

**DECEMBER 14, 2021**

**AGENDA ITEM 1  
Action ITEM**

**CALIFORNIA ABLE ACT BOARD**

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Approval of Minutes from September 14, 2021 Meeting and November 2, 2021 Meeting

***Attachments***

- Attachment #1 – CalABLE Board September 14, 2021 Meeting Minutes
- Attachment #2 – CalABLE Board November 2, 2021 Meeting Minutes

**Recommended Action**—Approve meeting minutes

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**CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) ACT BOARD**  
Minutes

September 14, 2021 – 10:00 AM

915 Capitol Mall, Room 587, Sacramento, CA 95814

Public Participation via Zoom is available at  
<https://us06web.zoom.us/j/92021509521>

Public Participation Call-In Number\*  
(877) 810-9415  
Access Code: 6535126

**Board members present:**

Fiona Ma, CPA, California State Treasurer (via teleconference)  
Audrey Noda, Deputy Treasurer (via teleconference)  
Elena Gomez for the Department of Rehabilitation (via teleconference)  
Kathleen Barajas for the State Independent Living Council (via teleconference)  
David Oppenheim for the State Controller, Betty Yee (via teleconference)  
Gayle Miller for the Department of Finance (via teleconference)  
Carla Castaneda for the Department of Developmental Services (via teleconference)  
Sandra Aldana for the State Council on Developmental Disabilities (via teleconference)

**CalABLE Board Staff:**

Dante Allen, Executive Director, CalABLE  
Anne Osborne, Manager, CalABLE  
Susan Block, CalABLE  
James Millward, Scholar Share Investment Board  
Spencer Walker, General Counsel

**CalABLE Board Consultants present:**

Andrea Feirstein, Managing Director, AKF Consulting (via teleconference)

**CalABLE Board Program Manager, Tuition Financing, Inc. (TFI), staff present:**

Linda English, Senior Director of Relationship Management (via teleconference)  
Glenn Friedman, Manager, TIAA Tuition Financing Inc. (via teleconference)  
Eric White, Principal, Meketa Investment Group, Inc. (via teleconference)  
Doug Harrison, TIAA Tuition Financing Inc. (via teleconference)  
Mitch Baum, MAB Strategic, LLC (via teleconference)

**Chair Ma** called the meeting to order at 10 am.

**Ms. Osborne** announces public comment directions for phone participants.

**Item # 1 – Action Item**

**Approval of Minutes**

Motion to approve the minutes of the June 23, 2021 meeting of the California ABLE Act Board.

**Chair Ma** asked if there were any public comments/phone comments – None

MOTION: David Oppenheim	SECONDED: Gayle Miller
AYES: Fiona Ma, David Oppenheim, Gayle Miller, Elena Gomez, Carla Castañeda, Kathleen Barajas	ABSTAIN: None
NOES: None	RECUSE: None

Not Present: Sandra Aldana not present

ACTION: Motion Passes

**Chair Ma introduces Item #2 and Dante Allen**

**Item #2 – Information Item**

**Executive Director’s Report by Dante Allen**

- This has been a very productive month for CalABLE and we are excited to announce that our growth continues at an exciting pace, with increasing enrollment and assets under management that exceeded growth across the ABLE industry. The 2<sup>nd</sup> quarter finished with 5, 803 open account, 54.7 million dollars in assets. CalABLE has moved up the list and now rank number 4 and 5 for assets, under new management. As of this week we have exceeded 8, 500 accounts with more than 60 million dollars in assets pledged, and a new milestone for the program.
- One of the major partnerships that I wanted to talk about is our relationship with Social Security. We have been hearing disparities in the treatment of ABLE accounts amongst the Social Security representatives. The guidance differing depending on which office the account holder would visit in California. This lead to a state-wide virtual course of Social Security offices, meeting staff, giving a full ABLE presentation with intent to reduce outdated & misinformation that was being provided. We are also encouraging representatives to promote CalABLE as an opportunity for potential SSI recipients, to sync up their SSI benefits and CalABLE accounts.
- Another partnership that has established is with Los Angeles County. Over the last 2 months, the Los Angeles County Supervisors have passed an ordinance that allows the departments within the foster care system to open up ABLE accounts for their ABLE eligible kids in foster care. These children who receive

SSI in the foster care system, have a portion of their benefits going directly to their care providers, so they don't have access to resources and can't make choices on what can be done with them. We have been in early conversations with ABLE and the County as an entity, Authorized Legal Representative (ALR) who can open, manage and deposit Social Security payments into a CalABLE account. The account would be saving account they could use for Qualified Disability Expenses when they reach the age of emancipation.

**Chair Ma:** David Oppenheim has a question.

- **David Oppenheim:** Suggested this would be an excellent opportunity to contact the State Association of Counties and letting them know what LA county is doing. He also mentioned reaching out to CSAC to participate in their annual conference.

