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**NOVEMBER 2, 2021**

**AGENDA ITEM 1  
ACTION ITEM**

**CALIFORNIA ABLE ACT BOARD**

***Approval to Amend Contract with Tuition Financing, Inc. (Agreement ABLE 01-18)  
to Incorporate Fee Structure for CalABLE Debit Card Users***

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***Action Recommended***

Staff recommends approval of amendment of Agreement ABLE 01-18 to update a fee structure for CalABLE participants who opt to use a prepaid debit card offered by the CalABLE Savings Plan.

***Background***

The Board's contract with its Program Manager, Tuition Financing, Inc. (TFI) (Agreement ABLE 01-18) requires that the contractor offer a savings account option, as well as an optional debit card or prepaid card feature to CalABLE account owners.

In its initial Request for Proposals response, TFI indicated they planned to offer a prepaid debit card as a deliverable, but did not specify a fee structure because of the need to outsource the capability. In March 2019, TFI selected a subcontractor vendor to serve as the service provider for the CalABLE Pre-paid Debit Card. The initial contract with TFI was amended to include the costs of the prepaid card in the program fee structure.

At the June 23, 2021 board meeting, staff presented customer service concerns to the board as an informational item. Considerable attention was provided to issues related to the "PrePaid Card" which is offered by a subcontract vendor and handled by a separate website and customer service agent. The CalABLE "customer engagement center" (CEC) traditionally handles most of these matters, however complaints and additional concerns were also shared directly to the CalABLE staff and on social media. The CEC and the PrePaid Card care center were made aware of any concerns and initiated meeting on a bi-weekly basis to share any issues they experience.

After review of underlying issues, TFI is recommending a switch in prepaid card providers to reduce systemic issues and increase service for CalABLE account holders. This change would necessitate a new fee structure for the prepaid debit card (Attachment 1), and Staff will need to amend the contract to incorporate this change. State Treasurer Office's Legal Counsel has consulted with the Department of General

Services, which confirmed that because this is a clarification of a pre-agreed term, the amendment is acceptable.

***Attachments***

- Attachment #1 – Prepaid Debit Card Change Recommendation and Fee Schedule



# CalABLE Prepaid Card Recommendation

CalABLE Act Board Meeting

November 2, 2021



BUILT TO PERFORM.

CREATED TO SERVE.



## NEW SERVICE PROVIDER

It is our recommendation to replace the current service provider for the CalABLE Prepaid Card and transition to Intuition.



## BOUTIQUE DESIGN

The current relationship creates unnecessary complexity. FIS is not designed to support unique products or to provide a differentiated service model.



## SINGLE POINT OF CONTACT

Intuition is a known entity and was created to serve the needs of the ABLE community. They will serve as the single point for all card services. US Bank will serve as the issuer.



The new prepaid card will be fully integrated into the CalABLE participant web portal to provide a seamless user experience for CalABLE participants.

Participants will be able to view card information on the same web portal as their CalABLE account.  
Examples of integration include:

