asset Class	Your Plan Assets as of 12/31/2015	Your Plan % as of 12/31/2015	National Average %*
Stable Value	\$40,143,696	33.0%	27.0%
Fixed Income	\$8,800,988	7.2%	18.0%
Retirement Income	\$2,708,936	2.2%	n/a
Balanced	\$2,933,392	2.4%	7.0%
Large Cap Stock	\$28,744,047	23.6%	23.0%
Mid Cap Stock	\$14,312,516	11.8%	7.0%
Small Cap Stock	\$4,941,516	4.1%	5.0%
International Stock	\$13,692,641	11.3%	11.0%
Global Stock	\$5,342,161	4.4%	11.0%
<b>Total Participant Balances</b>	<b>\$121,619,894</b>	<b>100.0%</b>	

### Fund Utilization By Age as of December 31, 2015

	Less than 25	25-34	35-44	45-54	55-64	65+	Total
Participants Invested in Only One Fund	0	9	26	38	66	61	200
Average # of Funds per Participant	6.0	6.3	5.7	5.8	4.9	3.5	5.4
<i>Prudential Participants Avg. # of Funds per Participant</i>	6.4	6.3	6.0	5.7	5.4	4.0	5.7
% of Plan Assets in Stable Value	3.4%	20.7%	15.5%	16.2%	37.7%	61.7%	33.0%
<i>Prudential Participants Avg. Stable Value % of Plan Assets</i>	12.3%	11.0%	12.4%	18.0%	30.5%	49.7%	26.3%

\*The National Average reflects the percentage of total plan assets invested in each investment option, where the investment option is offered. This means that the asset allocation breakdown is compared to other plans that offer the same investment option.

Source: AonHewitt, 2013 Trends & Experiences in Defined Contributions Plans, page 102



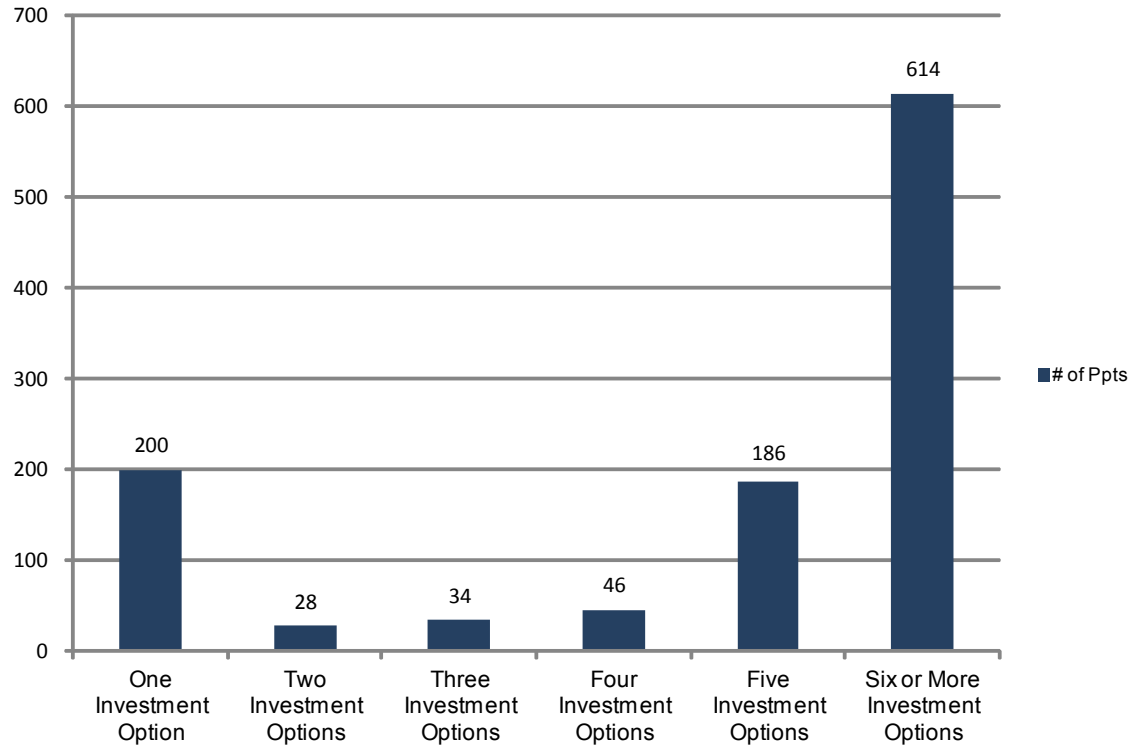
### Utilization by Fund

as of December 31, 2015

Fund Name	Balance	# of Ppts	Ppts Using as Sole Investment
<b>GIBRALTAR GUARANTEED FUND</b>	\$40,143,696	938	194
AMERICAN FUNDS EUROPACIFIC GROWTH R4	\$13,692,641	720	0
FIDELITY ADVISOR NEW INSIGHTS I	\$12,633,853	783	0
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$9,072,404	705	0
CORE PLUS BOND / PIM	\$8,800,988	550	0
VANGUARD SELECTED VALUE INV	\$6,115,227	700	0
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$5,342,161	170	0
AMERICAN FUNDS FUNDAMENTAL INV/S R4	\$5,210,931	142	0
<b>MID CAP GROWTH / WESTFIELD CAPITAL FUND</b>	\$4,690,672	649	0
OAKMARK EQUITY & INCOME I	\$2,933,392	87	0
VANGUARD 500 INDEX ADMIRAL	\$1,826,859	63	2
BLACKROCK SMALL CAP GROWTH EQ INSTL	\$1,823,046	85	0
ROYCE PENNSYLVANIA MUTUAL INV/MT	\$1,476,361	70	0
FIDELITY ADVISOR LEVERAGED CO STKI	\$1,474,448	63	0
INCOMEFLEX LT BALANCED FUND	\$1,321,715	11	0
<b>PRUDENTIAL DAY ONE INCOMEFLEX TARGET BALANCED FUND</b>	\$1,143,277	25	4
VANGUARD MID CAP INDEX ADM	\$1,021,143	35	0
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$1,011,026	54	0
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$856,098	56	0
VANGUARD SMALL CAP INDEX ADM	\$786,010	35	0
INCOMEFLEX LT CONSERVATIVE GROWTH FUND	\$243,945	2	0
Total	\$121,619,894		

The funds in **bold** type denote inclusion in the GoalMaker® product.

## Investment Utilization as of December 31, 2015



## GoalMaker® Utilization

During the period of 1/1/2015 to 12/31/2015, the GoalMaker participation rate was 46.2%.

## GoalMaker® Assets

During the same time period, the average percentage of account assets directed to GoalMaker was 37.5%.

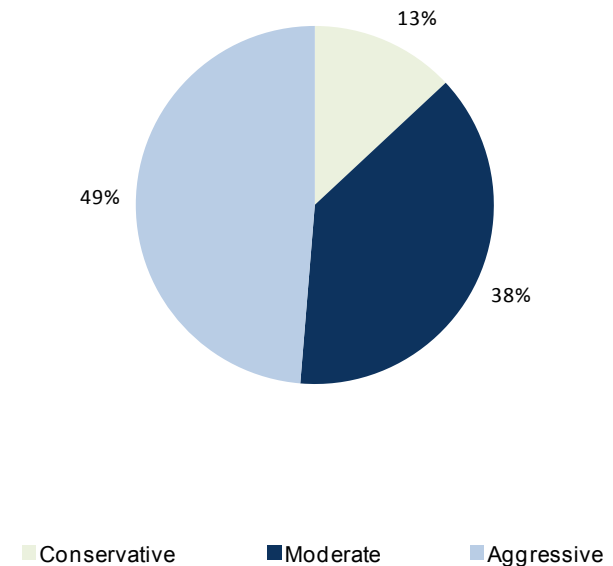
### GoalMaker® Participation

	3/31/2015	6/30/2015	9/30/2015	12/31/2015
Total Plan Assets for Participants in GM	\$45,006,687	\$47,040,574	\$43,132,346	\$45,541,622
Total # of Participants in GoalMaker	479	501	497	512
Total Participation Rate	43.0%	44.9%	44.9%	46.2%
% of Plan Assets for GM Participants	36.3%	37.7%	36.4%	37.1%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	1	1	2	4
25-34	55	36	48	139
35-44	16	46	68	130
45-54	22	61	50	133
55-64	23	41	26	90
65+	9	3	4	16
Total	126	188	198	512

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$3,538	\$4,779	\$15,833	\$24,150
25-34	\$366,197	\$748,812	\$1,626,786	\$2,741,795
35-44	\$428,732	\$3,457,627	\$5,928,551	\$9,814,910
45-54	\$1,858,009	\$7,065,938	\$7,542,873	\$16,466,819
55-64	\$1,892,028	\$5,796,150	\$5,512,553	\$13,200,731
65+	\$1,391,942	\$352,791	\$1,548,483	\$3,293,216
Total	\$5,940,446	\$17,426,097	\$22,175,078	\$45,541,622

### Percentage of Assets by GoalMaker® Participation Portfolio



### Path to a More Secure Retirement

As Of 12/31/2015	45-54	55-64	65+
Avg. Account Balance	\$121,122	\$155,569	\$191,556
<i>Prudential Participants Average Account Balance</i>	\$67,551	\$93,520	\$108,874

### Plan Participation

	12/31/2014	12/31/2015
Total Number of Participants	1,105	1,108
Average Participant Account Balance	\$110,389	\$109,765

The national average participation rate for 2013 was 74%; for 2014 it is 77% - Plan Sponsor Survey 2014

### Transaction Summary

Transactions	1/1/2014 - 12/31/2014	1/1/2015 - 12/31/2015
Enrollments	86	85
Transfers	1,462	2,250
Distributions	458	491

## Retirement Income Calculator (RIC) Analysis

1/1/2015 - 12/31/2015	
Total Retirement Income Calculator Completions	305
Unique Completions	203

Since Inception for Currently Active Participants as of 12/31/2015	
Average Balance, RIC Participant	\$150,843
Average Balance, Non-RIC Participant	\$80,830
Total Count of Participants with a RIC Gap	256
Average RIC Gap	\$1,663
Total Count of Participants with a RIC surplus	111
Average RIC Surplus	\$1,959

Total Retirement Income Calculator Completions - Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

Unique Completions: Total number of unique active/eligibles that completed the retirement income calculator during the reporting period

Average Balance RIC Participant - For participants who have a balance greater than \$0 that have previously completed the RIC - The total balance of active participants divided by the total count of active participants

Average Balance Non-RIC Participant - For participants who have a balance greater than \$0 that have NOT previously completed the RIC - The total balance of active participants divided by the total count of active participants

Average RIC Gap - The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

Total Count of Participants with a RIC Gap - Total number of RIC users who completed the RIC with a gap

Average RIC Surplus - The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

Total Count of Participants with a RIC surplus - Total number of RIC users who completed the RIC with a surplus

Participant - An individual who has enrolled in the plan and has a non-zero account balance.

### Contributions by Fund

Investment Option	1/1/2014 - 12/31/2014	%	1/1/2015 - 12/31/2015	%	Change	%
GIBRALTAR GUARANTEED FUND	\$1,314,569	24.3%	\$1,220,097	20.8%	(\$94,472)	-7.2%
AMERICAN FUNDS EUROPACIFIC GROWTH R4	\$839,795	15.5%	\$994,919	17.0%	\$155,124	18.5%
FIDELITY ADVISOR NEW INSIGHTS I	\$648,115	12.0%	\$728,339	12.4%	\$80,224	12.4%
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$525,424	9.7%	\$603,234	10.3%	\$77,809	14.8%
CORE PLUS BOND / PIM	\$496,085	9.2%	\$601,443	10.3%	\$105,358	21.2%
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$280,404	5.2%	\$335,602	5.7%	\$55,198	19.7%
VANGUARD SELECTED VALUE INV	\$0	0.0%	\$304,666	5.2%	\$304,666	n/a
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$195,353	3.6%	\$190,842	3.3%	(\$4,511)	-2.3%
AMERICAN FUNDS FUNDAMENTAL INVS R4	\$199,030	3.7%	\$188,550	3.2%	(\$10,480)	-5.3%
OAKMARK EQUITY & INCOME I	\$108,069	2.0%	\$109,901	1.9%	\$1,832	1.7%
PRUDENTIAL DAY ONE INCOME FLEX TARGET BALANCED FUND	\$68,555	1.3%	\$81,398	1.4%	\$12,843	18.7%
FIDELITY ADVISOR LEVERAGED CO STKI	\$72,050	1.3%	\$69,785	1.2%	(\$2,264)	-3.1%
VANGUARD 500 INDEX ADMIRAL	\$9,649	0.2%	\$69,423	1.2%	\$59,773	619.5%
BLACKROCK SMALL CAP GROWTH EQ INSTL	\$79,015	1.5%	\$66,808	1.1%	(\$12,207)	-15.4%
MID CAP VALUE / QMA FUND	\$278,947	5.2%	\$61,264	1.1%	(\$217,683)	-78.0%
ROYCE PENNSYLVANIA MUTUAL INVMT	\$69,202	1.3%	\$57,371	1.0%	(\$11,830)	-17.1%
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$42,845	0.8%	\$48,907	0.8%	\$6,062	14.1%
VANGUARD MID CAP INDEX ADM	\$5,290	0.1%	\$43,265	0.7%	\$37,976	717.9%
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$38,543	0.7%	\$38,360	0.7%	(\$183)	-0.5%
VANGUARD SMALL CAP INDEX ADM	\$5,091	0.1%	\$32,766	0.6%	\$27,675	543.7%
PERKINS MID CAP VALUE T	\$55,584	1.0%	\$9,379	0.2%	(\$46,205)	-83.1%
VANGUARD 500 INDEX SIGNAL	\$31,261	0.6%	\$0	0.0%	(\$31,261)	-100.0%
VANGUARD SMALL CAP INDEX SIGNAL	\$18,768	0.4%	\$0	0.0%	(\$18,768)	-100.0%
VANGUARD MID CAP INDEX SIGNAL	\$16,620	0.3%	\$0	0.0%	(\$16,620)	-100.0%
INCOME FLEX LT BALANCED FUND	\$15,086	0.3%	\$0	0.0%	(\$15,086)	-100.0%
INCOME FLEX LT CONSERVATIVE GROWTH FUND	\$1,958	0.0%	\$0	0.0%	(\$1,958)	-100.0%
INCOME FLEX LT INCOME & EQUITY FUND	\$367	0.0%	\$0	0.0%	(\$367)	-100.0%
Total Assets Contributed	\$5,415,673	100.0%	\$5,856,320	100.0%	\$440,647	8.1%

