MEMORANDUM

TO: NEBRASKA INVESTMENT COUNCIL
FROM: TREASURER JOHN MURANTE
DATE: JUNE 10, 2021
RE: NEW SERVICE PROVIDER FOR ENABLE SAVINGS PLAN

The Enable Savings Plan allows individuals with certain disabilities to create tax-advantaged savings accounts to pay for qualified disability-related expenses. The Nebraska State Treasurer is the Trustee of the Nebraska Achieving a Better Life Experience Program Trust and the Nebraska Investment Council approves Enable’s investments. First National Bank of Omaha is the current program manager. However, the program management agreement expires June 30, 2021 and FNBO is exiting the business.

The Treasurer issued a Request for Information for a new program manager in July 2020. After reviewing the RFI responses and interviewing finalists, the Treasurer recommended the retention of True Link Financial. The Council approved the Treasurer’s recommendation at its December 10, 2020 meeting and the parties moved forward with the conversion process. However, in March 2021, True Link notified the Treasurer that it would be exiting the program management business and would not assume program manager responsibilities for Enable as originally planned.

The Treasurer approached RFI respondents and current program partners to determine whether any would be willing to step in and serve as Enable’s program manager upon the expiration of the FNBO contract. The only company that could do this was Ascensus, Enable’s current recordkeeper (via a subcontract with FNBO).

Ascensus proposed no immediate changes to the existing investment lineup, and a reduction in the program management fee from 50 basis points to 40 basis points. However, Ascensus’s role will be limited primarily to recordkeeping the plan, hosting Enable’s website, providing client services (e.g., call center staff; transaction processing) and distributing statements and tax forms. The Treasurer’s Office will be responsible for the remaining program manager responsibilities. Investment operations (e.g., custody, cash management) would be provided by Bank of New York Mellon.

We are requesting the Nebraska Investment Council’s approval of Ascensus as the new service provider for Enable, with program manager responsibilities split between Ascensus and the Treasurer’s Office, no change in investment options and a 10-basis-point program management fee reduction. The change would take effect July 1, 2021.