



## MEMORANDUM

To: Members of the Plans Management Board  
From: Kenneth A. Simpler, Chairman of the ABLE Task Force (on behalf of the Task Force)  
Date: April \_\_\_, 2017  
Re: Recommendations for Implementing ABLE in Delaware

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### I. Background/Introduction

The ABLE Task Force (“Task Force”) was originally formed last summer and met through October. At the conclusion of that term, the Task Force recommended that the Plans Management Board (“PMB”) reconvene the Task Force in February—allowing for ABLE market maturation in the interim period—and issue final implementation recommendations to the PMB in April. The reconvened Task Force held meetings in February through April of this year.

The Task Force considered five possible paths for ABLE implementation in Delaware: 1) having an in-house plan, 2) joining the Illinois-led, multi-state Consortium, 3) contracting with another “host” state, 4) having no plan but acting as a promoter to generate and facilitate awareness of and participation in ABLE and 5) taking no action (as ABLE-eligible Delawareans can choose plans from other states). These options were judged against the following factors: cost (including direct costs to participants and the State as well as indirect costs of administration to the State), time to launch, control (of plan design, investments and branding/marketing) and fiduciary responsibility/obligations.

With the exception of taking no action to implement ABLE, the Task Force concluded that all other paths deserved consideration. The Task Force determined that the best means to evaluate the first three options was to conduct a broad RFP soliciting interest from stand-alone vendors, the Consortium and other host states. While the Task Force assumed that the RFP would yield an optimal implementation path, Delaware could always determine to cancel the RFP without making an award if the interests of Delaware’s disability community would be best served by having the State forego any plan and act as a facilitator/promoter of ABLE offerings in a mature marketplace (i.e., Option 4).

### II. Findings and Recommendations

The Task Force’s recommendations to the PMB are three-fold: (i) issue an RFP for ABLE, (ii) combine the ABLE RFP with a RFP for the College 529 plan and (iii) extend the term of the Task Force through the completion of the RFP. Each of these recommendations and supporting findings is explained in greater detail below.

#### *a. Issue a RFP for ABLE*

The Task Force recommends that OST issue a broad RFP for ABLE services that will encompass and allow evaluation of all plan options: a stand-alone Delaware plan, participation in the Consortium and contracting with other host states. A comprehensive RFP will serve as the best means of collecting data and effecting due diligence to inform Delaware as to its optimal implementation path for ABLE. The Task Force considered an RFP for a consultant to advise the PMB on ABLE options, but ultimately determined that the OST and the Task Force could save both time and out-of-pocket expenses conducting an internal search and review process.

The Task Force believes that an RFP process could be initiated in May of this year, completed this fall and a contract(s) awarded on or around the end of this calendar year; implementation could begin as early as January of 2018. A timetable for the proposed RFP is set out below.

<b>RFP Timeline</b>	
<b>Action</b>	<b>Time Period</b>
Studying of RFP	May-June 2017
Drafting and Posting of RFP	July-August 2017
Review of Responses and Contract Award	September-October 2017
Negotiation of Contract	November-December 2017
Implementation/Conversion	January 2018

***b. Combine the ABLE RFP with a RFP for Delaware’s College 529 Plan***

To generate the maximum number of options and to encourage both pricing efficiencies and administrative efficacies on the part of vendors, the Task Force recommends that the ABLE RFP should be combined with the proposed College 529 RFP. The joint RFP would allow vendors to bid on either or both of the plans, as well as on particular components of each or both plans (e.g., marketing or investments) or with a “bundled solution” approach. The Task Force expects that such an RFP will attract both traditional 529 vendors as well as newer ABLE vendors (including host states and the Consortium). The results of such an RFP will offer Delaware the greatest opportunity to review the most attractive proposals for each plan and evaluate potential synergies between the 529 plan and ABLE plan that could benefit the participants of both plans. (The timetable set out above takes into account the combined RFP.)

***c. Extend the Task Force’s Term Through the Completion of the RFP***

The Task Force brought vital experience and insight, including through direct experience with ABLE and with the disability community, to the ABLE implementation deliberative process. The Task Force can continue to provide critical value to OST during the RFP, particularly in designing the RFP’s scope of services, evaluation criteria and questionnaire. Though Task Force members are not anticipated to serve on the RFP Evaluation Team, the Task Force could be engaged at the conclusion of the RFP process to review the selection(s) of the RFP Evaluation Team and make some preliminary recommendations to the PMB to accompany the Evaluation Team’s formal recommendation(s). Continuing participation by the Task Force will ensure the needs of the disability community are properly reflected in the RFP process and ultimate selection of vendors.

**III. Conclusion**

ABLE is an important program that will provide life-altering benefits for many of our fellow citizens. The Task Force believes that the recommendations set out above will allow Delaware to make an

optimal decision regarding the State's ABLE implementation. Through a robust and comprehensive RFP process, the PMB will have all the information necessary to make a wise decision on ABLE implementation with a goal of having a Delaware ABLE offering implemented in early 2018.