### Interfund Transfers

1/1/2015 to 12/31/2015

Investment Option	IN	OUT	NET
VANGUARD SELECTED VALUE INV	\$6,701,889	(\$397,410)	\$6,304,479
GIBRALTAR GUARANTEED FUND	\$3,408,287	(\$1,859,729)	\$1,548,557
VANGUARD 500 INDEX ADMIRAL	\$775,990	(\$203,255)	\$572,734
VANGUARD MID CAP INDEX ADM	\$421,783	(\$229,021)	\$192,763
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$1,029,888	(\$917,850)	\$112,038
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$275,655	(\$219,822)	\$55,833
OAKMARK EQUITY & INCOME I	\$184,280	(\$154,928)	\$29,352
PRUDENTIAL DAY ONE INCOME FLEX TARGET BALANCED FUND	\$302,397	(\$277,627)	\$24,770
INCOME FLEX LT BALANCED FUND	\$0	(\$35,164)	(\$35,164)
INCOME FLEX LT INCOME & EQUITY FUND	\$0	(\$35,819)	(\$35,819)
VANGUARD SMALL CAP INDEX ADM	\$174,077	(\$219,487)	(\$45,410)
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$38,785	(\$93,092)	(\$54,307)
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$405,549	(\$541,418)	(\$135,869)
CORE PLUS BOND / PIM	\$1,094,366	(\$1,235,635)	(\$141,270)
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$116,621	(\$350,956)	(\$234,336)
FIDELITY ADVISOR LEVERAGED CO STKI	\$167,064	(\$412,735)	(\$245,671)
AMERICAN FUNDS FUNDAMENTAL INV S R4	\$231,040	(\$522,473)	(\$291,433)
BLACKROCK SMALL CAP GROWTH EQ INSTL	\$91,352	(\$392,973)	(\$301,622)
AMERICAN FUNDS EUROPA CIFIC GROWTH R4	\$1,141,549	(\$1,453,847)	(\$312,298)
ROYCE PENNSYLVANIA MUTUAL INV MT	\$8,777	(\$370,419)	(\$361,642)
FIDELITY ADVISOR NEW INSIGHTS I	\$593,136	(\$974,116)	(\$380,980)
PERKINS MID CAP VALUE T	\$3,183	(\$1,523,259)	(\$1,520,077)
MID CAP VALUE / QMA FUND	\$72,571	(\$4,817,199)	(\$4,744,629)
<b>TOTAL</b>	<b>\$17,238,235</b>	<b>(\$17,238,235)</b>	<b>\$0</b>

### Participant Transaction Statistics

	1/1/2015 - 3/31/2015	4/1/2015 - 6/30/2015	7/1/2015 - 9/30/2015	10/1/2015 - 12/31/2015
Call Center				
Unique Callers	84	52	51	51
Total Call Volume	136	85	80	87
Participant Website				
Unique Web Logins	353	282	296	276
Total Web Logins	3,789	4,216	4,070	4,018

Call Center Reason Category	1/1/2015 - 3/31/2015	4/1/2015 - 6/30/2015	7/1/2015 - 9/30/2015	10/1/2015 - 12/31/2015
Account Explanations	31	23	21	15
Allocations and Exchanges	0	0	0	2
Disbursements	66	49	50	57
Fund Information	3	0	1	0
Hardships	0	2	0	1
IVR or Web Assistance	16	5	1	4
Loans	1	1	1	1
Plan Explanations	1	1	0	2
Status of Research	0	0	1	1
Tax Information	5	1	0	2
Website Processing	13	3	5	2
TOTAL	136	85	80	87

**Definitions:**

**Unique Callers** – The number of individuals that spoke to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would only be counted once).

**Total Call Volume** – The number of calls to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would be counted five times).

**Unique Web Logins** – The number of individuals that logged into the Participant Website during the reporting period (e.g., If the same individual logged-in five times during the reporting period, they would only be counted once).

**Total Web Logins** – The number of logins to the Participant Website during the reporting period (e.g., If the same individual logged-in five times during the reporting period, they would be counted five times).



### Participant Distribution Statistics

Distribution Type	Amount of Withdrawals Taken	# of Withdrawals
	1/1/2015 - 12/31/2015	1/1/2015 - 12/31/2015
Termination	\$5,218,430	127
Death Distribution	\$528,220	19
Installment Payment	\$498,117	306
Required Minimum Distribution	\$121,453	24
QDRO	\$26,474	2
Small Balance Cashout	\$3,610	13
<b>Grand Total</b>	<b>\$6,396,304</b>	<b>491</b>

Distribution Sub-Type	1/1/2015 - 12/31/2015					
	Amount of Withdrawals Taken			# of Withdrawals		
	Age < 50	Age >= 50	Total	Age < 50	Age >= 50	Total
Rollover	\$544,401	\$3,996,793	\$4,541,194	23	28	51
Cash	\$528,648	\$1,326,462	\$1,855,110	38	402	440
<b>Grand Total</b>	<b>\$1,073,049</b>	<b>\$5,323,255</b>	<b>\$6,396,304</b>	<b>61</b>	<b>430</b>	<b>491</b>

**Death Distribution** – Distribution taken by a beneficiary. This could include required minimum distributions, installment payments, etc.

**Direct Transfer** – Non-taxable transfer of participant assets from one type of tax-deferred retirement plan or account to another (e.g. buy backs, reciprocal, contract exchange, IRA to IRA (internal or external)).

**In-Service Withdrawal** – A withdrawal in which a distribution is taken while the participant is still active and before they experience a triggering event (e.g. reaching a certain age, termination from employment).

**Plan Transfer Out** – The removal of assets from one plan to another. Not considered to be distributions and are therefore not taxable as income or subject to penalties for early distribution.

**QDRO Distribution** – Distribution taken by the recipient of a QDRO. This could include required minimum distributions, installment payments, etc.

**Required Minimum Distribution (RMD)** – Required Minimum Distributions are the minimum amounts that a participant must withdraw annually. This would exclude any beneficiary or QDRO accounts.

**Small Balance Cashout** – Distribution of a participant's account when they fall below the cash out threshold set by the plan.

**Termination** – A withdrawal that is taken when the participant is active and terminating from employment or is already in a 'Terminated' status.

## IncomeFlex Participation

As Of 12/31/2015	<=44	55-64	65+	Grand Total
Participants Enrolled in IncomeFlex	1	15	9	25

## IncomeFlex Assets

As of 12/31/2015, the participants invested in IncomeFlex have 68.6% of their total plan assets in these funds, with an average balance of \$107,948.

## IncomeFlex Utilization

During the period of 1/1/2015 to 12/31/2015, the IncomeFlex participation rate was 2.3%.



Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

Customer should promptly report any inaccuracy or discrepancy to the brokerage firm(s).

All oral communications should be re-confirmed in writing to protect the customer's legal rights, including rights under the Securities Investor Protection act (SIPA).

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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Prudential's Book of Business averages are as of 12/31/2015.

# **Section VII: Executive Summary - 006372**

### Plan Demographics

	1/1/2014- 12/31/2014	1/1/2015- 12/31/2015
Participation Rate *	29.1%	29.5%
Contributing	335	336
Enrolled Not Contributing	69	71
Eligible Not Enrolled	746	734
Total Participants**	492	511
Active Participants	397	404
Terminated Participants	95	107
Average Participant Balance	\$39,280	\$38,524
Average Account Balance for Active Participants	\$39,523	\$38,762
Total (Contributions + Rollovers In)	\$1,217,727	\$1,342,481
Employee Contributions	\$1,185,385	\$1,256,000
Rollovers In	\$32,342	\$86,481
Total Distributions	(\$909,350)	(\$893,201)
Percentage of Assets Distributed	4.7%	4.5%
Total Participant Balances	\$19,325,755	\$19,685,808

*\*Participation rate is based on active participants for whom a contribution was received to an employee source during the last month of the time period.*

*\*\* Includes participants with balances. May include people with subplan specific status codes.*

*Rollovers in is the total dollars credited to participant accounts within the period defined that originated in other qualified retirement plan accounts.*

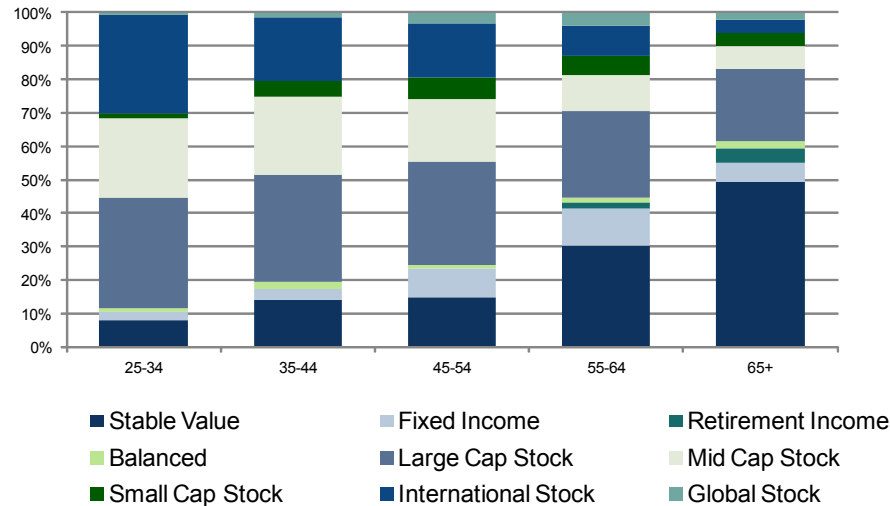
## Asset Allocation/Net Activity By Age

January 1, 2015 to December 31, 2015

	Less than 25	25-34	35-44	45-54	55-64	65+	Total
Total Participant Balances	\$0	\$379,048	\$1,029,940	\$5,082,127	\$7,950,883	\$5,243,811	\$19,685,808
% Assets	0.0%	1.9%	5.2%	25.8%	40.4%	26.6%	100.0%
Average Contribution Rate (%)	0.0%	7.1%	3.5%	3.7%	5.3%	0.0%	5.1%
<i>Prudential Average Contribution Rate (%)</i>	4.6%	5.5%	6.3%	7.8%	9.7%	11.8%	7.3%
Contributions	\$225	\$85,648	\$118,101	\$330,329	\$491,976	\$229,721	\$1,256,000
Rollovers In*	\$0	\$74,772	\$0	\$11,709	\$0	\$0	\$86,481
Total (Contributions + Rollovers In)	\$225	\$160,420	\$118,101	\$342,039	\$491,976	\$229,721	\$1,342,481
Cash Distributions	\$0	(\$981)	(\$31,650)	(\$8,730)	(\$41,569)	(\$198,001)	(\$280,932)
Rollovers Out	\$0	(\$4,528)	(\$2,108)	(\$10,046)	(\$112,593)	(\$482,993)	(\$612,269)
Total (Cash Distributions + Rollovers Out)	\$0	(\$5,509)	(\$33,758)	(\$18,777)	(\$154,162)	(\$680,995)	(\$893,201)
Net Activity	\$225	\$154,910	\$84,343	\$323,262	\$337,814	(\$451,273)	\$449,280
Total Participants	0	58	95	154	141	63	511
Average Account Balance	n/a	\$6,535	\$10,841	\$33,001	\$56,389	\$83,235	\$38,524
Median Account Balance	\$0	\$1,917	\$4,802	\$12,032	\$18,246	\$46,047	
<i>Prudential Participants Avg. Account Balance</i>	\$2,424	\$12,752	\$36,323	\$67,551	\$93,520	\$108,874	\$58,405

\*Rollovers in is the total dollars credited to participant accounts within the period defined that originated in other qualified retirement plan accounts.

