
CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) ACT BOARD

Meeting Minutes

April 27, 2017 – 9:00 A.M.
721 Capitol Mall, Room 169, Sacramento, CA 95814

Teleconference location open to the public:
100 Campus Center, Tide Hall, Bld. 23, Room 113, Seaside, CA 93955

Public Participation Call-In Number* (877) 810-9415 and Participant Code: 6535126

Board members present:

Vincent P. Brown for the State Treasurer, John Chiang
Alan Lofaso for the State Controller, Betty T. Yee
Eraina Ortega for the Director of Finance, Michael Cohen
Dr. April Lopez, Chairperson, State Council on Developmental Disabilities
Elena Gomez for the Director of Rehabilitation, Joe Xavier
Linda Schaedle, Chairperson, State Independent Living Council
Eric Gelber for the Director of Developmental Services, Nancy Bargmann

Board members absent:

None

CalABLE Board staff present:

Christina Elliott, Executive Director
Carrie Fisher Stone, Deputy Executive Director
Rajeshwari Prasad, Associate Governmental Program Analyst

Chairperson Brown called the meeting to order at 9:04 a.m.

Agenda Item 1 – Approval of the Minutes of the March 7, 2017 Meeting of the California ABLE Act Board (ACTION ITEM)

Member Schaedle requested an amendment to be made to the March 7, 2017 meeting minutes to include the discussion around program fees. Staff will revise the meeting minutes for the Board's approval at a future Board meeting.

Chairperson Brown asked for public comment. There was none.

Agenda Item 2 – Executive Director's Report (INFORMATION ITEM)

Executive Director Christina Elliott presented to the Board an update on the 529A investment consultant contract which was awarded to Pension Consulting Alliance LLC and approved by Department of General Services (“DGS”) on April 25, 2017.

Ms. Elliott gave an update on the three federal legislative bills pertaining to the ABLE Act, as well as three state legislative bills relevant to CalABLE.

Ms. Elliott reported the ABLE Alliance and Oregon have shared unredacted versions of their contract, which will be reviewed by staff.

Ms. Elliott reported that staff has used a regional approach for outreach and education on the program, and so far has used about \$12,000 in outreach-related costs.

Chairperson Brown asked for public comment. There was none.

Agenda Item 3 – Board Budget Review (INFORMATION ITEM)

Ms. Christina Elliott presented to the Board a detailed overview of the Board’s budget. The Board’s budget for fiscal year 2016-2017 was \$850,000 and as of March 31, 2017, staff has expended about \$493,000 on the program consultant, translation services, outreach, and equipment. The remaining \$356,000 for this fiscal year will be used for outreach and marketing.

The Board and Ms. Elliott discussed the receipt and use of private donations. The Board’s legal counsel, Deborah Yang, clarified that the use of private donations for program participant fees will require legislative action. Ms. Yang also informed the Board that the Board currently has marketing authority, subject to availability of funds.

Chairperson Brown requested to have an agenda item in the future on the advantages and disadvantages of offering buy-downs or scholarships. Member Ortega stated that the Board and staff need to focus on implementing the program first before exploring fundraising options.

Chairperson Brown asked for public comment. There was none.

Agenda Item 4 – Approval of the 2016-2017 Strategic Plan of the California ABLE Act Board (ACTION ITEM)

Ms. Elliott presented the 2016-2017 Strategic Plan of the California ABLE Act Board. Ms. Elliott reported that the Board has received three readings and no changes have been made. Ms. Elliott reported that going forward staff will prepare a two-year strategic plan for 2017-2019 and present to the Board for approval.

Chairperson Brown asked for public comment. There was none.

Board Action

Motion to approve the 2016-2017 Strategic Plan of the California ABLE Act Board.

MOTION:	Eraina Ortega	SECONDED:	Dr. April Lopez
AYES:	Linda Schaedle, Eric Gelber, Elena Gomez, Dr. April Lopez, Eraina Ortega, Alan Lofaso, and Vincent P. Brown		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

Agenda Item 5 – CalABLE Priorities and Plan for Program Implementation (INFORMATION ITEM)

The Board's 529A program consultant, Andrea Feirstein, gave a presentation on priorities and options for CalABLE Program implementation. The Board's options include selecting a vendor through an RFP, joining a consortium of states (ABLE Alliance), and partnering with another state.

Board members discussed its authority to pursue the program implementation options. Chairperson Brown inquired whether the Board has the statutory authority to pursue these other options. Ms. Yang clarified that the Board can contract with another state without a competitive bidding process.

Member Gomez inquired about the difference in timeline between the state partnership and ABLE Alliance options, especially whether DGS' contract review process was considered. Ms. Elliott clarified that the timelines for the state partnership and ABLE Alliance options did not include DGS' contract review process.

Ms. Feirstein explained the advantages and disadvantages in the governance of the CalABLE Program, where public benefits may not be portable in joining the ABLE Alliance or another state. Member Gelber stated that the legislative priorities seem premature, since program design has not yet been finalized.

