



OFFICE OF ILLINOIS STATE TREASURER

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Illinois Releases RFP with Nine States to Assist People with Disabilities and Blindness

ABLE Consortium Submits a Request for Proposal on Program Services

SPRINGFIELD - Illinois Treasurer Michael Frerichs announced today a Request for Proposal (RFP) for ABLE program services that will help people with a disability or blindness save for a better future. Frerichs made the announcement along with nine other states, forming a partnership that seeks to provide the best program possible at a low cost to beneficiaries.

The consortium will manage a tax-advantaged investment portfolio similar to those used to save for college, such as Illinois' Bright Start and Bright Directions programs. Without the consortium, individual states would lack the market share to ensure low cost and high quality investment options.

"I am very excited to make this announcement alongside my fellow state ABLE administrators," Frerichs said. "By working together, we can ensure a much better future for those struggling with a disability or blindness."

The federal Achieving a Better Life Experience Act (ABLE) of 2014 authorized tax-advantaged investment accounts for people with a disability or blindness. Unlike with 529 college savings accounts, however, states were concerned that ABLE programs will have a low pool size and high account transaction rate, which could create high fees for beneficiaries.

With states working together and leveraging their resources, an economy of scale is created to drive down cost and attract quality investment products.

Ten states will work together to help these individuals and families - Alaska, Illinois, Iowa, Kansas, Minnesota, Missouri, Nevada, New Jersey, Pennsylvania, and Rhode Island. The states represent more than 56 million residents and cover four time zones. Consortium membership is still open and a number of other states are currently considering joining.

Under the consortium, each state will administer and maintain ownership of its own ABLE program, but will offer common program elements such as investment options. The RFP seeks public bids for investment, administrative, customer service, and outreach material services.

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About the Illinois Treasurer

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's chief investment officer, he actively manages approximately \$25 billion. The portfolio includes \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The treasurer's office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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