## Assets by Asset Class and Age as of December 31, 2015



## Asset Allocation Trends

Asset Class	Your Plan Assets as of 12/31/2015	Your Plan % as of 12/31/2015	National Average %*
Stable Value	\$5,926,917	30.1%	27.0%
Fixed Income	\$1,672,376	8.5%	18.0%
Retirement Income	\$348,759	1.8%	n/a
Balanced	\$313,892	1.6%	7.0%
Large Cap Stock	\$5,212,374	26.5%	23.0%
Mid Cap Stock	\$2,500,268	12.7%	7.0%
Small Cap Stock	\$1,052,917	5.4%	5.0%
International Stock	\$2,052,290	10.4%	11.0%
Global Stock	\$606,015	3.1%	11.0%
<b>Total Participant Balances</b>	<b>\$19,685,808</b>	<b>100.0%</b>	

## Fund Utilization By Age as of December 31, 2015

	25-34	35-44	45-54	55-64	65+	Total
Participants Invested in Only One Fund	3	4	6	12	18	43
Average # of Funds per Participant	5.9	5.7	6.0	5.7	4.4	5.6
<i>Prudential Participants Avg. # of Funds per Participant</i>	6.3	6.0	5.7	5.4	4.0	5.7
% of Plan Assets in Stable Value	8.0%	14.2%	14.7%	30.3%	49.4%	30.1%
<i>Prudential Participants Avg. Stable Value % of Plan Assets</i>	11.0%	12.4%	18.0%	30.5%	49.7%	26.3%

\*The National Average reflects the percentage of total plan assets invested in each investment option, where the investment option is offered. This means that the asset allocation breakdown is compared to other plans that offer the same investment option.

Source: AonHewitt, 2013 Trends & Experiences in Defined Contributions Plans, page 102



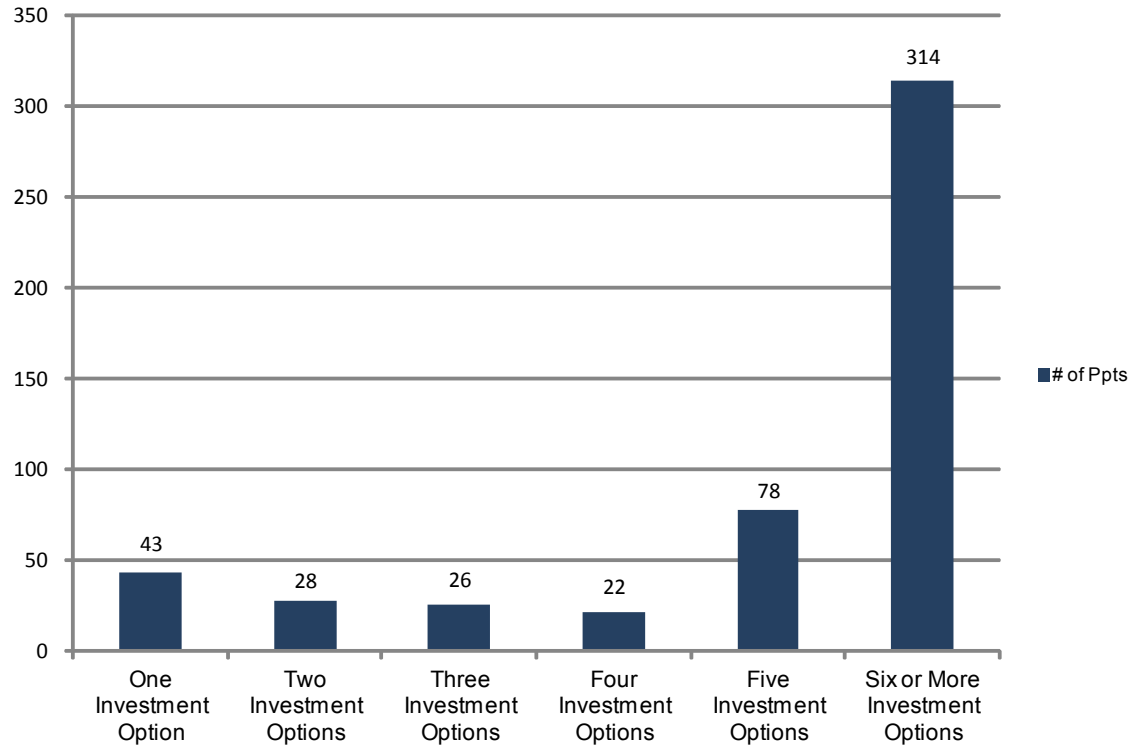
### Utilization by Fund

as of December 31, 2015

Fund Name	Balance	# of Ppts	Ppts Using as Sole Investment
GIBRALTAR GUARANTEED FUND	\$5,926,917	435	41
AMERICAN FUNDS EUROPACIFIC GROWTH R4	\$2,052,290	363	0
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$1,938,232	376	0
FIDELITY ADVISOR NEW INSIGHTS I	\$1,896,713	382	0
CORE PLUS BOND / PIM	\$1,672,376	256	0
AMERICAN FUNDS FUNDAMENTAL INVS R4	\$1,022,312	71	0
VANGUARD SELECTED VALUE INV	\$974,351	354	0
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$651,568	331	0
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$606,015	61	0
FIDELITY ADVISOR LEVERAGED CO STKI	\$374,442	33	0
VANGUARD 500 INDEX ADMIRAL	\$355,117	27	0
BLACKROCK SMALL CAP GROWTH EQ INSTL	\$349,827	35	0
OAKMARK EQUITY & INCOME I	\$313,892	26	0
VANGUARD MID CAP INDEX ADM	\$298,892	19	0
ROYCE PENNSYLVANIA MUTUAL INVMT	\$260,962	24	0
VANGUARD SMALL CAP INDEX ADM	\$236,111	23	0
INCOMEFLEX LT BALANCED FUND	\$206,369	7	0
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$206,017	27	0
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$201,015	21	1
<b>PRUDENTIAL DAY ONE INCOMEFLEX TARGET BALANCED FUND</b>	\$142,390	12	1
Total	\$19,685,808		

The funds in **bold** type denote inclusion in the GoalMaker® product.

## Investment Utilization as of December 31, 2015



## GoalMaker® Utilization

During the period of 1/1/2015 to 12/31/2015, the GoalMaker participation rate was 55.4%.

## GoalMaker® Assets

During the same time period, the average percentage of account assets directed to GoalMaker was 30.2%.

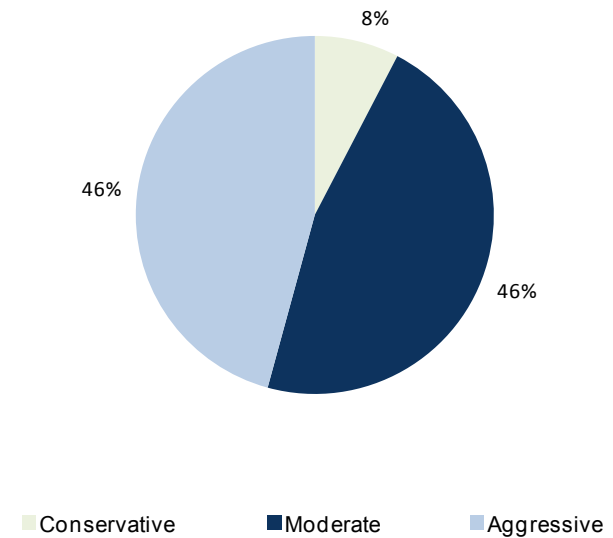
## GoalMaker® Participation

	3/31/2015	6/30/2015	9/30/2015	12/31/2015
Total Plan Assets for Participants in GM	\$6,292,859	\$6,567,443	\$6,132,183	\$5,939,908
Total # of Participants in GoalMaker	261	272	281	283
Total Participation Rate	52.6%	54.3%	54.9%	55.4%
% of Plan Assets for GM Participants	32.2%	33.4%	32.5%	30.2%

Participant Age Range	Conservative	Moderate	Aggressive	Total
25-34	2	15	29	46
35-44	4	26	39	69
45-54	7	41	44	92
55-64	15	29	20	64
65+	4	6	2	12
<b>Total</b>	<b>32</b>	<b>117</b>	<b>134</b>	<b>283</b>

Participant Age Range	Conservative	Moderate	Aggressive	Total
25-34	\$1,284	\$69,424	\$229,682	\$300,390
35-44	\$38,505	\$142,469	\$335,457	\$516,432
45-54	\$254,164	\$1,286,104	\$1,248,367	\$2,788,635
55-64	\$103,077	\$1,090,978	\$732,134	\$1,926,190
65+	\$56,433	\$179,443	\$172,386	\$408,262
<b>Total</b>	<b>\$453,464</b>	<b>\$2,768,418</b>	<b>\$2,718,027</b>	<b>\$5,939,908</b>

## Percentage of Assets by GoalMaker® Participation Portfolio



### Path to a More Secure Retirement

As Of 12/31/2015	45-54	55-64	65+
Avg. Account Balance	\$33,001	\$56,389	\$83,235
<i>Prudential Participants Average Account Balance</i>	<i>\$67,551</i>	<i>\$93,520</i>	<i>\$108,874</i>

### Plan Participation

	12/31/2014	12/31/2015
Total Number of Participants	492	511
Average Participant Account Balance	\$39,280	\$38,524
Average Contribution Rate (%)	5.0%	5.1%
Plan Participation Rate	29.1%	29.5%

The national average participation rate for 2013 was 74%; for 2014 it is 77% - Plan Sponsor Survey 2014

Participation rate is based on active participants for whom a contribution was received to an employee source during the last month of the time period.

### Transaction Summary

Transactions	1/1/2014 - 12/31/2014	1/1/2015 - 12/31/2015
Enrollments	65	34
Deferral Increases*	122	125
Deferral Decreases*	64	48
Total Deferral Changes*	186	173
Transfers	761	1,181
Distributions	89	103

\* sum of month over month deferral % and dollar amount changes for the period.

### Roth Assets

During the period of 1/1/2015 to 12/31/2015 Roth assets increased from \$488,579 to \$740,009.

### Roth Participants

During the same period participants with Roth assets increased from 113 to 143.

### Roth Participants by Age

As of 12/31/2015, 18.9% of participants were ages 55 or older, while 81.1% were ages 54 or younger

### Retirement Income Calculator (RIC) Analysis

1/1/2015 - 12/31/2015	
Total Retirement Income Calculator Completions	284
Unique Completions	187
Contribution Rate Increase	35

Since Inception for Currently Active Participants as of 12/31/2015	
Average Balance, RIC Participant	\$40,604
Average Balance, Non-RIC Participant	\$35,402
Average Contribution Rate, RIC Participant	5.35%
Average Contribution Rate, Non-RIC Participant	4.07%
Total Count of Participants with a RIC Gap	178
Average RIC Gap	\$1,473
Total Count of Participants with a RIC surplus	83
Average RIC Surplus	\$2,076

**Total Retirement Income Calculator Completions** - Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

**Unique Completions**: Total number of unique active/eligibles that completed the retirement income calculator during the reporting period

**Contribution Rate Increases**: Total number of active/eligibles that completed the retirement income calculator and increased their contribution rate.

**Average Balance RIC Participant** - For participants who have a balance greater than \$0 that have previously completed the RIC - The total balance of active participants divided by the total count of active participants

**Average Balance Non-RIC Participant** - For participants who have a balance greater than \$0 that have NOT previously completed the RIC - The total balance of active participants divided by the total count of active participants

**Average Contribution Rate RIC Participant** - For participants who have completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

**Average Contribution Rate Non RIC Participant** - For participants who have NOT completed the RIC - The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