Ms. Feirstein informed the Board that investment options for the ABLE Alliance and state partnership will remain unchanged. Ms. Feirstein reported that she has not heard of any option permitting for customization on investment options.

Ms. Feirstein reported that there is a relationship between timing and efficiency with respect to the available options. In the ABLE Alliance and state partnership options, the platform is already built and may have limitations on customizing the platform.

Board members and Ms. Feirstein discussed the role of disability advocates in the ABLE Alliance and state partnership options. Member Gomez inquired about accessibility of program materials in other languages in each of the options. Ms. Feirstein added that the Board's program manager RFP asks bidders to elaborate on accessibility and program materials in other languages.

Board members, Ms. Feirstein, and Ms. Elliott discussed the different fee structures in the available options.

Member Lofaso inquired about the process for reaching out to other states for possible partnerships. Ms. Elliott reported that she reached out to different program administrators and requested unredacted contracts so that the Board can look at its options. Member Lofaso reported he would like to see which states were asked for possible partnerships and which states refused. Chairperson Brown reported he expects staff to bring this information to the Board in June along with a staff recommendation on program design and implementation.

Member Lofaso inquired about program fees decreasing depending on participation rates. Ms. Feirstein reported that some contracts include price breakpoints. Ms. Elliott reported that the ABLE Alliance contract includes California's participation rate.

Board members and Ms. Feirstein discussed asset-based and account-maintenance fee structures in other programs.

Chairperson Brown asked for public comment. There was none.

Agenda Item 6 – Approval of Amendment to Request for Proposals (“RFP”) No. ABLE 05-16 Program Administrator and Investment Manager (“Program Manager”) Services

Ms. Elliott informed the Board that staff will work with Ms. Feirstein and Pension Consulting Alliance LLC to create a grid for the Board to compare different options.

Ms. Elliott informed the Board that there are five different options available for the Board to choose from in terms of the evaluation process for the RFP. Staff's recommendation is to make no changes and proceed as planned. Ms. Elliott informed the Board that Board members may read the written proposals without participating in the evaluation committee.

Member Lofaso inquired about the possibility of other evaluation process options, such as bidder presentations before the Board and other interview questions.

Member Ortega inquired about the composition of the evaluation committee. Ms. Yang answered that it comprises of CalABLE staff and the Chairperson's designee, the General Counsel of the State Treasurer's Office. Ms. Yang clarified that contractors such as Ms. Feirstein and Pension Consulting Alliance LLC can advise as experts.

Member Ortega reported she feels comfortable having staff and the Chairperson's designee evaluate the proposals. Member Gomez stated that she does not want to be involved in the evaluation process, but there is value in having someone from the disability advocacy side to be included in the evaluation committee.

Member Lofaso inquired about the implications of choosing one of the options at a future Board meeting. Ms. Yang clarified that staff would issue an addendum to the RFP to revise the timeline. If the Board chooses the RFP option, staff would post the notice of intent to award. If the Board chooses one of the other options, staff would rescind the RFP and notify bidders that the Board has decided not to award a contract.

Member Gomez stated that she would prefer to include the interview questions listed in Option 2. Ms. Yang replied that the questions can be worked into the RFP through an addendum. Ms. Feirstein stated that bidders may already be in production mode with their written proposals because the deadline for submissions is so close.

Chairperson Brown reported that all other boards chaired by the Treasurer delegate the responsibility of evaluating proposals to staff, and concurs with staff's recommendation to make no changes to the evaluation process.

Chairperson Brown asked for public comment. There was none.

Board Action

Motion to approve staff's recommendation to make no changes to the evaluation process in RFP No. ABLE 05-16 for Program Administrator and Investment Manager ("Program Manager") Services.

MOTION:	Elena Gomez	SECONDED:	Alan Lofaso
AYES:	Eric Gelber, Elena Gomez, Dr. April Lopez, Eraina Ortega, Alan Lofaso, and Vincent P. Brown		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

Agenda Item 7 – Resolution No. 2017-04: Approval of California ABLE Act Board Regulations and Regular Rulemaking Proceedings

Executive Director Christina Elliott gave an update on the regulations. Ms. Elliott reported that no changes have been made to the regulations since being approved on February 21, 2017.

Chairperson Brown asked for public comment. There was none.

Board Action

Motion to approve Resolution No. 2017-04 for the adoption of regulations to implement the California ABLE Program and authorize regular rulemaking proceedings.

MOTION:	Eraina Ortega	SECONDED:	Alan Lofaso
AYES:	Eric Gelber, Elena Gomez, Dr. April Lopez, Eraina Ortega, Alan Lofaso, and Vincent P. Brown		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

Public Comment

Chairperson Brown asked for public comment. Patricia Sullivan made public comment about the challenges of getting documentation from her healthcare provider for self-certification to open an ABLE account.

Other Business

None.

The meeting adjourned at 11:59 a.m.