

To: MN Secure Choice Board of Directors

From: Dave Bergstrom, Interim Executive Director

Re: Establishment of a Board Committee to Facilitate the Selection of a Record Keeper or a Partnership with Another State-facilitated Auto-IRA Program

The law allows the Board to hire a record keeper to administer the Program or to enter into a partnership with other programs that offer a State-facilitated IRA. Hiring a record keeper would provide the Board with more control over decisions such as investment offerings, fee structure and other operational decisions, but will cost more and take longer to implement. Entering into a partnership will be less expensive and quicker to implement, but the Board would have less control over some of the Program details.

I propose creating a Board Committee to develop and post a Request for Proposal (RFP) to hire a record keeper and simultaneously develop and solicit responses from other State-facilitated programs to enter into a partnership. The RFP process is more formal, and we would enter into a contract with the record keeper. We will use a similar, but less formal approach, to get information about a potential partnership. If we join a partnership, we will enter into a Joint Powers Agreement. I would envision that the Committee would review the responses from both processes and make a recommendation to the Board.

If the Board approves the hiring of an operational consultant under Board Agenda Item 4, we will have three major decisions moving simultaneously; 1) Search to hire a Permanent Executive Director, 2) Hiring a consultant, and 3) selecting a record keeper or partner. A high-level timeline for completing each task is shown below:

Permanent Executive Director Search	January 2025	→	→	→	May 1, 2025
Hiring and contracting with an operational consultant	January 2025	→	→	→	April 15, 2025
Choosing a Record Keeper or partnership	February 2025	→	→	→	June 1, 2025
Contracting with a record keeper or partnership				→	June 1, 2025 → August 1, 2025

Under this timeline, the Permanent Executive Director will be able to participate in the decision to enter into a partnership or establish a stand-alone program. The consultant would be able to assist the Executive Director and the Board in making this decision and drafting a contract or joint powers agreement.