**Average RIC Gap** - The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

**Total Count of Participants with a RIC Gap** - Total number of RIC users who completed the RIC with a gap

**Average RIC Surplus** - The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

**Total Count of Participants with a RIC surplus** - Total number of RIC users who completed the RIC with a surplus

**Participant** - An individual who has enrolled in the plan and has a non-zero account balance.

### Contributions by Fund

Investment Option	1/1/2014 - 12/31/2014	%	1/1/2015 - 12/31/2015	%	Change	%
GIBRALTAR GUARANTEED FUND	\$287,653	24.3%	\$294,046	23.4%	\$6,393	2.2%
AMERICAN FUNDS EURO PACIFIC GROWTH R4	\$148,225	12.5%	\$172,209	13.7%	\$23,984	16.2%
FIDELITY ADVISOR NEW INSIGHTS I	\$115,897	9.8%	\$126,992	10.1%	\$11,095	9.6%
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$114,662	9.7%	\$124,545	9.9%	\$9,884	8.6%
CORE PLUS BOND / PIM	\$109,970	9.3%	\$115,711	9.2%	\$5,740	5.2%
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$48,039	4.1%	\$57,148	4.6%	\$9,109	19.0%
VANGUARD SELECTED VALUE INV	\$0	0.0%	\$52,028	4.1%	\$52,028	n/a
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$50,555	4.3%	\$51,540	4.1%	\$985	1.9%
AMERICAN FUNDS FUNDAMENTAL INVS R4	\$49,067	4.1%	\$46,867	3.7%	(\$2,200)	-4.5%
FIDELITY ADVISOR LEVERAGED CO STKI	\$30,917	2.6%	\$28,749	2.3%	(\$2,167)	-7.0%
BLACKROCK SMALL CAP GROWTH EQ INSTL	\$32,110	2.7%	\$26,837	2.1%	(\$5,274)	-16.4%
OAKMARK EQUITY & INCOME I	\$24,640	2.1%	\$23,754	1.9%	(\$886)	-3.6%
VANGUARD 500 INDEX ADMIRAL	\$2,030	0.2%	\$23,382	1.9%	\$21,352	1051.8%
ROYCE PENNSYLVANIA MUTUAL INV MT	\$25,770	2.2%	\$23,335	1.9%	(\$2,435)	-9.5%
VANGUARD SMALL CAP INDEX ADM	\$2,471	0.2%	\$23,172	1.8%	\$20,701	837.8%
VANGUARD MID CAP INDEX ADM	\$2,217	0.2%	\$18,691	1.5%	\$16,474	743.0%
PRUDENTIAL DAY ONE INCOME FLEX TARGET BALANCED FUND	\$17,951	1.5%	\$14,693	1.2%	(\$3,258)	-18.1%
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$15,728	1.3%	\$10,819	0.9%	(\$4,909)	-31.2%
MID CAP VALUE / QMA FUND	\$45,715	3.9%	\$9,752	0.8%	(\$35,963)	-78.7%
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$11,176	0.9%	\$8,216	0.7%	(\$2,960)	-26.5%
PERKINS MID CAP VALUE T	\$15,574	1.3%	\$3,513	0.3%	(\$12,062)	-77.4%
VANGUARD SMALL CAP INDEX SIGNAL	\$12,660	1.1%	\$0	0.0%	(\$12,660)	-100.0%
VANGUARD 500 INDEX SIGNAL	\$10,040	0.9%	\$0	0.0%	(\$10,040)	-100.0%
VANGUARD MID CAP INDEX SIGNAL	\$8,117	0.7%	\$0	0.0%	(\$8,117)	-100.0%
INCOME FLEX LT BALANCED FUND	\$3,900	0.3%	\$0	0.0%	(\$3,900)	-100.0%
INCOME FLEX LT INCOME & EQUITY FUND	\$300	0.0%	\$0	0.0%	(\$300)	-100.0%
<b>Total Assets Contributed</b>	<b>\$1,185,385</b>	<b>100.0%</b>	<b>\$1,256,000</b>	<b>100.0%</b>	<b>\$70,615</b>	<b>6.0%</b>

### Interfund Transfers 1/1/2015 to 12/31/2015

Investment Option	IN	OUT	NET
VANGUARD SELECTED VALUE INV	\$1,076,141	(\$74,403)	\$1,001,738
GIBALTAR GUARANTEED FUND	\$529,035	(\$239,372)	\$289,664
CORE PLUS BOND / PIM	\$225,618	(\$156,340)	\$69,278
VANGUARD MID CAP INDEX ADM	\$66,541	(\$2,824)	\$63,717
VANGUARD 500 INDEX ADMIRAL	\$149,396	(\$89,503)	\$59,893
VANGUARD SMALL CAP INDEX ADM	\$57,282	(\$40,609)	\$16,672
ALLIANZGI NFJ SMALL-CAP VALUE INSTL	\$12,313	(\$12,910)	(\$597)
PRUDENTIAL DAY ONE INCOME FLEX TARGET BALANCED FUND	\$9,266	(\$12,521)	(\$3,255)
BLACKROCK SMALL CAP GROWTH EQ INSTL	\$18,364	(\$27,159)	(\$8,795)
INCOME FLEX LT INCOME & EQUITY FUND	\$0	(\$11,951)	(\$11,951)
FIDELITY ADVISOR LEVERAGED CO STKI	\$4,797	(\$23,063)	(\$18,266)
OAKMARK EQUITY & INCOME I	\$14,015	(\$35,457)	(\$21,443)
EATON VANCE ATLANTA CAPITAL SMID-CAP I	\$1,565	(\$26,109)	(\$24,543)
ALLIANZGI NFJ DIVIDEND VALUE INSTL	\$124,093	(\$154,031)	(\$29,938)
ROYCE PENNSYLVANIA MUTUAL INV MT	\$7	(\$37,178)	(\$37,171)
MID CAP GROWTH / WESTFIELD CAPITAL FUND	\$50,876	(\$93,669)	(\$42,793)
AMERICAN FUNDS CAPITAL WORLD GR&INC R4	\$5,182	(\$50,647)	(\$45,465)
AMERICAN FUNDS FUNDAMENTAL INV/S R4	\$60	(\$47,660)	(\$47,600)
FIDELITY ADVISOR NEW INSIGHTS I	\$87,963	(\$164,951)	(\$76,988)
AMERICAN FUNDS EUROPA CIFIC GROWTH R4	\$150,687	(\$254,408)	(\$103,721)
PERKINS MID CAP VALUE T	\$0	(\$385,750)	(\$385,750)
MID CAP VALUE / QMA FUND	\$6,355	(\$649,042)	(\$642,686)
<b>TOTAL</b>	<b>\$2,589,555</b>	<b>(\$2,589,555)</b>	<b>\$0</b>

### Participant Transaction Statistics

	1/1/2015 - 3/31/2015	4/1/2015 - 6/30/2015	7/1/2015 - 9/30/2015	10/1/2015 - 12/31/2015
Call Center				
Unique Callers	15	15	19	27
Total Call Volume	17	18	23	31
Participant Website				
Unique Web Logins	306	244	254	241
Total Web Logins	3,243	3,291	3,004	3,113

Call Center Reason Category	1/1/2015 - 3/31/2015	4/1/2015 - 6/30/2015	7/1/2015 - 9/30/2015	10/1/2015 - 12/31/2015
Account Explanations	1	1	1	5
Contributions	0	1	0	1
Disbursements	8	12	14	12
Hardships	1	1	2	4
IVR or Web Assistance	1	0	0	0
Plan Explanations	0	0	2	0
Tax Information	0	0	0	1
Website Processing	6	3	4	8
<b>TOTAL</b>	<b>17</b>	<b>18</b>	<b>23</b>	<b>31</b>

**Definitions:**

**Unique Callers** – The number of individuals that spoke to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would only be counted once).

**Total Call Volume** – The number of calls to a Participant Service Center Representative during the reporting period (e.g., If the same individual called five times during the reporting period, they would be counted five times).

**Unique Web Logins** – The number of individuals that logged into the Participant Website during the reporting period (e.g., If the same individual logged-in five times during the reporting period, they would only be counted once).

**Total Web Logins** – The number of logins to the Participant Website during the reporting period (e.g., If the same individual logged-in five times during the reporting period, they would be counted five times).



### Participant Distribution Statistics

Distribution Type	Amount of Withdrawals Taken		# of Withdrawals	
	1/1/2015 - 12/31/2015	1/1/2015 - 12/31/2015	1/1/2015 - 12/31/2015	1/1/2015 - 12/31/2015
Termination	\$796,377		33	
Death Distribution	\$8,508		1	
Installment Payment	\$51,154		55	
Required Minimum Distribution	\$33,163		11	
Hardship Withdrawal	\$2,421		1	
In-Service Withdrawal	\$1,578		2	
<b>Grand Total</b>	<b>\$893,201</b>		<b>103</b>	

Distribution Sub-Type	1/1/2015 - 12/31/2015					
	Amount of Withdrawals Taken			# of Withdrawals		
	Age < 50	Age >= 50	Total	Age < 50	Age >= 50	Total
Rollover	\$8,175	\$604,094	\$612,269	3	10	13
Cash	\$35,362	\$245,570	\$280,932	8	82	90
<b>Grand Total</b>	<b>\$43,537</b>	<b>\$849,664</b>	<b>\$893,201</b>	<b>11</b>	<b>92</b>	<b>103</b>

**Death Distribution** – Distribution taken by a beneficiary. This could include required minimum distributions, installment payments, etc.

**Direct Transfer** – Non-taxable transfer of participant assets from one type of tax-deferred retirement plan or account to another (e.g. buy backs, reciprocal, contract exchange, IRA to IRA (internal or external)).

**In-Service Withdrawal** – A withdrawal in which a distribution is taken while the participant is still active and before they experience a triggering event (e.g. reaching a certain age, termination from employment).

**Plan Transfer Out** – The removal of assets from one plan to another. Not considered to be distributions and are therefore not taxable as income or subject to penalties for early distribution.

**QDRO Distribution** – Distribution taken by the recipient of a QDRO. This could include required minimum distributions, installment payments, etc.

**Required Minimum Distribution (RMD)** – Required Minimum Distributions are the minimum amounts that a participant must withdraw annually. This would exclude any beneficiary or QDRO accounts.

**Small Balance Cashout** – Distribution of a participant's account when they fall below the cash out threshold set by the plan.

**Termination** – A withdrawal that is taken when the participant is active and terminating from employment or is already in a 'Terminated' status.

## IncomeFlex Participation

As Of 12/31/2015	55-64	65+	Grand Total
Participants Enrolled in IncomeFlex	9	3	12

## IncomeFlex Assets

As of 12/31/2015, the participants invested in IncomeFlex have 75.5% of their total plan assets in these funds, with an average balance of \$28,988.

## IncomeFlex Utilization

During the period of 1/1/2015 to 12/31/2015, the IncomeFlex participation rate was 2.4%.



Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

Customer should promptly report any inaccuracy or discrepancy to the brokerage firm(s).

All oral communications should be re-confirmed in writing to protect the customer's legal rights, including rights under the Securities Investor Protection act (SIPA).

This information should not be considered an offer or solicitation of securities, insurance products or services. No offer is intended nor should this material be construed as an offer of any product. The information is being presented by us solely in our role as the plan's service provider and or record keeper.

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Prudential's Book of Business averages are as of 12/31/2015.



280 Trumbull Street  
Hartford, CT 06103

ELECTION SYSTEMS & SOFTWARE, LLC  
ELECTION SERVICES AGREEMENT



This Agreement is made as of the date it is executed by the last of the parties named below (the "Effective Date"),

**BETWEEN:** Election Systems & Software, LLC, a Delaware Limited Liability Company ("ES&S");

**AND:** Lancaster County, Nebraska ("Customer")

**RECITALS:**

A. Customer has agreed to purchase certain election-related services from ES&S for use in Lancaster County, Nebraska. The terms and conditions under which such services shall be provided are set forth in the **GENERAL TERMS** attached hereto.

B. The following Exhibits are incorporated into, and constitute an integral part of, this Agreement (check all that apply):

Exhibit A (Summary of Services)

Exhibit B (Ballot Layout, Coding, and Voice File Services)

Exhibit C (Ballot Printing Services)

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the parties hereto:

- Agrees to the **GENERAL TERMS** and the terms and conditions set forth in each Exhibit.
- Agrees that at all times, this Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.
- Represents and warrants to the other party that as of its signature date indicated below it has full power and authority to enter into and perform this Agreement, and that the person signing below on its behalf has been properly authorized to execute this Agreement.
- Acknowledges that it has read this Agreement, understands it and intends to be bound by it.

ELECTION SYSTEMS & SOFTWARE, LLC  
11208 John Galt Boulevard  
Omaha, NE 68137  
Fax No.: (402) 970-1291

LANCASTER COUNTY, NEBRASKA  
601 N 46th Street  
Lincoln, NE 68503  
Fax No : (402) 441-6379

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Printed or Typed)

\_\_\_\_\_  
Name (Printed or Typed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**ARTICLE I  
GENERAL TERMS AND CONDITIONS**

1. **Consideration.** The consideration to be paid by Customer to ES&S for the services provided hereunder is set forth on the accompanying Exhibits. Such consideration will be paid by the Customer upon presentation of an invoice or statement for reimbursement and documentation that services have been provided pursuant to this Agreement. ES&S further agrees that it will make any additional information available to the Customer to support any claim for services rendered. In no event shall Customer be responsible for the direct payment of any wages, insurance or fringe benefits, including but not limited to vacation, overtime, retirement benefits, workers' compensation insurance and unemployment insurance of ES&S or its employees.

2. **Indemnification.** Each party agrees to indemnify and hold harmless to the fullest extent allowed by law, the other party and its principals, officers, and employees from and against all claims, demands, suits, actions, payments, liabilities, judgments and expenses (including court-ordered attorney's fees) arising out of or resulting from the acts or omissions of their principals, officers, employees or subcontractors in the performance of this Agreement. Nothing in this Agreement shall require either party to indemnify or hold harmless the other party from liability for the negligent or wrongful acts or omissions of said other party or its principals, officers, employees or subcontractors.

3. **Limitation of Liability.** Neither party shall be liable for any indirect, incidental, punitive, exemplary, special or consequential damages of any kind whatsoever arising out of or relating to this Agreement. Neither party shall be liable for the other party's negligent or willful misconduct. ES&S' total liability to Customer arising out of or relating to this Agreement shall not exceed the aggregate amount to be paid to ES&S hereunder. Any action by Customer against ES&S must be commenced within one (1) year after the cause of action has accrued. ES&S shall not be liable under this Agreement for any claim, damage, loss, judgment, penalty, cost, amount paid in settlement or fee that is caused by (a) Customer's failure to timely or properly install and use the most recent Update provided to it by ES&S or (b) Customer's election not to receive, or to terminate, the Hardware Maintenance Services or the Software Maintenance and Support.

