

***Comments of Retirement Systems Executive Director Steve Toole
at the NC ABLE Program Board of Trustees Meeting, October 7, 2016***

As many of you are aware, the Department of State Treasurer (DST) and the NC ABLE Board of Trustees (Board) has engaged outside expertise to help us research and investigate the best structure, or model, for our North Carolina ABLE Program. As part of that extensive research and analysis, we interviewed representatives from states that have open ABLE programs, we connected with states that are in the early planning stages, and we reviewed proposals from private industry ABLE providers. In addition, we entered into discussions with a consortium of ten states that have joined forces to offer individual state ABLE programs as a group. This group, the “ABLE Consortium” is comprised of ten states that seek to provide exceptional ABLE programs to qualifying citizens. These member states in the ABLE Consortium recognize the many benefits that arise from the economies of scale that their successful collaboration can bring.

In each possible plan model, DST analyzed three critical areas: The length of time it would take to get a quality NC ABLE program initiated and running, the program start-up and ongoing costs to the State, and the amount of oversight the NC ABLE Program Board of Trustees would have over critical fiduciary decisions related to participant investments. After a thorough and very detailed analysis of the cost of each model, the timeline to implement it, and the oversight we would have, the NC ABLE Program Board of Trustees Evaluation Committee has made a final recommendation to the Board for the NC ABLE program model.

Following a closed session of today’s meeting, the Board approved a recommendation to instruct staff to enter formal contract negotiations with the multi-state ABLE Consortium and enter a contractual relationship upon achieving favorable terms and conditions. This ABLE Consortium is comprised of ten states: Alaska, Illinois, Iowa, Kansas, Minnesota, Missouri, Nevada, New Jersey, Pennsylvania, and Rhode Island. The ABLE Consortium was developed with the idea that each state will pool its resources and implement its own ABLE program, regardless of its individual state appropriation; and all the states will invest in the same group of high quality investment funds to achieve the economies of scale that bring down costs for participants.

DST and the Board are confident that a partnership with the multi-state ABLE Consortium will yield a high-quality NC ABLE Program for our citizens with disabilities and their families.

Many of you have been collaborating with us and sharing your ideas about how best to serve the community of North Carolinians living with disabilities through this landmark legislation. We look forward to continued collaboration as we work toward launch of the NC ABLE Program.

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