**Chair Ma:** Any other questions or comments from Board Members? No additional comments.

- On August 24<sup>th</sup> CalABLE, alongside Meketa and ScholarShare participated in a due diligence program conducted by TIAA/Nuveen. The presentation involved senior professionals within TIAA/Nuveen and focused on performance of the capital markets in general as well as discussions of individual fund's strategies and performance.
- The monthly webinar series continues to be strong. The attendance for the live events average around 150-200 attendees, with library webinars ABLE 101 and Special Needs Trust drawing the largest replay audience.
- The Treasurer, serves the Chair for the NAST (National Association of State Treasurers) ABLE Committee. At the 8/25 meeting of the National Association of State Treasurer's ABLE committee the committee voted to recommend acceptable disclosure practices for state entities (State Issuers) for ratification by the NAST Executive Committee.
- CalABLE and TIAA, are reviewing the IRS final regulations to include the expanded ALR definition, and establishing a successor beneficiary at the time of program enrollment. Staff is prioritizing the changes outlined in the final regulations to also coincide with an updated disclosure statement.
- ABLE Age Adjustment Act which would extend ABLE eligibility to individuals who became disabled before their 46<sup>th</sup> birthday, rather than their 26<sup>th</sup> birthday as the law currently states. NAST ABLE committee issued a statement of support and currently monitors its progress with the Senate and Congress. Traditionally ABLE has enjoyed bipartisan support and we are working hard to ensure that happens even in the polarized political times that we exist in.

- The Pre-Paid Visa Card continues to be a customer service issue. This is an optional item and is managed by a third party vendor, and separate from the CalABLE enrollment process. The challenge has been the prepaid card is managed by a third party vendor uses a different account verification process than the CalABLE's verification process. This has caused delays for account holders receiving there prepaid cards.
- Program 11, was selected as our marketing firm and awarded \$552,496 for a two year contract with an option to renew for one year. AKF Consulting LLC, was selected as the Program Consulting Services Contract, the current contract will expire on November 30, 2021.
- TIAA has provided the program annual report for CalABLE which includes audit financials for 2021 with by PWC. The report was reviewed and approved by staff, and will be posted in its entirety to the CalABLE website.

**Chair Ma** asked if there were any public comments/phone comments – None

**Chair Ma** stated for the minutes that Sandra Aldana joined the meeting at 10:09 am.

### **Item # 3 - Information Item**

#### **Review of CalABLE Investments Performance for the Second Quarter 2021**

- **Glenn Friedman from TIAA**
  - There was a strong economy in the second quarter, which is important since interest rates lowered.
  - The second quarter portfolios reported returns of: 2.6% for the Conservative portfolio, 4.4% for the Moderate portfolio was 4.4% and 6.2% for the Aggressive portfolio. The FDIC Insured portfolio had returns were flat, consistent with low interest rates.
  - The underlying funds are fulfilling their objectives and capturing the market as they are designed to perform.

**Chair Ma asks for any questions.**

- **Ms. Miller:**
  - What type of education we are giving to folks as they are going into each of the funds and their understanding of the risks, just because it's a strong market?
- **Mr. Friedman:**
  - There are risks as this is an investment program. Account holders should review the disclosure statement before enrolling into the CalABLE program.
- **Mr. Allen:**
  - Financial literacy is something we are focusing on and are working with a third party to develop financial literacy education modules.

- We recognize they are a specialized population and this may be the first time they have banked, in addition to first time savers.
- **Mr. Oppenheim:**
  - Agreed with Gayle Miller about providing education for our account holders.

**Chair Ma** asked if there were any additional questions – None

- **Eric White from Meketa:**
  - It was a very good second quarter in terms of the different portfolios had strong returns and the underlining funds were performing exactly as we would expect.
  - As discussion related to the level of risk found on page 115 of the board packet. The annualized standard deviation for the aggressive portfolio is at 15, the moderate portfolio is between nine and ten, and the conservative portfolio is at four.
- **Mr. Oppenheim:**
  - Suggested CalABLE provide a risk statement on the website to help educate account holders about their possible portfolio choices.

**Chair Ma** asked if there were any public comments/phone comments – None

## **Item # 5 - Information Item**

### **Website Accessibility**

- **Mitch Baum from MAB Strategic, LLC**
  - Discussed the upgrade of the website accessibility. There were several enhancements which included the global navigation of the screen reader, adding descriptions to the pictures, discontinuing the use of all caps for emphasis and underlining text links for people who don't see colors well.
  - The firm Nobility was used to view the website content.

**Chair Ma** asks if there are any questions.

- **Ms. Gomez:** Has TIAA received any comments or feedback from actual participants in the program, and if there have been any recurring themes, or perhaps no feedback has been received?
- **Mr. Baum:** We actually had received one comment from somebody about having some difficulty with the global navigation and one or two other things, helped precipitate us look at this. Other than that I don't know of anyone who provided feedback, but Nobility has done a ton of user testing on this.

**Chair Ma:** Encouraged the board members to ask their stakeholders to look at our website and provide any feedback.

- **Ms. Saldana:** Have we have any responsive feedback, or did Nobility just do testing with the folks that they've previously worked with?