4. **Excusable Nonperformance.** Except for a delay or failure in the payment of money, if either party is delayed or prevented from performing its obligations under this Agreement due to any cause beyond its reasonable control, including natural disaster, fire, flood, unusually severe weather, terrorism, insurrection, war, Acts of God, labor disputes and governmental regulations, the delay shall be excused during the continuance of, and to the extent of, such cause, and the period of performance shall be extended to the extent necessary to allow performance after the cause of delay has been removed. ES&S agrees to work with Customer, at Customer's request, to develop mutually agreeable alternatives in order to minimize the negative impact of any such delay.

5. **Exclusive Service Provider.** Customer hereby agrees to purchase the products and services set forth on Exhibits B-C attached hereto from ES&S for the Term of this Agreement at the pricing set forth on each applicable Exhibit. Customer's agreement to purchase all of such products and services from ES&S for the entire Term entitles Customer to receive the preferred pricing for each product or service as provided herein Customer understands, acknowledges and agrees that ES&S' fees for the services as set forth on the accompanying exhibits are based upon (a) a contractual commitment by Customer to subscribe for and purchase such services for a period of at least four (4) years, (b) ES&S' dedication of sufficient resources during the Term to perform such services and provide associated prioritization of Customer in its service deliveries, and (c) the descriptions of such services in the accompanying exhibits. In the event that Customer changes its commitment to a period of less than four (4) years for any reason other than a termination for cause pursuant to Article I, Section 6, of this Agreement, or purchases any such products or services from a provider other than ES&S, or does not pay for such products or services provided by ES&S pursuant to the payment terms in Exhibit A during the Term Customer hereby agrees to promptly pay a balance due charge using the Non-Discounted Fees applied to the Ballot Layout, Coding and Voice File Services provided to the Customer up through the date of early termination

6. **Term; Termination.** This Agreement shall be in effect for a four year period beginning on January 1, 2016 continuing through December 31, 2019, covering all elections within the Jurisdiction (the "Term"). This Agreement may be terminated, in writing, at any time by either party if the other party

breaches any material provision hereof and does not cure such breach within thirty (30) days after it receives written notification thereof from the non-breaching party. Customer may terminate this Agreement upon thirty (30) days written notice to ES&S for any reason, subject to the provisions of Section 5 of this Agreement.

7. **Assignment.** Except in the case of a sale, transfer or assignment of all or substantially all of the assets of ES&S to a successor who has asserted its intent to continue the business of ES&S, neither party may assign or transfer this Agreement or assign any of its rights hereunder without the prior written consent of the other party hereto, such consent not to be unreasonably withheld.

8. **Entire Agreement.** This Agreement, including all Exhibits hereto (all of which are incorporated herein by this reference), contains the entire agreement of the parties with respect to the subject matter hereof and shall supersede and replace any and all other prior or contemporaneous discussions, negotiations, agreements or understandings between the parties, whether written or oral, regarding the subject matter hereof. Any provision of any purchase order, form or other agreement which conflicts with or is in addition to the provisions of this Agreement shall be of no force or effect. In the event of any conflict between a provision contained in an Exhibit to this Agreement and these General Terms, the provision contained in the Exhibit shall control. No waiver, amendment or modification of any provision of this Agreement shall be effective unless in writing and signed by the party against whom such waiver, amendment or modification is sought to be enforced. No consent by either party to, or waiver of, a breach by either party shall constitute a consent to or waiver of any other different or subsequent breach by either party.

9. **Notice.** Any notice or other communication required or permitted hereunder shall be in writing, and will be deemed given when delivered personally, sent by confirmed fax, sent by commercial overnight courier (with written verification of receipt) or sent by registered or certified mail, return receipt requested, postage prepaid, when the return receipt is received. All communications shall be sent to the attention of the persons listed on the signature page to this Agreement and at the addresses or fax numbers set forth on such signature page unless other names, addresses or fax numbers are provided by either or both parties.

10. **Disputes.**

**Remedies for Past Due Payments.** If any payment to ES&S is past due more than five (5) days, ES&S may suspend performance under this Agreement until such amount is paid.

**Dispute Resolution Process.** Time is of the essence in resolving disputes. The initiating party shall notify the responding party of any dispute, including all relevant information (e.g., the nature of the dispute, dates, times, persons involved). The responding party shall respond to the notification within five (5) business days. Thereafter, the parties shall use their good faith efforts to resolve the dispute within a reasonable period of time. Notwithstanding anything in this Section 10 to the contrary, either party may apply to any court having jurisdiction over the subject matter of the dispute for a temporary restraining order, preliminary injunction, or other appropriate legal remedy at any time.

11. **Other.** In performing its obligations or enjoying its rights under this Agreement, each party shall comply with all applicable laws and regulations. ES&S is providing its services to Customer as an independent contractor, and shall not be deemed to be a "state actor" for purposes of 42 U.S.C. § 1983. ES&S will not be responsible for (a) user errors, (b) voter errors or (c) problems encountered by any individual in voting. ES&S may engage subcontractors to provide certain of the services, but shall remain fully responsible for such performance. The provisions of Sections 1-4, 7, 9 and this Section 11 shall survive the termination of this Agreement, to the extent applicable.

12. **Independent Contractor Status.** It is the express intent of the parties that this Agreement shall not create an employer-employee relationship. Employees of ES&S shall not be deemed to be employees of the Customer and employees of the Customer shall not be deemed to be employees of ES&S. ES&S and the Customer shall be responsible to their respective employees for all salaries and benefits. Neither ES&S' employees nor the Customer's employees shall be entitled to any salary or wages from the other party or to any benefits made to their employees, including but not limited to, overtime, vacation, retirement benefits, workers' compensation, sick leave or injury leave.



ES&S and the Customer shall be responsible for maintaining Workers' Compensation Insurance and Unemployment Insurance for its employees, and for payment of all Federal, State, local and any other payroll taxes with respect to its employee's compensation.

13. **Non-Discrimination.** ES&S agrees that in providing services pursuant to this Agreement, it shall not discriminate against any employee, applicant for employment, or any other person on the basis of race, color, religion, sex, disability, national origin, age, marital status, receipt of public assistance, or any other basis prohibited by applicable state or federal law.

14. **Insurance.** ES&S shall maintain, at its own cost throughout the duration of this Agreement, a policy or policies of insurance or a self-insurance program sufficient in coverage and amount to fully satisfy any judgments and pay any and all liabilities, judgments and related expenses that may arise in connection with performance of this Agreement. At a minimum, such insurance shall include:

- A. Workers' compensation insurance fully insuring its employees as required by law. Said insurance shall be obtained from an insurance company which is authorized to do business in the State of Nebraska.
- B. General liability insurance - the minimum acceptable limits of liability to be provided by such insurance shall be as follows:

Bodily Injury/Property Damage	\$1,000,000 Each Occurrence \$2,000,000 Aggregate
Personal Injury Damage	\$1,000,000 Each Occurrence

ES&S shall not commence work under this Agreement until it has obtained all insurance required under this section and has provided the Lancaster County with a Certificate of Insurance showing the specific limits of insurance required by this section and showing Lancaster County as an additional insured. ES&S shall provide Lancaster County thirty (30) days notice of cancellation, non-renewal, or any material reduction of insurance coverage.

15. **Employee Verification.** In accordance with Neb. Rev. Stat. § 4-108 through § 4-114, Contractor agrees to register with and use a federal immigration verification system, to determine the work eligibility status of new employees performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. § 1324a, otherwise known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee pursuant to the Immigration Reform and Control Act of 1986. Contractor shall not discriminate against any employee or applicant for employment to be employed in the performance of this section pursuant to the requirements of state law and 8 U.S.C.A § 1324b. Contractor shall require any subcontractor to comply with the provisions of this section.

[END OF GENERAL TERMS]

EXHIBIT A  
SUMMARY OF SERVICES

<b>Sale Summary:</b>	
<b>Description</b>	<b>Refer to</b>
Ballot Layout, Coding, and Voice File Services	Exhibit B
Ballot Printing Services	Exhibit C
<b>Terms &amp; Conditions:</b>	
<b>Note 1:</b> Any applicable state and local taxes are not included, and are the responsibility of Customer.	
<b>Note 2:</b> Payment terms: Ballot Layout, Coding, Voice File, Ballot Printing, and Election Support Services will be invoiced as Services are provided. 100% of invoice total due within 30 calendar days of invoice date.	
<b>Note 3:</b> Customer understands, acknowledges and agrees that ES&S' fees for the services as set forth on the accompanying exhibits are based upon (a) a contractual commitment by Customer to subscribe for and purchase such services for a period of at least four (4) years, (b) ES&S' dedication of sufficient resources during the Term to perform such services and provide associated prioritization of Customer in its service deliveries, and (c) the descriptions of such services in the accompanying exhibits. In the event that Customer changes its commitment to a period of less than four (4) years for any reason other than a termination for cause pursuant to Article I, Section 5, of this Agreement, Customer hereby agrees to promptly pay a balance due charge using the Non-Discounted Fees applied to the Ballot Layout, Coding and Voice File Services provided to the Customer up through the date of early termination.	
<b>Note 4:</b> Any unused Service Days will expire as of the end of the Term of this Agreement and cannot be carried forward in support of future elections and shall not be credited toward any other purchases by Customer or otherwise refunded to Customer.	

**EXHIBIT B  
BALLOT LAYOUT, CODING, AND VOICE FILE SERVICES**

	<b>Non-Discounted Fees</b>	<b>Discounted Fees</b>
<b>Paper Ballot Layout (Price per Ballot Face)</b>		
<b>English and Spanish (combined):</b>		
1 to 500 Faces	\$31.50	\$15.00
501 or more Faces	\$26.25	\$12.50
<b>Languages other than English/Spanish</b>		
1 to 500 Faces, per Language	\$63.00	\$30.00
501 or more Faces, per Language	\$52.50	\$25.00
<b>Base Charge for Ballot On Demand (BOD)</b>	\$492.45	\$422.10
<b>Electronic Screen Layout - AutoMARK or iVotronic</b>		
<b>English and Spanish (combined):</b>		
Per Ballot Style, or precinct, whichever is greater	\$18.90	Included
<b>Languages other than English/Spanish</b>		
Per Ballot Style, or precinct, whichever is greater	\$37.80	Included
<b>Notes:</b>		
1. Electronic Screen Layout does NOT apply to iVotronic customers when ES&S performs voice file services.		
2. Electronic Screen Layout does NOT apply to AutoMARK customers when ES&S performs paper ballot layout and voice file services.		
<b>Programming Services</b>		
<b>Base Charge per Equipment Type</b>	\$459.40	\$371.88
<b>Base Charge for ERM file set-up</b>	\$459.40	\$371.88
<b>Ballot types created</b> (open primary or multiple-page ballots)	\$65.65	\$53.13
<b>Precincts</b> (for every precinct in the election)	\$6.55	\$5.31
<b>Splits</b> (for every additional ballot style within a precinct.)	\$6.55	Included
<b>Ballot Face Configurations</b> (every unique ballot face in the election)	\$13.15	Included
<b>Contest / Issue Entries</b> (total number of contests, referenda, questions, and/or propositions in the election)	\$15.75	\$12.75
<b>Candidate / Response Entries</b> (total number of candidates &/or responses, including referenda and all write-ins for each contest/issue)	\$6.55	\$5.31
<b>Headers</b> (Central Tabulators)	\$1.85	\$1.49
<b>Re-Coding Fees</b>	\$459.40 + applicable fee for each changed element	\$371.88 + applicable fee for each changed element
<b>Voice Files per iVotronic and AutoMARK Equipment Type</b>		
Language Setup Charge - English	\$299.25	\$256.50
Language Setup Charge - Spanish	\$299.25	\$256.50
Language Setup Charge - All Other languages	\$451.50	\$387.00
Political Parties	\$6.10	\$5.22
Ballot Faces	\$12.30	\$10.53
Contests / Issues	\$12.30	\$10.53
Candidates / Yes-No Responses	\$8.50	\$7.29
Propositions / Amendments / Instructions	\$18.05	\$15.48
Price per word in excess of 1200 total words (Instructions / Propositions / Amendments)	\$0.32	\$0.27

	<b>Non-Discounted Fees</b>	<b>Discounted Fees</b>
Resubmission	\$299.25 for English & Spanish and \$451.50 (for each additional language), plus the applicable fee for each element changed for each language	\$256.50 for English & Spanish and \$387.00 (for each additional language), plus the applicable fee for each element changed for each language
<b>Other Services (Standard Overnight Delivery Charges Will Apply and Will Be Billed Separately)</b>		
Media burn (Flash / PCMCIA Cards, Mem Packs, PEBs, and Jump Drives)	\$10.50	\$10.00
Electronic transfer files (one charge per county, per election)	\$131.25	\$125.00
SOS Media	\$52.50	\$50.00
.pdf File Extraction (per Style)	\$5.25	\$5.25
Sample Ballot Creation	\$30.00	\$30.00
Publication Ballot Creation	\$150.00	\$150.00
Auto Test Deck PDF Creation	\$262.50	\$262.50
Ballot Assignment Chart	\$367.50	\$367.50
Download Results From Media	\$54.10	\$54.10
ERM State Utility File	\$367.50	\$367.50

Note 1: All prices are exclusive of freight which will be billed separately.

