

**NEBRASKA INVESTMENT AND ADMINISTRATIVE SERVICES
ABLE PROGRAM RFP
PRE-PROPOSAL CONFERENCE QUESTIONS
August 4, 2015**

- 1. Can you please provide a breakdown of the number of persons with disabilities in the state of Nebraska by type of disabilities and age. If available, we would appreciate including the number of persons eligible for the ABLE program.**

As most are aware, it is difficult to estimate the population eligible to participate in an ABLE program. National statistics presented by the National Disability Institute (attached) estimate the national population of children eligible to participate is between 2.6 and 4 million and the adult national eligible population between 5.2 and 8 million. In Nebraska, it is estimated that more than 229,000 ages 5 and older are disabled. However, the number of eligible participants has not yet been determined.

- 2. Page 21. Section c. v. – Would the Treasurer consider its current 529 College Savings Plans as a product that “potentially could compete with Nebraska ABLE”?**

No. The Treasurer would not consider any 529 college savings plan as a product that will potentially compete with Nebraska ABLE.

- 3. Page 21. Section d. i. – The RFP refers to a database of callers to and with Nebraska ABLE. There is a suggestion that the database will be transmitted and shared. Do you anticipate that this database will be transmitted to or shared with another party? If so, with whom?**

No. We do not expect the database of callers to be shared with another party other than service providers for Nebraska ABLE and the Treasurer.

- 4. Page 59 – Attachment C. 2. – The RFP lists types of investments, some of which are asset classes, some indicate passive versus active in a specific asset class and there is a “low risk” category.**

- a. Is it your intention that the proposal includes at least these types of investments?**

The Issuer is expecting the Provider submitting a Proposal to present its best proposed investment options for Nebraska ABLE. The categories presented in the table on page 59 are sample categories included to provide a format for consistency of presentation across Proposals.

- b. What were your thoughts on what would be defined as “low risk”?**

Low risk investments would be those types of investments with a lower level of market and investment risk including fixed income investments, money markets, certificates of deposit and checking and savings accounts.

5. **Page 69 - Attachment E. Draft Nebraska ABLE Distribution Policy – While we understand this is a draft, it appears that the RFP is suggesting that only the account owner and not the program maintain records of qualified expenses. This is appreciated.**

- a. **Is it your intention that if the approved IRS regulations (or draft, if not yet approved by the time the Nebraska ABLE program launches) require recording of expenses as qualified, housing or non-qualified, that the Program require the account owner to indicate (or self-certify) that the withdrawal request was for one of these types of expenses and, potentially, indicate how much of the withdrawal was for each?**

It is our intention that the program will be operated in compliance with Regulatory and Industry Requirements (as defined in the RFP), including final IRS regulations, as applicable. However, we also intend for the program to be managed in a way that would minimize paperwork requirements for the program and participants.

- b. **Because the RFP suggests that you are expecting a checking/debit card solution how would you anticipate that these categories of withdrawals be identified if the account owner does not have to request a withdrawal directly from the program if expenses are paid through a checking/debit card?**

Federal regulations will ultimately affect the ability of the program to offer checking/debit card investment options for participants. We are hopeful that interpretive guidance in the near future will allow self-certification in a manner that would be conducive to this type of investment option.

6. **The Issuer notes in Section V. A. 4. “Administrative Fee. The Issuer intends to operate Nebraska ABLE initially on start-up funds made available pursuant to the Enabling Act.”**

- a. **What has the Issuer or Treasurer earmarked these funds for? And how much for each?**

The Treasurer anticipates utilizing the start-up funds to support its administrative costs for establishing and operating Nebraska ABLE as well as establishing and operating the Contracting State Program.

- b. **Will these funds be made available as seed assets for the program’s investments as chosen by the investment manager?**

This is not the anticipated use of the funds. See the answer to 6.a. above.

