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**MARCH 3, 2020**

**AGENDA ITEM 5  
ACTION ITEM**

**CALIFORNIA ABLE ACT BOARD**

*Resolution No. 2020-03: Resolution of the California ABLE Act Board Entering into negotiations with the state of Connecticut to provide the Program Administrator and Investment Manager Services*

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***Action Recommended***

Adopt Resolution No. 2020-03 authorizing the Executive Director to enter into negotiations with the state of Connecticut to provide Program Administrator and Investment Manager (“Program Manager”) Services.

***Background***

A key priority for the CalABLE program is to reach self-sustainability and repay the general fund loans that make up the program’s budget since its inception. Given the current growth rate of ABLE programs across the country, self-sustainability for many programs may take years, if not decades. In an effort to accelerate growth, a number of the nation’s most successful ABLE programs have banded together in consortiums where the lead state offers its Qualified ABLE Program as the administrator to other states’ uniquely branded ABLE programs. These consortium’s are able to achieve economies of scale, allow states with fewer resources to quickly prop up ABLE program for their populations, and provide the primary state with an influx of revenue from accounts outside of the marketing reach of its geographical location. With an eye toward achieving self-sustainability, CalABLE staff responded to the state of Connecticut’s recent request for proposals seeking other states to come in and serve as Connecticut’s ABLE Program Administrator. The CalABLE response included a request to enter into negotiations with Connecticut rather than submit a qualified bid. This request provided the general outline of what a CalABLE managed program for the state of Connecticut would include. CalABLE staff is now seeking board authorization to enter into negotiations with the Connecticut Treasurer’s Office in order to achieve the following:

- Develop and negotiate a program administration agreement that meets Connecticut’s need to introduce an ABLE program within a specified program, while simultaneously providing CalABLE with an influx of accounts from Connecticut that would generate revenue in support of achieving self-sustainability in an accelerated time frame.
- Explore possibilities to provide Connecticut with some input into the governance structure while maintaining CalABLE’s independence and flexibility to enhance its services and offerings.

- Partner with TIAA-CREF Tuition Finance, Inc. in the development of a joint proposal to administer Connecticut's ABLE program at nominal expense to CalABLE or the state of California.

**Attachments**

- Attachment #1 – Resolution No. 2020-03