[END OF EXHIBIT B]

**EXHIBIT C  
BALLOT PRINTING SERVICES**

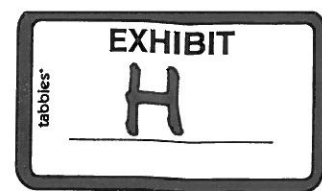
<b>Description</b>	<b>Price per Ballot</b>
<b>14" and 17" Ballots:</b>	
Base ballot charge	\$0.22
Backside of ballot	\$0.02
Stub and / or numbering	\$0.02
Folding	\$0.02
Scoring	\$0.02
Packaging	No charge
Color requirements – defined as a color bar on the ballot. Other designs or methods will be subject to a separate quote.	\$0.02
<b>Prices are exclusive of freight, which will be billed separately.</b>	
<b>19" ballots are quoted separately.</b>	

**Note 1:** Special requests, including watermarking, unique packaging requirements and expedited delivery requirements are not included in the table above, and will be priced separately.

**Note 2:** The above pricing assumes the use of ES&S partner printers. The use of a Customer requested printer may result in a change in the fees outlined above.

**Note 3:** Unexpected and material changes in costs such as paper may result in changes to the fees reflected above.

[END OF EXHIBIT C]



ELECTION SYSTEMS & SOFTWARE, LLC.
ES&S BALLOT ONLINE HOSTING, SYSTEM AND SERVICES AGREEMENT

This Agreement is made as of the date it is executed by the last of the parties named below (the "Effective Date"),

BETWEEN: Election Systems & Software, LLC, a Delaware limited liability company ("ES&S");

AND: Lancaster County, Nebraska ("Customer").

RECITALS:

- A. Customer agrees to license and use certain ES&S ballot processing software and purchase certain services from ES&S for use in Lancaster County (the "Jurisdiction").
B. The following Exhibits are incorporated into, and constitute an integral part of, this Agreement (check all that apply):
[X] Exhibit A (Pricing Summary)
[X] Exhibit B (ES&S Software Description and Pricing)
[X] Exhibit C (Support Services)
[X] Exhibit D (Annual Right-To-Use Software License and Ballot Processing Fees)
[X] Exhibit E (Third Party Items)

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the parties hereto:

- Agrees to the GENERAL TERMS and the terms and conditions set forth in each Exhibit attached hereto and incorporated herein.
Agrees that at all times, this Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska, without regard to conflicts of law principles that would require the application of the laws of any other state.
Represents and warrants to the other party that as of the date of its signature below it has full power and authority to enter into and perform this Agreement, and that the person signing below on its behalf has been properly authorized to execute this Agreement.
Acknowledges that it has read this Agreement, understands it and intends to be bound by it.

ELECTION SYSTEMS & SOFTWARE, LLC.
11208 John Galt Boulevard
Omaha, NE 68137
Fax No.: (402) 970-1291

LANCASTER COUNTY, NEBRASKA
601 N. 46th Street
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**GENERAL TERMS  
ARTICLE I  
DEFINITIONS**

All capitalized terms used, but not otherwise defined, in these General Terms or in an Exhibit shall have the following meanings:

- a. "Documentation" means the proprietary and copyrighted operating instructions, user manuals or training materials for the Software.
- b. "ES&S Software" means ES&S' proprietary ballot online software for the electronic online platform for the delivery, marking and tracking of ballots for eligible voters as may be upgraded, modified and enhanced from time to time.
- c. "Software" means the ES&S Software.
- d. "Third Party Items" means hardware, software and equipment which have been developed, manufactured and/or licensed by parties other than ES&S.

**ARTICLE II  
HOSTED SOFTWARE ACCESS**

**2.1 Hosted Software.** In consideration and exchange for Customer's timely payment of the applicable License and Transaction Fees payable hereunder as set forth on Exhibit A, ES&S hereby grants Customer access to the Software located on the hosted servers ("Hosted Software") and as described on Exhibit B. Customer shall only access the Hosted Software for the purpose of managing electronic ballot processing for eligible UOCAVA voters in the Jurisdiction and for no other purpose.

**2.2 Term of Access.** The access granted in Section 2.1 above shall commence on **February 1, 2016 and will expire on December 31, 2016** (the "Initial Term"). Upon expiration of the Initial Term, Customer shall have the option to renew the Agreement for up to three (3) subsequent one (1) year periods (each such one-year period a "Renewal Period") upon written notice from Customer to ES&S at least thirty (30) days prior to the end of the Initial Term or any Renewal Period, as applicable. The Agreement may be terminated by the first to occur of (a) Customer's failure to renew; (b) the date which is thirty (30) days after either party notifies the other that it has materially breached this Agreement, if the breaching party fails to cure such breach (except for a breach pursuant to subsection (c), which will require no notice); or (c) the date which is thirty (30) days after Customer fails to pay any amount due to ES&S under this Agreement. The Initial Term and all Renewal Periods shall be collectively referred to herein as the "Term". Upon the termination of the access to the Hosted Software, Customer shall immediately cease use of the Hosted Software and return all Documentation (including any and all copies thereof) to ES&S, or (if requested by ES&S) destroy the Documentation and certify in writing to ES&S that such destruction has occurred.

**2.3 Add-Ons, New Products and Custom Programming.** From time to time, ES&S may offer new features which may be added on to the Hosted Software ("Add-Ons") and new Hosted Software products ("New Products") to Customer. Customer may elect to access and use such Add-Ons or New Products upon the payment of an increased license fee, as applicable. Such increased license fee shall be reflected in a new Exhibit A to be appropriately appended to this Agreement. In addition, Customer may request that ES&S provide custom programming services during the Term of the Agreement. ES&S may, but is not obligated to, provide custom programming to Customer. Custom programming shall be created, delivered, installed and tested upon terms and pricing as mutually agreed upon in advance by Customer and ES&S. Such agreement shall be in the form of an addendum to this Agreement which shall be executed by both parties. All custom programming shall be deemed

to be part of the Software, and shall be governed under the terms of this Agreement. ES&S retains the right to make any custom programming available to other customers.

**2.4 Proprietary Rights.** Customer acknowledges and agrees that ES&S owns or possesses through valid and subsisting license agreements all right, title and interest in and to the Software and Documentation, necessary to license the Software and Documentation set forth herein to the Customer in accordance with the terms of this Agreement. ES&S likewise owns or possesses through valid and subsisting license agreements the right to use all patents, trademarks, copyrights, trade names and other proprietary or intellectual property in, or used in connection with, the Software and Documentation licensed to the Customer. The Software and Documentation also contain confidential and proprietary trade secrets which are protected by law and are of substantial value to ES&S or the owner thereof, as applicable. Customer shall keep the Software and Documentation free and clear of all claims, liens and encumbrances and shall maintain all copyright, trademark, patent or other intellectual or proprietary rights notices which are set forth on the Software, the Documentation, and all permitted copies thereof.

### **ARTICLE III GENERAL TERMS OF SERVICE**

**3. Terms of Service.** Customer acknowledges and agrees to the following terms of service, which together with the terms set forth in Article II, shall govern Customer's access and use of the Hosted Software to perform electronic ballot processing for eligible UOCAVA voters in the Jurisdiction (the, "Service"). Customer agrees that unless explicitly stated otherwise, any Add-Ons, New Products or Custom Programming that augment or enhance the Service, and/or any new service(s) subsequently purchased by Customer will be subject to this Agreement.

**3.1 Internet Access.** Customer must have or obtain access to the Internet at its sole cost and expense. Customer must also provide all equipment necessary to make such (and maintain such) connection to the Internet. Customer acknowledges and understands that a high speed Internet connection of adequate bandwidth is required for proper performance of the Service. Customer agrees that ES&S is not responsible for Internet outages, delays or interruptions affecting connectivity between Customer and ES&S.

**3.2 Passwords, Access, and Notification.** Customer will be responsible for the confidentiality and use of Customer's user's passwords and user names. Customer will also be responsible for all electronic communications, including those containing business information, account registration, account holder information, data, and all other data of any kind contained within emails or otherwise entered electronically through the Service or under Customer's account. ES&S will act as though any electronic communications it receives under Customer's passwords, user name, and/or account number will have been sent by Customer. Customer agrees to immediately notify ES&S if Customer becomes aware of any loss or theft or unauthorized use of any of Customer's passwords, user names, and/or account number.

**3.3 Customer's Lawful Conduct.** Customer agrees to comply with all applicable local, state, federal, and foreign laws, treaties, regulations, and conventions in connection with its use of the Service, including, without limitation, those related to privacy, electronic communications, export and anti-spam legislation and shall obtain any permits or licenses required for such compliance. Customer will not send any electronic communications from the Service that are unlawful, harassing, libelous, defamatory, or threatening. Except as permitted by this Agreement, no part of the Service may be copied, reproduced, distributed, republished, displayed, posted or transmitted in any form or by any means. Customer agrees not to access the Service by any means other than through the interfaces that are provided by ES&S. Customer shall not license, rent, sell, lease, transfer, assign, distribute, display, host, outsource, disclose, or otherwise commercially exploit or make the Service available to any unauthorized user, including but not limited to, by "mirroring" or "framing" any part of the Service, or by creating Internet links to the Service which include log-in information, user names, passwords, and/or secure cookies. Customer will not upload, post, reproduce or distribute any information, software or other material protected by copyright or any other intellectual property right (including but not limited to rights of publicity and privacy)



without first obtaining the permission of the owner of such rights. Customer will not in any way express or imply that any opinions contained in Customer's electronic communications are endorsed by ES&S. Neither Customer, nor someone acting on Customer's behalf, will use the Service to target for solicitation any ES&S customers for purposes of providing any competitive product. Customer shall ensure that any use of the Service by Customer's employees (or Customer's other authorized users) is in accordance with the terms and conditions of this Agreement.

**3.4 Third-Party Software.** Customer agrees to use third party software necessary for accessing the Service, including, but not limited to, Microsoft Internet Explorer Version 7.0 or higher as the Customer's "browser" software which supports a data security protocol compatible with the protocol used by ES&S. Until notified otherwise by ES&S, Customer agrees to use software that supports the Secure Socket Layer (SSL) protocol or other protocols accepted by ES&S and to follow logon procedures for services that support such protocols. Customer agrees that ES&S is not responsible for notifying Customer of any upgrades, fixes or enhancements to any such software; or for any compromise of data transmitted across computer networks or telecommunications facilities, including, but not limited to, the Internet, which are not owned or operated by ES&S.

**3.5 Customer Hardware.** Unless otherwise set forth on Exhibit E, Customer will provide all required client workstations, scanners, printers and other equipment necessary to use the Service.

**3.6 Transmission Of Data.** Customer understands that the transmission and processing of voter registration data and other related election definition information is necessary for ES&S to set up Customer's account and to allow for Customer's use of the Service. Customer expressly consents to ES&S' transmission and storage of the foregoing information in order to set up the Customer's account and in order to enable the Customer to use the Software and Service as contemplated herein.

**3.7 ES&S' Support.** ES&S will make commercially reasonable efforts to promote Customer's successful utilization of the Service, including, but not limited to, providing Customer with system activation, implementation, integration, standard training, documentation, and help desk/technical support, as well as optional "for fee" services all as set forth on Exhibits B and C. ES&S also offers customer support and professional services consultation. Help Desk support is provided directly to the Customer only. Any support requested by a voter shall be the responsibility of the Customer.

**3.8 Trademark Information.** All ES&S service marks, logos and product and service names are marks of ES&S (the "ES&S Marks"). Customer agrees not to display or use the ES&S Marks in any manner without ES&S' express prior written permission.

**3.9 Confidential Information.** For purposes of this Agreement, confidential information shall include any information that is clearly identified in writing at the time of disclosure as confidential ("Confidential Information"). Each party agrees: (a) to keep confidential all Confidential Information disclosed to it by the other party or by a third-party; (b) not to use the Confidential Information of the other party except to the extent necessary to perform its obligations or exercise rights under this Agreement; and (c) to protect the confidentiality thereof in the same manner as it protects the confidentiality of similar information and data of its own (at all times exercising at least a reasonable degree of care in the protection of such Confidential Information) and to make Confidential Information available to authorized persons only on a "need to know" basis. Either party may disclose Confidential Information on a need-to-know basis to its contractors who have executed written agreements requiring them to maintain such information in strict confidence and use it only to facilitate the performance of their services in connection with the performance of this Agreement. Confidential Information shall not include information which: (1) is known publicly; (2) is generally known in the industry before disclosure; (3) has become known publicly, without fault of the recipient, subsequent to disclosure by the disclosing party; or (4) the recipient becomes aware of from a third party not bound by non-disclosure obligations to the disclosing party and with the lawful right to disclose such information to the recipient. Notwithstanding the foregoing, this Section 3.9 will not prohibit the disclosure of Confidential Information to the extent that such disclosure is permitted by law or order of a court or other governmental authority or regulation so long as it shall (x) first notify the

disclosing party of such request, requirement or proposal; (y) in the case of a required disclosure, furnish only such portion of the Confidential Information as it is advised in writing by counsel that it is legally required to disclose; and (z) cooperate with the disclosing party in its efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to that portion of the Confidential Information that is required to be disclosed. With respect to any information received by either party from the other as a result of any other relationship between the parties other than in the course of performance under this Agreement (i.e., business development, partnership, alliance, etc.), the parties will abide by the terms and conditions of any applicable Nondisclosure Agreement (or similar agreement) executed between the parties.