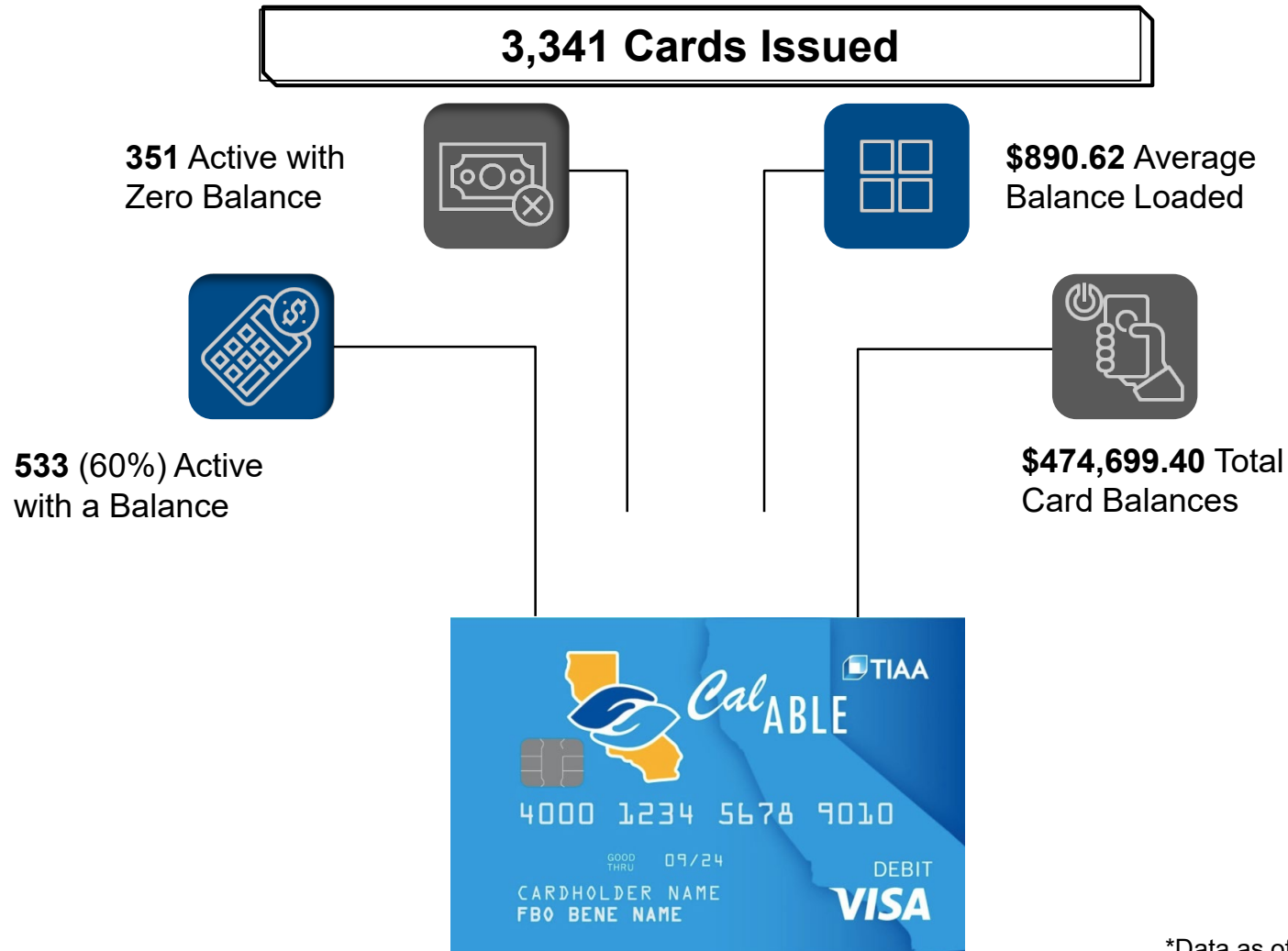
- ❖ Card request status
- ❖ Status of card funding request
- ❖ Card balance inquiry
- ❖ Card transaction search
- ❖ Card transaction history/expenditures