7. **Because the Issuer does not intend to commence a Contracting State Program until the Nebraska ABLE Program opens to eligible participants in Nebraska, do you desire for responsive proposals to include not only advertising and planning for dissemination of information about Nebraska ABLE within Nebraska but also outside of Nebraska should you move forward with the Contracting State Program?**

Yes. The RFP asks for Proposals to include any proposed differences in the manner in which the Contracting State Program will be administered as follows:

- a. Describe any alternative investment options that would be offered to Contracting States and the reasons for offering different Investments.
- b. Describe any changes to customer service or account administration that would be offered to Contracting States and the reasons for such changes in services to be offered.
- c. Describe any changes to marketing services, including the Marketing Budget Breakdown, for Contracting States and the reasons for such changes in services to be offered.
- d. Describe any changes in fees charged to participants in the Contracting State Program and the reasons for such changes in fees.

See Section VI.D.2.e. of the RFP.

8. It appears that any exceptions to the proposed Agreement must be clearly identified in the Executive Summary of the Technical Proposal. Will the Issuer accept a redlined version of the agreement with proposed edits clearly marked and a reference to such document in the Executive Summary?

Yes as long as the redline is accompanied by an explanation for the requested change.

9. Section V.G (Program Start Date and Project Plan) indicates that in advance of the Nebraska ABLE offering, “some of the Services outlined in [Section V]” will be provided by the new provider in advance of the 2016 program start date. Can the Issuer elaborate on the timing of the start of these services and which services would be expected?

It is expected that certain services such as developing the investment options and the marketing plan, outreach to disability advocacy organizations and states interested in becoming contracting states will be provided before the actual start date of Nebraska ABLE.

10. Given significant upfront costs associated with starting a new plan with no existing participant assets, is the state open to granting an initial contract term longer than 5 years allowing the provider a longer period and higher asset levels to recoup such costs?

The Treasurer is mindful of the significant costs associated with starting a new plan. Therefore, the Issuer will accept Proposals for longer contract durations as long as the Provider also submits a Proposal for the contract term specified in the RFP.

11. What if any advocacy across the state and disabled community has the Treasurer already engaged in raising awareness of the passage of the Enabling Act?

While the Treasurer’s Staff has and will continue to respond to questions from interested individuals and groups, the Treasurer is currently of the opinion that a major outreach effort should commence after a Provider is selected.

12. Has the Treasurer already established guidelines and/or workflow processes for un-systematic and systematic withdrawals?

No. The Treasurer is expecting the Provider to include guidelines and workflow processes as part of its Proposal.

13. Does the Treasurer have a sense of the investment time horizons needing to be represented for Nebraska Participants?

The Issuer anticipates that Nebraska ABLE will be used:

- a. To pay ordinary and routine expenses, requiring a checking account and/or debit card-type of functionality;
- b. To pay periodic (i.e. – monthly, quarterly) expenses, requiring short-duration Investments that can be accessed with minimal notice to the Program; and/or
- c. To pay for expenses anticipated at a later date, requiring a longer-term investing timeline.

14. How long do you expect the evaluation process to take?

Following receipt of Proposals, it is expected that the evaluation committee will complete their review in sufficient time to award the contract in October with an executed contract in November.

15. Has the Treasurer’s office surveyed potential Nebraska ABLE participants as to how they intend to use their ABLE account?

The Treasurer’s office has not, to date, undertaken this type of survey but understands that the National Disability Institute is in the process of conducting a nation-wide survey. It is expected that Nebraska results would mirror the general national results for such a survey.

16. The fiscal note for the Enabling Legislation indicated an expected \$768,000 loss of revenue in the first year of Nebraska ABLE. Were those numbers provided by the Treasurer’s office? And, if so, what was the source for the estimate?

The fiscal impact analysis for the Enabling Legislation was conducted by the Nebraska Department of Revenue. The Treasurer’s office does not have specific information regarding the methodology for concluding the estimated fiscal impact presented.