## **ARTICLE IV MISCELLANEOUS**

### **4.1 Warranties.**

**4.1.1 Warranty Of Functionality.** ES&S warrants to Customer during the Term that the Service will achieve in all material respects the functionality described in the Documentation applicable to the Service and that such functionality will be maintained in all material respects in subsequent upgrades to the Service. Customer's sole and exclusive remedy for ES&S's breach of this warranty shall be that ES&S shall be required to use commercially reasonable efforts to modify the Service to achieve in all material respects the functionality described in the Documentation and if ES&S is unable to restore such functionality, Customer shall be entitled to terminate the Agreement and shall be entitled to a prorated refund of its prepaid fees from the time of the material loss of functionality. ES&S shall have no obligation with respect to a warranty claim unless notified of such claim within thirty (30) days of the first instance of any material functionality problem.

**4.1.2 Security, Data Integrity And Backup Warranty.** ES&S warrants during the Term of this Agreement that ES&S will use commercially reasonable efforts to accurately maintain and backup all data. In the event of a breach of this provision, ES&S will use commercially reasonable efforts to correct the data or restore the data as quickly as possible.

**4.1.3 Other Warranty.** ES&S warrants that it will use commercially reasonable efforts to ensure that the Service is operated in a manner consistent with keeping it free of viruses, Trojan horses, worms, spy ware, or other malicious code or components.

**4.1.4 Disclaimer Of Warranties.** EXCEPT AS STATED IN ARTICLE IV, SECTIONS 4.1.1-4.1.3 ABOVE, ES&S DOES NOT REPRESENT THAT CUSTOMER'S USE OF THE SERVICE WILL BE SECURE, TIMELY, UNINTERRUPTED OR ERROR-FREE OR THAT THE SERVICE WILL MEET CUSTOMER'S REQUIREMENTS OR THAT ALL ERRORS IN THE SERVICE AND/OR DOCUMENTATION WILL BE CORRECTED OR THAT THE HOSTED SOFTWARE THAT MAKES THE SERVICE AVAILABLE WILL BE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. THE WARRANTIES STATED IN ARTICLE IV, SECTIONS 4.1.1-4.1.3 ABOVE ARE THE SOLE AND EXCLUSIVE WARRANTIES OFFERED BY ES&S. THERE ARE NO OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS STATED IN ARTICLE IV, SECTIONS 4.1.1-4.1.3 ABOVE, THE HOSTED SOFTWARE AND SERVICE IS PROVIDED TO CUSTOMER ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND IS FOR COMMERCIAL USE ONLY. CUSTOMER ASSUMES ALL RESPONSIBILITY FOR DETERMINING WHETHER THE HOSTED SOFTWARE, SERVICE OR THE INFORMATION GENERATED THEREBY IS ACCURATE OR SUFFICIENT FOR CUSTOMER'S PURPOSES.

**4.2 Limitations Of Liability.** CUSTOMER AGREES THAT THE CONSIDERATION WHICH ES&S IS CHARGING HEREUNDER DOES NOT INCLUDE CONSIDERATION FOR ASSUMPTION BY ES&S OF THE RISK OF CUSTOMER'S INCIDENTAL OR CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO ANYONE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL

OR EXEMPLARY DAMAGES, OR INDIRECT DAMAGES OF ANY TYPE OR KIND (INCLUDING, BUT NOT LIMITED TO, LOSS OR DISCLOSURE OF DATA, LOST REVENUE, LOST PROFITS, OR LOSS OF OTHER ECONOMIC ADVANTAGE) ARISING FROM BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, OR ANY OTHER LEGAL CAUSE OF ACTION TO THE MAXIMUM EXTENT PERMITTED BY LAW ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT. THE MAXIMUM LIABILITY OF ES&S TO ANY PERSON, FIRM OR CORPORATION WHATSOEVER ARISING OUT OF OR IN THE CONNECTION WITH ANY ACCESS, USE OR OTHER EMPLOYMENT OF THE SERVICE, WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED ON BREACH OR REPUDIATION OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, TORT, OR OTHERWISE, SHALL IN NO CASE EXCEED THE EQUIVALENT OF 12 MONTHS IN LICENSE AND TRANSACTION FEES APPLICABLE AT THE TIME OF THE EVENT. THE PARTIES ACKNOWLEDGE THAT THE LIMITATIONS SET FORTH IN THIS SECTION ARE INTEGRAL TO THE AMOUNT OF FEES CHARGED IN CONNECTION WITH THE ACCESS AND USE OF THE SERVICE AND THAT, WERE ES&S TO ASSUME ANY FURTHER LIABILITY OTHER THAN AS SET FORTH HEREIN, SUCH FEES WOULD OF NECESSITY BE SET SUBSTANTIALLY HIGHER.

#### **4.3 Suspension/Termination.**

**4.3.1 Suspension For Delinquent Account.** ES&S reserves the right to suspend Customer's access to and/or use of the Hosted Software or Service for any undisputed payment that is past due more than thirty (30) days. Customer agrees that ES&S shall not be liable to Customer or other third party for any suspension of the Service resulting from Customer's nonpayment of undisputed fees as described in this Section 4.3.1.

**4.3.2 Suspension For Ongoing Harm.** Customer agrees that ES&S may with reasonably contemporaneous telephonic notice to Customer suspend Customer's access to the Service if ES&S reasonably concludes that Customer is using the Service to engage in denial of service attacks, spamming, or using the Service to engage in illegal activity, and/or Customer's use of the Service is causing immediate, material and ongoing harm to ES&S or others. In the extraordinary event that ES&S suspends Customer's access to the Service, ES&S will use commercially reasonable efforts to resolve the issues causing the suspension of Service. Customer agrees that ES&S shall not be liable to Customer nor to any third party for any suspension of the Service under such circumstances as described in this Section 4.3.2.

**4.3.3 Default/Termination.** Either party may terminate this Agreement upon thirty (30) calendar days formal written notice to the other party in the event of a material breach of any provision of this Agreement by the other party. Such notice by the non-breaching party shall expressly state all of the reasons for the claimed breach in sufficient detail so as to provide the alleged breaching party a meaningful opportunity to cure such alleged breach ("Notice"). Following receipt of such Notice, the alleged breaching party shall have thirty (30) calendar days within which to cure such alleged breach, after which time the Agreement shall terminate only if the alleged breach was not cured. Upon any termination or expiration of this Agreement, Customer shall have no rights to continue use of the Service. If this Agreement is terminated by Customer for any reason other than a termination expressly permitted by this Agreement, Customer agrees that ES&S shall be entitled to all of the fees due up through the date of termination under this Agreement.

**4.3.4 Termination Of Customer's Account.** Customer agrees that following termination of Customer's account and/or use of the Service, ES&S may immediately deactivate Customer's account and that following a reasonable period of not less than ninety (90) calendar days shall be able to delete Customer's account and related information from ES&S' "live" site. Customer further agrees that ES&S shall not be liable to Customer nor to any third party for any termination of Customer access to the Service or deletion of information.

**4.4 Modification To Or Discontinuation Of The Service.** ES&S reserves the right at any time and from time to time to modify, temporarily or permanently, the Service (or any part thereof). In the event that ES&S

modifies the Service in a manner which removes or disables a feature or functionality on which Customer materially relies, ES&S, at Customer's request, shall use commercially reasonable efforts to substantially restore such functionality to Customer. In the event that ES&S is unable to substantially restore such functionality, Customer shall have the right to terminate the Agreement and shall be entitled to a prorated refund of its prepaid fees from the time of the loss of functionality. Customer acknowledges that ES&S reserves the right to discontinue offering certain portions of the Service during the Term, provided ES&S provides Customer with no less than ninety (90) days written notice of such discontinuance. Customer agrees that, except as provided herein, ES&S shall not be liable to Customer nor to any third party for any modification of the Service as described in this Section 4.4.

**4.5 Taxes; Interest.** Customer will provide ES&S with proof of its tax-exempt status. If Customer does not provide such proof, it shall pay, or shall reimburse ES&S for, all sales and use, excise or other similar taxes imposed on the transactions contemplated by this Agreement, but shall in no event be liable for taxes imposed on or measured by ES&S's income. If Customer disputes the applicability of any tax to be paid pursuant to this Section 4.5, it shall pay the tax and may thereafter seek a refund. Any disputed or undisputed payment which is past due to ES&S will bear interest at the rate of one and one-half percent per month (or such lesser amount as may be permitted by applicable law) for each month or portion thereof during which it remains unpaid.

**4.6 Excusable Nonperformance.** If ES&S is delayed or prevented from performing its obligations under this Agreement due to any cause beyond its reasonable control, including natural disaster, fire, flood, unusually severe weather, Acts of God, labor disputes and governmental regulations, the delay shall be excused during the continuance of, and to the extent of, such cause, and the period of performance shall be extended to the extent necessary to allow performance after the cause of delay has been removed. ES&S agrees to work with Customer, at Customer's request, to develop mutually agreeable alternatives in order to minimize the negative impact of any such delay.

**4.7 Counterparts; Execution By Facsimile.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The parties may execute this Agreement and exchange counterparts of the signature pages by means of facsimile transmission, and the receipt of such executed counterparts by facsimile transmission shall be binding on the parties. Following such exchange, the parties shall promptly exchange original versions of such signature pages.

**4.8 Independent Contractor.** In performing its obligations or enjoying its rights under this Agreement, each party shall comply with all applicable laws and regulations. ES&S is providing Software and Software Maintenance and Support to Customer as an independent contractor, and shall not be deemed to be a "state actor" for purposes of 42 U.S.C. § 1983. ES&S will not be responsible for (a) user errors or (b) compatibility problems encountered through the use of the Software with equipment or software not meeting ES&S's specifications. ES&S may engage subcontractors to provide certain of the Software or Software Maintenance and Support, but shall remain fully responsible for such performance. It is the express intent of the parties that this Agreement shall not create an employer-employee relationship. Employees of ES&S shall not be deemed to be employees of the Customer and employees of the Customer shall not be deemed to be employees of ES&S. ES&S and the Customer shall be responsible to their respective employees for all salaries and benefits. Neither ES&S' employees nor the Customer's employees shall be entitled to any salary or wages from the other party or to any benefits made to their employees, including but not limited to, overtime, vacation, retirement benefits, workers' compensation, sick leave or injury leave. ES&S and the Customer shall be responsible for maintaining Workers' Compensation Insurance and Unemployment Insurance for its employees, and for payment of all Federal, State, local and any other payroll taxes with respect to its employee's compensation.

**4.9 Assignment.** Except in the case of a sale, transfer or assignment of all or substantially all of the assets of ES&S to a successor who has asserted its intent to continue the business of ES&S, neither party may assign or transfer this Agreement or assign, subcontract or delegate any of its rights, duties or obligations hereunder without the prior written consent of the other party hereto, such consent not to be unreasonably withheld or conditioned, nor unduly delayed.

**4.10 Notice.** Any notice or other communication required or permitted hereunder shall be in writing, and will be deemed given when delivered personally, sent by confirmed fax, sent by commercial overnight courier (with written verification of receipt) or sent by registered or certified mail, return receipt requested, postage prepaid, when the return receipt is received. All communications shall be sent to the attention of the persons listed on the signature page to this Agreement and at the addresses or fax numbers set forth on such signature page unless other names, addresses or fax numbers are provided by either or both parties.

**4.11 Indemnification.** Each party agrees to indemnify and hold harmless to the fullest extent allowed by law, the other party and its principals, officers, and employees from and against all claims, demands, suits, actions, payments, liabilities, judgments and expenses (including court-ordered attorney's fees) arising out of or resulting from the acts or omissions of their principals, officers, employees or subcontractors in the performance of this Agreement. Nothing in this Agreement shall require either party to indemnify or hold harmless the other party from liability for the negligent or wrongful acts or omissions of said other party or its principals, officers, employees or subcontractors. Neither party shall be liable for any indirect, incidental, punitive, exemplary, special or consequential damages of any kind whatsoever arising out of or relating to this Agreement. Neither party shall be liable for the other party's negligent or willful misconduct. ES&S' total liability to Customer arising out of or relating to this Agreement shall not exceed the aggregate amount to be paid to ES&S hereunder.