## Improved Relationship Management

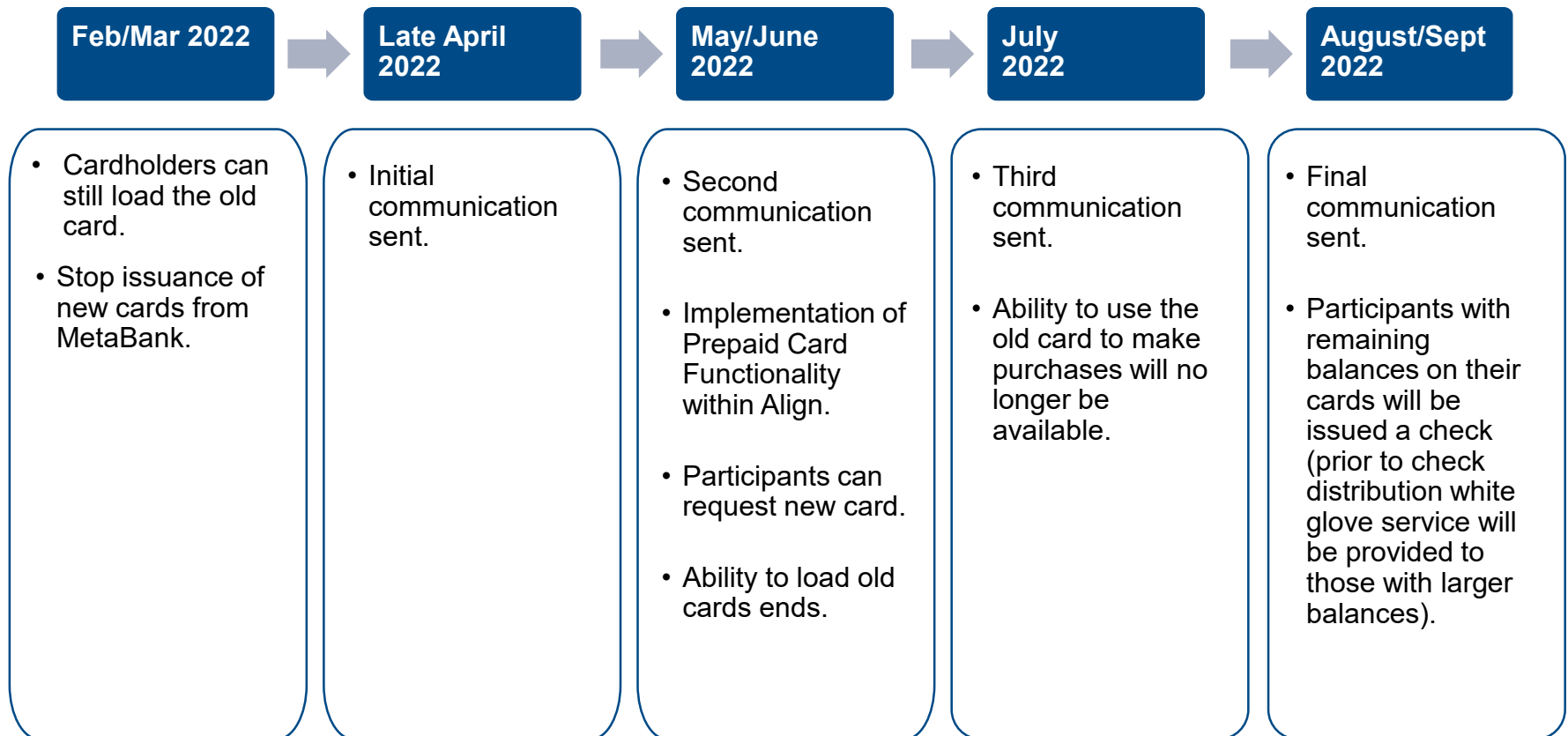
- Single point of contact with known support management team.
- Streamlined escalation process.

## Improved Client Service

- Single Customer Identification Process (CIP) – this is managed solely by Intuition and passed through to US Bank.
- Card application is not made available until the participant has passed CIP.
- Demographic information updates (address changes, etc.) are shared between Intuition & US Bank.
- Ability to request cards for an ALR, Beneficiary, or both.



\*Data as of 9/30/21





## Initial Communication

To all CalABLE account owners and a separate communication geared specifically for cardholders

- Notification about important changes coming to the CalABLE Prepaid card.
- Outline the timeline that card loads and transactions using the card ends for active cardholders.
- Issuance of new cards through MetaBank stops and begins through US Bank.

## Second Communication

To cardholders with active cards

- Explaining current card will not be able to receive any loads beginning on TBD date (60 days).
- Transactions will be declined on TBD date (additional 60 days).
- Notification of new cards to be issued.

## Third Communication

To cardholders with active cards (smaller population than previous communication)

- Reiterate previous communication.

## Final Communication

To all CalABLE account owners

- Final communication outlining the transition & what's to come.
- Explain actions needed to be taken by the cardholder.
- Participants with remaining balances on their cards will be issued a check.

# Fee Comparison

Fees	US Bank	FIS
Monthly	\$0.00	\$1.25
Per Purchase	\$0.00	\$0.00
ATM Withdrawal	N/A	N/A
Cash Reload	N/A	N/A
Inactivity Fee (After 90 Days with no transactions)	\$2.00 per month <i>Card must have a balance to be assessed an inactivity fee.</i>	N/A
Account Closure Fee - Customer calls to close card account and request remaining balance	\$0.00	\$20.00
Card Replacement up to 10 business days	\$5.00	\$10.00
Card Replacement -Expedited Delivery 3 business days	\$15.00	\$25.00
Card Replacement -Overnight	\$25.00	N/A
ATM Balance Inquiry (in-network)	\$0.00	\$0.00
ATM Balance Inquiry (out-of-network)	\$1.00	\$0.00
International Transactions	3% - This is our fee which applies when you use your card for purchases at foreign merchants and is a percentage of the transaction dollar amount, after any currency conversion. Some merchants, even if you and/or the merchant are located in the United States, are considered foreign transactions under the applicable network rules, and we do not control how these merchants and transactions are classified for this purpose.	\$2.00 Fee per each international transaction deducted from available balance.
Mailed Statement Fee	N/A <i>Cardholder can request paper statements for no fee.</i>	\$5.00 - One free per month. Charge will be assessed if request for an additional statement was requested in the same month.