

---

CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) ACT BOARD

Meeting Minutes

November 27, 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  
Thomas Todd for the Director of the Department of Finance, Keely Martin Bosler  
Francis Lau for the Chairperson of the State Council on Developmental  
Disabilities, Sandra Smith  
Elena Gomez for the Director of the Department of Rehabilitation, Joe Xavier  
Peter Mendoza for the Chairperson of the State Independent Living Council,  
Joseph Cody  
John Doyle for the Director of the Department of Developmental Services, Nancy  
Bargmann

CalABLE Board staff present:

Dante Allen, Executive Director  
Carrie Fisher Stone, Deputy Executive Director  
Bob Hedrick, Legal Counsel

CalABLE Board consultants present:

Andrea Feirstein, AKF Consulting, LLC (*via teleconference*)  
Eric White, Pension Consulting Alliance LLC (*via teleconference*)

CalABLE Board program manager, Tuition Financing, Inc. (TFI), staff present:

Linda English, Senior Director of Relationship Management  
Vivian Tsai, Senior Director, Head of Relationship Management  
Kathleen Griffin, Senior Director

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

**Agenda Item 1 – Approval of the Minutes of the October 23, 2018 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 October 23, 2018 meeting of the California ABLE Act Board.

MOTION:	Peter Mendoza	SECONDED:	Alan LoFaso
AYES:	Peter Mendoza, Alan LoFaso, Elena Gomez, Thomas Todd and Vincent P. Brown, John Doyle		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

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

Mr. Dante Allen reported that the Board issued a Notice of Intent to award contract to AKF Consulting on October 29, to serve as the Board’s program consultant. AKF has been the Board’s consultant since December 2016, and was the only bidder on the program consultant RFP. Execution of the contract is expected next month.

Mr. Allen discussed the format and planned program for two press events scheduled to mark CalABLE’s program launch in mid-December, one in Northern California and one in Southern California; participants will include Treasurer Chiang, legislators instrumental in CalABLE legislation, partner organizations and families of prospective CalABLE enrollees. Also underway is a series of social media promotions and production of a short video featuring testimonials from CalABLE participants that will be housed on the CalABLE website and shown at both launch events. Staff have identified “first enrollees” who will be acknowledged by the Treasurer at the launch events. The State Treasurer’s communications team is preparing new advisories and press releases and will pitch an opinion piece to the media. Mr. Allen invited board members and delegates to attend the events.

Mr. Allen noted that CalABLE staff attended a two-day training on ABLE and disability etiquette with the team at Tuition Financing, Inc. and representatives of the ABLE National Resource Center and National Disability Institute, and noted important takeaways from the training.

Mr. Allen reported that responses to the Board’s RFP for marketing services are due November 30, and that based on the large number of questions that have been received to date, a robust response is expected.

Mr. Allen noted that staff participated in a recent briefing with Treasurer-Elect Fiona Ma, who expressed her commitment to the success of CalABLE and looks forward to active participation with the Board. Mr. Allen noted that this would be the final meeting of the

Board under the leadership of Treasurer Chiang, and thanked him for his leadership and support.

Chairperson Brown asked for public comment. There was none.

**Agenda Item 3 – Resolution No. 2018-08: Approval of Amended Resolution Approving the State Administrative Fee for the California ABLE Program (ACTION ITEM)**

Mr. Francis Lau, delegate for Board member Sandra Smith, joined the Board meeting during the presentation of this item.

Mr. Allen reported that since the approval of this resolution setting the State Administrative Fee at 0.44% at the October 23 board meeting, staff identified a concern that the fee may negatively impact program participants investing in the FDIC-Insured Portfolio; specifically, that account holders with small balances investing in this option could potentially experience a negative return or loss of principal.

Thus, staff recommends amending the resolution to waive the State Administrative Fee on at fee on program participants investing in the FDIC-Insured Portfolio, until such time as market conditions will allow all or some portion of the Fee to be charged without a loss of principal in the FDIC-Insured Portfolio.

Ms. Andrea Feirstein with AKF Consulting provided the Board with a revised analysis of program fee comparisons among plans nationally to include a scenario where the State Administrative Fee was waived for those investing in the FDIC-Insured Portfolio.

Chairperson Brown asked Ms. Feirstein if she would be able to research which state plans were funded with an appropriation versus a loan; she indicated that she would do that and provide the information to staff.

Mr. Alan LoFaso inquired about the interest rate on the FDIC-Insured Portfolio; Ms. Vivian Tsai remarked that the interest rate is not yet available and that it will reset on a monthly basis; TFI will be able to provide the rates to AKF and staff once they are available.

Mr. Peter Mendoza made a suggestion for future analyses to include additional narrative that helps explain the graphics.

Mr. Bob Hedrick proposed revised language to the resolution that would make clear that the reinstatement of all or any portion of the State Administrative Fee on the FDIC-Insured Portfolio in the future would be at the Board's discretion.

Chairperson Brown asked for public comment. There was none.

Board Action

Motion to approve Amended Resolution No. 2018-08 of the California ABLE Act Board to approve the state administrative fee of forty-four basis points, or 0.44%, for the

California ABLE Program, with a waiver or that fee on Program participants investing in the FDIC-Insured Portfolio until such time as market conditions will allow all or some portion of the Fee to be charged without a loss of principal in the FDIC-Insured Portfolio.

MOTION:	Alan LoFaso	SECONDED	Peter Mendoza
AYES:	Thomas Todd, Alan LoFaso, Peter Mendoza, Francis Lau, Elena Gomez, John Doyle and Vincent P. Brown		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

**Agenda Item 4 – Resolution No. 2018-10: Approval to Issue Request for Proposals (RFP) for Investment Consultant Services (ACTION ITEM)**

Mr. Allen noted that the Board's contract with its investment consultant, Pension Consultant Alliance, is set to expire in March 2019; as such, staff requests approval to issue a new RFP to continue to procure the services of a qualified investment consultant to provide the Board with assistance in its role as fiduciary to the California ABLE Program Trust. The investment consultant assists the Board with (i) creating and regularly reviewing and/or revising the statement of investment policy and monitoring criteria for the Trust, (ii) evaluating program administrator and investment manager (program manager) proposals, and (iii) monitoring the investment performance of the program manager.

Chairperson Brown asked for public comment. There was none.

Board Action

Motion to approve the issuance of Request for Proposals for Investment Consultant Services.

MOTION:	Elena Gomez	SECONDED:	Peter Mendoza
AYES:	Peter Mendoza, Elena Gomez, Francis Lau, Thomas Todd, John Doyle, Alan LoFaso and Vincent P. Brown		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

**Agenda Item 5 – Program Implementation Update: Tuition Financing, Inc. (INFORMATION ITEM)**

Ms. Linda English with Tuition Financing, Inc. (TFI) gave a full update on the three major work streams required to launch CalABLE – disclosure statement, public website and secure online application. All items are on target for completion prior to launch. Ms. English also noted that reporting will occur on a quarterly basis, with the first full report for the first quarter of 2019 becoming available to the Board at its May meeting. In the interim and on a monthly basis, Ms. English will provide general data updates, including number of accounts and assets under management.

Ms. Kathy Griffin gave the Board a preview of all of the marketing materials that have been finalized, including the program enrollment guide and tri-fold brochure.

**Public Comment**

Chairperson Brown asked for public comment.

The meeting adjourned at 2:57 p.m.