**4.12 Insurance.** ES&S shall maintain, at its own cost throughout the duration of this Agreement, a policy or policies of insurance or a self-insurance program sufficient in coverage and amount to fully satisfy any judgments and pay any and all liabilities, judgments and related expenses that may arise in connection with performance of this Agreement. At a minimum, such insurance shall include:

- A. Workers' compensation insurance fully insuring its employees as required by law. Said insurance shall be obtained from an insurance company which is authorized to do business in the State of Nebraska.
- B. General liability insurance - the minimum acceptable limits of liability to be provided by such insurance shall be as follows:

Bodily Injury/Property Damage	\$1,000,000 Each Occurrence \$2,000,000 Aggregate
Personal Injury Damage	\$1,000,000 Each Occurrence

ES&S shall not commence work under this Agreement until it has obtained all insurance required under this section and has provided the Lancaster County with a Certificate of Insurance showing the specific limits of insurance required by this section and showing Lancaster County as an additional insured. ES&S shall provide Lancaster County thirty (30) days notice of cancellation, non-renewal, or any material reduction of insurance coverage.

**4.13 Employee Verification.** In accordance with Neb. Rev. Stat. § 4-108 through § 4-114, Contractor agrees to register with and use a federal immigration verification system, to determine the work eligibility status of new employees performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. § 1324a, otherwise known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee pursuant to the Immigration Reform and Control Act of 1986. Contractor shall not discriminate against any employee or applicant for employment to be employed in the performance of this section pursuant to the requirements of state law and 8 U.S.C.A § 1324b. Contractor shall require any subcontractor to comply with the provisions of this section

**4.14 Entire Agreement.** This Agreement, including Exhibits A through E (which are specifically incorporated herein by this reference), contains the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces any and all other prior or contemporaneous discussions,

negotiations, agreements or understandings between the parties, whether written or oral, regarding the subject matter hereof. Any provision of any purchase order, form or other agreement which conflicts with or is in addition to the provisions of this Agreement shall be of no force or effect. ES&S may engage duly qualified subcontractors to perform certain of the services to be provided hereunder, but shall remain fully responsible for such performance. The provisions of Sections 2.4, 3.3, 3.8, 3.9, 4.1, 4.2, 4.3, 4.10, 4.11, 4.12, 4.13 and this Section 4.14 shall survive the termination of this Agreement, to the extent applicable.

**EXHIBIT A  
PRICING SUMMARY**

<b>Sale Summary:</b>		
<b>Description</b>	<b>Refer to</b>	<b>Amount Due for the Initial Term</b>
ES&S Hosted Software License	Exhibit B	\$833.33
Activation and Implementation Support Services	Exhibit C	N/A
Post Implementation Support Services	Exhibit C	N/A
<b>Total Net Sale</b>		<b>\$833.33</b>
<b>Terms &amp; Conditions:</b>		
Note 1: Any applicable state and local taxes are not included, and are the responsibility of Customer. See Section 3.4.		
Note 2: <b><u>Invoicing and Payment Terms are as Follows:</u></b>		
Per Election Set-Up Fee: \$500.00 per election		
(The Outgoing Ballot Processing Fee will be waived through 2016. Thereafter, Customer shall be charged the Outgoing Ballot Processing Fee.)		
Payment due within thirty (30) days of ES&S invoice. Billing shall occur after each applicable election.		
<b>Ongoing Services after the Initial Term:</b>		
<b>Description</b>	<b>Refer to</b>	<b>Annual Fee</b>
ES&S Hosted Software License	Exhibit D	\$1,000.00
License Fee reflects a one-year term. License fees will be due no later than thirty (30) days prior to the beginning of each annual renewal period.		
<b>Ballot Processing Fees</b>	<b>Refer to</b>	<b>Per Ballot Fee</b>
Outgoing Ballot Processing Fee	Exhibit D	\$0.50
Incoming Ballot Processing Fee	Exhibit D	N/A
Automatic Ballot Duplication Fee	Exhibit D	N/A
Ballot Sheet Processing Fees as set forth in Exhibit D will be invoiced on a per election basis. Invoices are due and payable within thirty (30) calendar days of receipt of such invoice by Customer.		

**EXHIBIT B**  
**ES&S HOSTED SOFTWARE ITEM DESCRIPTION, PRICING AND PROCESSING FEES**

DESCRIPTION	NUMBER OF LICENSES
<b>ES&amp;S Hosted Software License</b>	<b>1</b>
<b>Total License Fees (including all applicable Documentation)</b>	<b>\$1,000.00</b>

**License Fee Includes:**

- Right-To-Use Software License on Hosted Servers
- Upgrades, Enhancements and Bug Fixes
- Help Desk and Troubleshooting Support for the Customer Only
- Primary Secure Hosting
- Onscreen Marking
- RO Duplication Function



**EXHIBIT C  
SUPPORT SERVICES**

1. **Activation and Implementation Services**. ES&S shall provide the following activation and implementation services to the Customer at the following fees:

<b>Role/Function</b>	<b>Primary Responsibility</b>	<b>Fee for the Initial Term</b>
Project Management	ES&S	N/A
On-Site System Set-Up and Training	ES&S	N/A
Training Web-Ex (one-session)	ES&S	N/A
On-Site Support	ES&S	N/A
<b>Total Implementation Service Fees</b>		<b>N/A</b>

**EXHIBIT D  
ANNUAL RIGHT-TO-USE SOFTWARE LICENSE AND BALLOT PROCESSING FEES**

DESCRIPTION	NUMBER OF LICENSES	INITIAL TERM PRICING	RENEWAL PRICING
<b>ES&amp;S Hosted Software License</b>	<b>1</b>	<b>\$1,000.00</b>	<b>\$1,000.00</b>

**License Fee Includes:**

- Right-To-Use Software License on Hosted Servers
- Upgrades, Enhancements and Bug Fixes
- Help Desk and Troubleshooting Support for the Customer Only
- Primary Secure Hosting
- Onscreen Marking
- RO Duplication Function

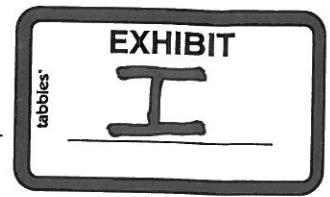
**BALLOT PROCESSING FEES**

DESCRIPTION	UOM	INITIAL TERM PRICING	RENEWAL PRICING
Outgoing Ballot Processing Fee	Per Ballot	\$0.50	\$0.50
Incoming Ballot Processing Fee	Per Ballot	N/A	N/A
Automatic Ballot Duplication Fee	Per Ballot	N/A	N/A

For purposes of calculating the Ballot Processing Fees, a ballot shall be defined as a ballot document sent to a Voter, received from a Voter, or duplicated for tabulation purposes.

An "Outgoing Ballot" shall be defined as an outgoing message (email, text or other communication) which is sent and either (i) has a ballot attached to it, or (ii) has a link to the Ballot Online website where that particular user (voter's) ballot can be subsequently retrieved.

**EXHIBIT E  
THIRD PARTY ITEMS**



## MEMORANDUM

TO: All County Departments  
FROM: Roma Amundson, Chair  
DATE: March 1, 2016  
RE: 2016-17 Budget Requests

The County Board recently reviewed the status of the 2015-16 County budget, as well as some additional costs which we will be facing during the next few years. Several important issues are worth noting:

1. Payroll costs, which include benefits, increase on an annual basis between \$2.5 million and \$3.0 million.
2. The County Board used 1.0 cent of the Railroad Transportation Safety District's tax rate last year to fund county operations. This was a \$2.3 million number and will need to be a discussion item as we try to reduce the levy amount used by the County.
3. There is current legislation to tighten levy limits and the lid on restricted funds. There is also legislation to change inheritance tax rates. These changes would reduce the amount of revenue the County could generate.

The County Board has started to have conversations about the possibility of utilizing zero-base budgeting. Zero-base budgeting is a budgeting process that asks for departments to build a budget from the ground up, starting from zero. Zero-base budgeting should move an organization away from incremental budgeting, where last year's budget is the starting point. Instead, the starting point becomes zero, with the implication that past patterns of spending are no longer taken as a given. The County Board is going to work with two departments as pilot departments but will be utilizing components of zero-base budgeting for all departments. This change will include more time involved from both sides. The County Board will set aside an hour for each department budget hearing.

The County Board anticipates budget requests for FY2016-17 will be far greater than our ability to pay. Departments need to understand that because property taxes are such a high percentage of our overall revenue base, tough decisions have to be made on an annual basis to balance the budget. The Board is asking each department to submit a budget based on priorities. Please review your operations, programs and personnel to set your priorities. The Board will be asking for additional information this year in regard to non-mandatory functions, specific employee information, unfunded mandates and the dollar amount, and other specific type of expenditures noted in the budget instructions. Be prepared to discuss your budget request at your budget hearing.

Please review all revenue accounts in depth and indicate any potential revenue shortages or changes. After the budget requests have been reviewed and the Board has a better handle on fund balances, anticipated revenues, and budgeted expenditures, adjustments will be made to present a proposed balanced budget.

The Board does not anticipate dollars will be available for expansion of services or personnel. However, if a necessity exists, expansion budgets must be separately stated on the Request for Increase in Personnel or Services form provided with justification for the need, and will be discussed with the Board prior to approval.

Please follow all of the instructions and properly complete all forms by April 8, 2016.

**ADDITIONAL ITEMS TO CONSIDER**

**Grants**

Please complete the Federal Grants form listing the federal grants your department has been awarded for FY2016-17. Include the awarded amount, the federal agency awarding the grant along with the program title, the business unit used for accounting purposes, the revenue account, any positions funded by the grant, the grant period, and any county match.

**Computers**

As in the past, the Board will budget for computers funded with property tax dollars in the Information Services budget. Please identify your FY2016-17 need and obtain a cost estimate from Information Services. Your request for FY2016-17 along with the estimate must be submitted at the same time as your budget.

**Cutoff on Expenditures**

The cutoff to notify the Purchasing Department for FY2015-16 purchases over \$20,000 will be May 1 and the cutoff for purchases less than \$20,000 will be June 15. The last date for sending payment vouchers to the Clerk will be June 30. Payroll will be accrued through June 30.

**Salaries**

Salary cost-of-living increases will be budgeted by the County Board in the General Fund Contingency budget, unless the increase has been approved in contract for the upcoming budget. To insure consistency and comparability, the Board is requesting a salary recommendation schedule for all unclassified employees' salaries that are set by the Board with the exception of chief deputies for elected officials.

**Managing your FY2015-16 budget from now to June 30 will be helpful. Unexpended amounts will increase year-end balances, thus, reducing next year's tax requirements.**

The County Board realizes the budgeting process requires substantial effort on your part. However, adequate documentation and timely submission of your agency's budget request is essential to us in determining the spending levels of the County in line with the revenues available.

# PUBLIC NOTICE

TO: All County Departments  
FROM: Roma Amundson, Chair  
DATE: March 1, 2016  
RE: Department Budget Hearing Schedule

## **DEPARTMENT BUDGET HEARING SCHEDULE**

The County Board will hold department budget hearings as noted below at the County-City Building. Hearings will be held in the Bill Luxford Studio (Room 113) or Room 303 depending on the day. The room is noted by each day. If your department is not scheduled for a hearing and you wish to have one or if you need to switch dates/times, please contact Dennis Meyer at [dmmeyer@lancaster.ne.gov](mailto:dmmeyer@lancaster.ne.gov) or 441-6869.

### **MONDAY, MAY 23, 2016 (Room 113)**

8:00 am - County Clerk (602)  
9:00 am - County Treasurer (603)  
10:00 am - County Assessor (605, 606)  
11:00 am - Records Management (648)  
12:00 pm - Lunch  
1:00 pm - Property Management (66)  
2:00 pm - Emergency Management (693)  
3:00 pm - Election Commissioner (607, 627)  
4:00 pm - Weed Control (64)

### **TUESDAY, MAY 24, 2016 (Room 113)**

1:00 pm - County Extension (645)  
2:00 pm - County Sheriff (651)  
3:00 pm - Veterans Service (803, 26)  
4:00 pm - Human Services/General Assistance (801, 804, 837)

### **WEDNESDAY, MAY 25, 2016 (Room 303)**

8:00 am - Community Corrections (676)  
9:00 am - Crisis Center (63)  
10:00 am - Youth Services Center (678)  
11:00 am - Adult Probation (674)  
12:00 pm - Lunch  
1:00 pm - Risk Management (12, 13)  
2:00 pm - County Court (622)  
3:00 pm - District Court (624)  
4:00 pm - Clerk of the District Court (621, 751)

### **THURSDAY, MAY 26, 2016 (Room 303)**

1:00 pm - Juvenile Court (623)  
2:00 pm - Juvenile Probation (673)  
3:00 pm - Public Defender (625)  
4:00 pm - County Attorney (652)

### **TUESDAY, MAY 31, 2016 (Room 113)**

1:30 pm - Visitors Promotion (18, 19)  
2:00 pm - Keno/Debt Service (28, 41)  
2:30 pm - Board/Admin Services/BOE (601, 613, 618)  
3:30 pm - Budget/Miscellaneous Budgets (611, 612, 628, 805)

### **WEDNESDAY, JUNE 1, 2016 (Room 113)**

8:00 am - County Engineer (703, 21, 22)  
12:00 pm - Lunch  
1:00 pm - Corrections (671, 52)

**ALL COUNTY DEPARTMENT BUDGET HEARINGS  
ARE OPEN TO THE PUBLIC.**