



**MINUTES FROM SPECIAL MEETING OF THE  
PLANS MANAGEMENT BOARD  
October 5, 2020**

A special meeting of the Plans Management Board (the “Board”) was held on October 5, 2020, 11:30 a.m.

Board Members Represented or in Attendance:

Ms. Donna Vieira, Chair

Mr. Pete Kennedy, Audit and Governance Committee Chair

Mr. Gerald Gallagher, Member-at-Large

Mr. Robert Scoglietti, Chief of Policy, Office of Management and Budget (on behalf of Mr. Michael Jackson, Director)

The Honorable Trinidad Navarro, Insurance Commissioner

Mr. Richard Geisenberger, Secretary of Finance

Ms. Susan Bunting, Secretary of Education

Board Members Not Represented or in Attendance:

Mr. Alan Colberg, Investment Committee Chair

The Honorable Colleen C. Davis, State Treasurer

Mr. Joel Coppadge, II, Public Member-at-Large

Ms. Leighann Hinkle, State Employee

Others in Attendance:

Mr. Jason Staib, Deputy Attorney General, Delaware Department of Justice

Mr. Dan Madrid, Chief Operating Officer, Office of the State Treasurer (“OST”)

Mr. Dan Kimmel, Promotion and Outreach Manager, OST

Mr. Mike Green, Investments and Operations Manager, OST

Ms. Deborah Bradl, Policy Analyst, OST

**CALLED TO ORDER**

**A MOTION was made by Ms. Donna Vieira and seconded by Mr. Richard Geisenberger to call the meeting to order at 11:35 a.m.**

**MOTION ADOPTED UNANIMOUSLY**

## **DISCUSSIONS AND ACTION ITEMS**

Mr. Dan Madrid reviewed with the Board the purpose for calling a special meeting. He reviewed background on the Alliance. The original Alliance states joined in 2016 and 2017, Delaware did not officially join until June of 2018 under the authority of Delaware's legislation which permits our program to be established and maintained without a formal RFP at the state level if Delaware decided to participate in a national consortium model. Mr. Madrid note the National ABLE Alliance is now comprised of 17 states + D.C. (what we call the "National ABLE Alliance") with Ascensus as our recordkeeper.

Mr. Madrid noted that the National ABLE Alliance program has grown to 117M in assets and roughly 16,000 account owners nationally (Delaware with 115 accounts and \$900K in assets - .8% of total). We have an equal vote in the Alliance despite our size. (1 state/1 vote). Mr. Madrid stated the initial term for the Master Agreement with Ascensus ends December 1, 2021, with notification of Alliance intentions due on December 1, 2020 While Illinois, as our facilitating state for the Alliance, had originally slated a vote to either extend the contract with Ascensus or issue an RFP in November, they are now moving forward this week with a recommendation and vote with the participating states and territory to issue an RFP. The rationale for this is to maximize their time to issue, review, and enter into a new contractual arrangement for the Alliance.

Mr. Madrid noted the following round of preliminary negotiations with Ascensus over the summer produced the following factors that are now driving the recommendations to issue of an RFP, instead of an extension:

1. Costs and Fees - Ascensus proposed to shift costs around on pricing by reducing the annual maintenance fee but proposed to no longer waive the \$2 monthly checking account fee. Net-result would not be a lowering of costs for participants and potentially problematic for checking account owners who are sensitive to fees.;
2. Search for New Checking Account option provider following concerns surrounding a data breach with 5/3<sup>rd</sup> Bank this past year – Ascensus agreed to a good faith search for a new checking account provider;
3. Core Subcontractor and Subcontractors oversight – Ascensus made some concessions to Alliance requests for greater oversight by Ascensus. However, a key sticking point is the requirement by Alliance for inclusion in or a separate SOC 1 compliance report and Ascensus wouldn't budge.
4. Interaction with ACS – ACS would not agree to completing an annual certification that they are in compliance with the Master Agreement; they want to be able to have the authority to veto new states from joining the Alliance if ACS doesn't see enough of a business opportunity for the company;
5. Marketing – ACS will not agree to additional marketing support but would commit \$50,000 annually for advancement of Alliance objectives. An example would be sponsorships.

Mr. Madrid opened the meeting up for any questions or discussion. Hearing none he proceeded with a vote by the Board.

**A MOTION was made by Ms. Donna Vieira and seconded by Mr. Trinidad Navarro to allow OST, as a member of the ABLE Alliance, to enter into the issuance of an RFP to search for a new recordkeeper with a focus on improving the contractual terms and program administration. MOTION ADOPTED UNANIMOUSLY**

**PUBLIC COMMENT**

No comment from members of the public.

**ADJOURNMENT was at 11:46 a.m.**

Respectfully submitted,

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Chair for the Plans Management Board

DRAFT