
CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) ACT BOARD

Meeting Minutes

January 9, 2018 – 1:30 p.m.
915 Capitol Mall, Room 587, Sacramento, CA 95814

Public Participation Call-In Number* (877) 810-9415 and Participant Code: 653-5126

Board members present:

Vincent P. Brown for the State Treasurer, John Chiang
Alan Lofaso for the State Controller, Betty T. Yee
Jacqueline Wong-Hernandez for the Director of Finance, Michael Cohen
Dr. April Lopez, Chairperson, State Council on Developmental Disabilities
Elena Gomez for the Director of the Department of Rehabilitation, Joe Xavier
Eric Gelber for the Director of the Department of Developmental Services, Nancy
Bargmann
Peter Mendoza for the Chairperson of the State Independent Living Council,
Joseph Cody

Board members absent:

None

CalABLE Board staff present:

Stanley Zeto, Acting Executive Director
Dante Allen, Executive Director
Carrie Fisher Stone, Deputy Executive Director
Rajeshwari Prasad, Associate Governmental Program Analyst

CalABLE Board consultants present:

Andrea Feirstein, AKF Consulting Group
Eric White, Pension Consulting Alliance, LLC

CalABLE Board program manager staff present:

Kip Meadows, Chief Executive Officer, The Nottingham Company, Inc.
Kate Honey, Project Manager, The Nottingham Company, Inc. (*via teleconference*)
Lindy Fields, Project Coordinator, The Nottingham Company, Inc. (*via teleconference*)
Kellie Masters, Director of Shareholder Services, The Nottingham Company, Inc. (*via teleconference*)
Kathleen McGrath, KF McGrath, LLC (*via teleconference*)

Chairperson Brown called the meeting to order at 1:30 p.m.

Agenda Item 1 – Approval of the Minutes of the December 5, 2017 Meeting of the California ABLE Act Board (ACTION ITEM)

Chairperson Brown asked for public comment. There was none.

Board Action

Motion to approve the minutes of the December 5, 2017 meeting of the California ABLE Act Board.

MOTION:	Alan Lofaso	SECONDED:	Jacqueline Wong-Hernandez
AYES:	Peter Mendoza, Eric Gelber, Elena Gomez, Dr. April Lopez, Jacqueline Wong-Hernandez, Alan Lofaso, and Vincent P. Brown		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

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

Mr. Stanley Zeto presented a report on legislation, outreach, and staffing changes. Ms. Andrea Feirstein provided a brief overview of the tax reform bill which permits rollovers between 529 and ABLE plans and also permits additional contributions for certain participants.

Mr. Zeto and Ms. Feirstein responded to inquiries from the Board on the contribution limits for 529 and ABLE plans.

Chairperson Brown announced Mr. Dante Allen’s appointment as the Board’s Executive Director, and thanked Mr. Zeto for his service in the acting role.

Chairperson Brown asked for public comment. There was none.

Agenda Item 3 – Resolution No. 2018-01: Approval of the California ABLE Program Monitoring Procedures and Criteria (ACTION ITEM)

Mr. Zeto and Mr. Eric White presented a brief overview of the California ABLE Program Monitoring Procedures and Criteria, which outline components of the Program that is subject to monitoring, including how and when such monitoring shall take place; the mixture of permitted investments as described in the Investment Policy that are acceptable from both a rate of return and risk standpoint; a definition of what constitutes acceptable performance; and how underperformance may be addressed.

Mr. Zeto, Ms. Feirstein, and Mr. White responded to inquiries from the Board on the use of participant feedback for guiding decisions on portfolio performance. Mr. Zeto also responded to inquiries from the Board on sharing participant feedback with the Board and creating user-friendly educational materials about the program.

Chairperson Brown asked for public comment. There was none.

Board Action

Motion to approve Resolution No. 2018-01 of the California ABLE Act Board to adopt the California ABLE Program Monitoring Procedures and Criteria.

MOTION:	Alan Lofaso	SECONDED:	Dr. April Lopez
AYES:	Peter Mendoza, Eric Gelber, Elena Gomez, Dr. April Lopez, Jacqueline Wong-Hernandez, Alan Lofaso, and Vincent P. Brown		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

Agenda Item 4 – Resolution No. 2018-02: Approval of Amendment to the California ABLE Act Board’s Statement of Investment Policy for the California ABLE Program (ACTION ITEM)

Mr. Zeto and Mr. White presented a brief overview of the revisions to the Board’s Statement of Investment Policy, which include the finalization of the Program’s investment lineup and outline additional details of each of the Program’s portfolios including but not limited to their strategies, asset allocation, and benchmarks.

Chairperson Brown asked for public comment. There was none.

Board Action

Motion to approve Resolution No. 2018-02 of the California ABLE Act Board to adopt the amendment to the Statement of Investment Policy for the California ABLE Program.

MOTION:	Jacqueline Wong-Hernandez	SECONDED:	Peter Mendoza
AYES:	Peter Mendoza, Eric Gelber, Elena Gomez, Dr. April Lopez, Jacqueline Wong-Hernandez, Alan Lofaso, and Vincent P. Brown		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

Agenda Item 5 – 529A Program Consultant Update (INFORMATION ITEM)

Ms. Feirstein presented a report on the latest update on 529A (ABLE) plans nationwide, which include the addition of two new ABLE partnership plans—a New Mexico partnership with Ohio and a Washington partnership with Oregon—totaling the number of plans to 31. Ms. Feirstein also reported that there is renewed legislative effort in Washington, D.C. to increase the age of onset of disability.

Chairperson Brown asked for public comment. There was none.

Agenda Item 6 – CalABLE Program Update (INFORMATION ITEM)

Kip Meadows, Chief Executive Officer, from The Nottingham Company, Inc. presented a brief update on the CalABLE Program timeline, marketing strategy, and program administration.

Ms. Kathleen McGrath provided a brief overview of her expertise in the 529/ABLE space and reported on the importance of defining data collection parameters to help guide marketing efforts for the program. Ms. McGrath also responded to inquiries from the Board on distinct marketing strategies which include but are not limited to building trust with potential participants, creating a navigable and user-friendly website, providing readable disclosure statements, and possibly leveraging 529 participation.

Ms. McGrath and Mr. Meadows also responded to inquiries from the Board on call center data collection either during the call or through a post-call survey.

Chairperson Brown asked for public comment. There was none.

Public Comment

Chairperson Brown asked for public comment. There was none.

The meeting adjourned at 2:57 p.m.