- **Mr. Baum:** TIAA used the industry standards called WCAJ2.0 and the WCHA in partnership with Nobility as the test group. Currently no usability testing has been conducted, if an error is detected please contact CalABLE so the matter can be resolved.
- **Ms. Castenada:** Shared that DDS just updated there website.

**Chair Ma** asked if there were any public comments/phone comments

- **Alan Reid:** (Mr. Reid is an Ambassador in the CalABLE program) – recommended reaching out to Investment Company Institute (ICI) as a possible ABLE partner.

#### **Item # 4 - Information Item**

##### **Program 11 Introduction**

**Mr. Allen:** Introduced the new marketing consultant- Program 11. Program 11 will present the Marketing Plan to the board at the December 14, 2021 meeting.

- **Kelly Doherty:** Is the content strategist and writer with Program 11. Program 11 is an LA based strategic brand and content agency. We help brands find and connect with their audiences with clear positioning, content that really resonates, and through meaningful stories, and NDI our partner in this adventure has a mission and a vision that is so complementary to ours.
- **Tom Foley:** Is the Executive Director for the National Disability Institute (NDI). NDI is a national organization about half of our staff and board are people with disabilities, so they have lived the experience, understand the ABLE community and the value of having an ABLE account. Tom is blind, from California and has personal experience with SSI.
- **Ms. Doherty:** Program 11 is researching and understanding the CalABLE audience in order to prepare a marketing plan the will ultimately is encouraging people to sign up for the program. They have been doing some test marketing on social media to learn about the disabled community. Program 11 is working with NDI to identify and create a marketing plan for the board.

**Chair Ma** and members welcomed Kelly and Tom to the team.

**Chair Ma** asked if there were any public comments/phone comments – None

Meeting adjourned at 11:47 AM.



## CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) ACT BOARD

### Meeting Minutes

November 2, 2021 @ 2 p.m.  
915 Capitol Mall, Room 587, Sacramento, CA 95814

Public Participation via Zoom was available at  
<https://us60web.zoom.us/j/86770593643>

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

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#### **Board Members present:**

Fiona Ma, CPA, California State Treasurer (In-person)  
Kathleen Barajas for the State Independent Living Council (via teleconference)  
David Oppenheim, for the State Controller, Betty T Yee (via teleconference)  
Thomas Todd, for the Department of Finance (via teleconference)  
Wesley Witherspoon, State Council on Development Disabilities (via teleconference)  
Carla Castaneda, for the Department of Developmental Services (via teleconference)  
Jose Xavier, Director of the Department of Rehabilitation (via teleconference)

#### **CalABLE Board Staff:**

Dante Allen, Executive Director, CalABLE  
Anne Osborne, Program Manager, CalABLE  
Ravinder Kapoor, Senior Attorney  
James Millward, Assisting with Website, SIB  
Susan Block, Executive Office Assistant

#### **CalABLE Board Consultants:**

Andrea Feirstein, Managing Director, AKF Consulting (via teleconference)

#### **CalABLE Board Program Manager, Tuition Financing, Inc. (TFI staff present:**

Linda English, Senior Director of Relationship Management (via teleconference)

**Chairwoman Fiona Ma** called the meeting to order at 2 p.m. and **Anne Osborne**, from CalABLE, read the instructions for proceeding to view or listen to the meeting.

**Chairwoman Ma:** Thank you and please call the roll.

(Roll Call) A quorum was established.

**OPEN SESSION**

**Agenda Item 1-Approval to Amend Contract with Tuition Financing, Inc. (Agreement ABLE 01-18) to Incorporate Fee Structure for CalABLE Prepaid Debit Card Users (ACTION ITEM) - Linda English for TIAA-CREF Tuition Financing, Inc.**

**Chairwoman:** Introduced Item 1

**Dante Allen:**

- It was brought to CalABLE’s attention the problems between the external services FIS with the card provider MetaBank. The current Agreement ABLE 01-18 would need to be amended to reflect the proposed fee structure.

**Linda English from TIAA:**

- It was recommended to replace current card from a FIS, MetaBank to US Bank with Intuition the program’s record keeper. The current monthly fee structure of \$1.25 per would change to an inactivity fee of \$2.00 per month after 90 days of no activity.

**Chairwoman Ma:** Any other questions from Board Members? Any public? Do I have a motion and second to approve the new fee structure.

MOTION:	Wesley Witherspoon	SECONDED:	Kathleen Barajas
AYES:	Chair Fiona Ma, Wesley Witherspoon, Kathleen Barajas, David Oppenheim, Thomas Todd and Carla Castaneda, Jose Xavier		
NOES:	None		
ABSTAIN:	None		
RECUSE:	None		
Not Present:	None		
ACTION:	Motion Passes		

**Chairwoman Ma:** Motion passes. This brings us to the end of the meeting agenda and seeing no further comments from the public, phone or chat.

**Chairwoman Ma-** Thank you for attending. The meeting is adjourned. The next CalABLE meeting is scheduled for Tuesday, December 4, 2021, at 1:30PM

**Adjournment: 2:26pm**