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CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) ACT BOARD

Meeting Minutes

January 22, 2019 – 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

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Board members present:

Genevieve Jopanda for the State Treasurer, Fiona Ma  
Alan LoFaso for the State Controller, Betty T. Yee  
Joe Xavier, Director of the Department of Rehabilitation  
Jacqueline Wong-Hernandez for the Director of the Department of Finance,  
Keely Bosler  
Peter Mendoza for the Chairperson of the State Independent Living Council,  
Joseph Cody  
Francis Lau for the Chairperson of the State Council on Developmental  
Disabilities, Sandra Smith  
John Doyle for the Director of the Department of Developmental Services, Nancy  
Bargmann

CalABLE Board members absent:

None

CalABLE Board staff present:

Dante Allen, Executive Director  
Carrie Fisher Stone, Deputy Executive Director  
Erica Jaramillo, Associate Governmental Program Analyst  
Ravinder Kapoor, Legal Counsel

CalABLE Board consultants present:

Andrea Feirstein, AKF Consulting Group

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 of Marketing (*via teleconference*)  
Glenn Friedman, Manager of Asset Allocation and Investments (*via teleconference*)

Chairperson Genevieve Jopanda called the meeting to order at 1:31 p.m.

**Agenda Item 1 – Approval of the Minutes of the November 27, 2018 Meeting of the**

## California ABLE Act Board (ACTION ITEM)

Chairperson Jopanda asked for public comment. There was none.

### Board Action

Motion to approve the minutes of the November 27, 2018 meeting of the California ABLE Act Board.

MOTION:	Peter Mendoza	SECONDED:	Alan Lofaso
AYES:	Peter Mendoza, Alan Lofaso, Jacqueline Wong-Hernandez, Francis Lau, John Doyle, Genevieve Jopanda, Joe Xavier		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passes		

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

Mr. Dante Allen provided a verbal report on CalABLE Program launch events that took place in December, one in Northern California and one in Southern California. Mr. Allen discussed social media promotions and introduced a short video featuring testimonials from CalABLE participants that is also housed on the CalABLE website and was shown at both launch events.

Mr. Allen noted that staff participated in a recent briefing with Treasurer-Elect Fiona Ma, who expressed her commitment to the successes of CalABLE.

Mr. Allen reported that a robust response to RFP for marketing services was received and contract was awarded to Sagent Marketing. He also noted that Sagent previously developed a strategic marketing plan for ScholarShare, California’s 529 college savings plan.

Mr. Allen noted that the Board’s contract with its investment consultant, Pension Consultant Alliance, is set to expire in March 2019. Mr. Allen reported that two responses to the 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 had been received and will be reviewed in the coming weeks.

Mr. Allen discussed recent contacts regarding potential legislative proposals. Mr. Allen noted that he had a meeting with Assembly member Jacqui Irwin who is looking at pursuing tax conformity for rollovers from 529 plans to CalABLE. He also reported that Assemblyman Vince Fong expressed interest at reintroducing a bill to provide a tax deduction for CalABLE contributors.

Mr. Allen noted that other legislative priorities that are being pursued at the federal level,

including a bill that would adjust the eligibility criteria of ABLE account owners to raise the age of onset of disability from 26 to 46.

Mr. Allen reported on the focus of the CalABLE program for year 2019. Mr. Allen noted that there will be a strong focus on outreach and education and Board member engagement. Mr. Allen noted that Ms. Carrie Fisher Stone will be overseeing outreach efforts across the state.

Ms. Fisher Stone gave a report on CalABLE outreach, highlighting multiple requests for presentations, upcoming sponsorship opportunities, increased social media activity and the development of a CalABLE Ambassador program.

Chairperson Jopanda reported that Treasurer Fiona Ma has an external affairs group dedicated to outreach that will be enlisted to help share information about CalABLE.

Mr. Allen responded to inquiries from the Board regarding outreach efforts and future opportunities to create another video.

Chairperson Jopanda asked for public comment. There was one comment from a caller who requested further clarification of Authorized Legal Representatives.

### **Agenda Item 3 – 529A Program Consultant Update: AKF Consulting (INFORMATION ITEM)**

Ms. Andrea Feirstein with AKF Consulting provided the Board with a historical background of CalABLE and noted the importance of the intention of CalABLE legislation. Ms. Feirstein reported on the real limitations of programs developed from legislation efforts. Ms. Feirstein stated that key limitations of CalABLE legislation included the age of onset of disability and annual contribution limit.

Ms. Feirstein provided an overview of investment options and shared data on assets and accounts, noting that Virginia has the highest amount of accounts and assets

Ms. Feirstein shared an overview of data from ABLE plan launches nationally and discussed oversight and management of ABLE plans as well as the ABLE market today and its growth. She offered comparisons of initial asset growth and shared California's asset data of \$1.1 million as of January 14, 2019. Ms. Feirstein noted that the current numbers exceeded their expectations by achieving just under 420 accounts in 28 days.

Chairperson Jopanda thanked Ms. Feirstein for the data background and indicated that she would share it with Treasurer Fiona Ma.

Ms. Feirstein and Ms. Linda English responded to inquiries from the Board regarding long-term planning, viability, and account monitoring. Mr. Allen noted that CalABLE's first enrollment was a rollover from another state. Mr. Alan LoFaso commented that understanding that average account sizes are \$5,000 was instructive.

Chairperson Jopanda asked for public comment. There were five comments from callers. Caller one requested guidance in locating board materials on CalABLE website. The second caller suggested that CalABLE provide outreach to service providers at the Regional Centers, place marketing collateral in public assistance packets, and push forward on getting written directives from programs such as public housing on how they administer CalABLE; Mr. Allen responded that staff are taking on the issues mentioned by the second caller. The third caller asked for more information and explanation on Qualifying Disability Expenses. Ms. Fisher Stone provided the caller with resources and her contact information. The fourth caller noted that SSA has specific language regarding SSI withdrawals.

#### **Agenda Item 4 – Program Manager Update: Tuition Financing, Inc. (INFORMATION ITEM)**

Ms. English introduced her team to Chairperson Jopanda. She shared that their contract was signed on September 10, 2018 and the program went live on December 17, 2018. Ms. English noted the steady progress observed in the opening of new accounts, and reported that as of January 20, 2019, there were 482 CalABLE accounts opened with \$1.4 million in assets.

Ms. Fisher Stone made comment on use of prepaid debit cards. Mr. Allen added that the cards can be used as a financial literacy training tool.

Ms. Feirstein provided clarification that staff cannot give legal or financial advice.

Mr. Peter Mendoza emphasized the importance of ensuring that constituents receive the right resources to get answers to their questions; Ms. Fisher Stone responded that the calls are being tracked and cross-collaboration is occurring in this regard.

#### **Public Comment**

Chairperson Jopanda asked for public comment. Aaron Carruthers, Executive Director of the State Council of Developmental Disabilities, offered to assist in efforts to explore removal of barriers to individuals who currently do not have authority to open a CalABLE account based on the definition of an Authorized Legal Representative. A caller commented on discrepancies in language pertaining to withdrawal in SSA guidelines; Ms. Fisher Stone indicated she would follow up with her via phone. A final caller inquired about the self-certification process.

Mr. LoFaso announced his resignation from the Board, and expressed his joy in serving on the CalABLE Board.

The meeting adjourned at 3:20 p.m.