
March 22, 2022

AGENDA ITEM 1

ACTION ITEM

CALIFORNIA ABLE ACT BOARD

Approval of Minutes from December 14, 2021 Meeting

Attachments

- Attachment #1 – CalABLE Board December 14, 2021 Meeting Minutes

Recommended Action—Approve meeting minutes

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

December 14, 2021 – 1:30 PM

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)
Ana Acton 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 Castañeda for the Department of Developmental Services (via teleconference)
Wesley Witherspoon for the State Council on Developmental Disabilities (via teleconference)

CalABLE Board Staff:

Dante Allen, Executive Director, CalABLE
Anne Osborne, Manager, CalABLE
Matt Harmetz, CalABLE
Susan Block, CalABLE
James Millward, Scholar Share Investment Board
Spencer Walker, General Counsel
Ravinder Kapoor, 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)
Thomas Foley, Executive Director, National Disability Institute
Miriam Bookey, Partner, Program 11
Kelly Doherty, Manager, Program 11

Chair Ma called the meeting to order at 1:33 PM.

Ms. Osborne announces public comment directions for phone participants.

Item # 1 – Action Item

Approval of Minutes

Motion to approve the minutes of the September 14, 2021 meeting of the California ABLE Act Board.

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

MOTION: Wesley Witherspoon	SECONDED: Carla Castañeda
AYES: Fiona Ma, Audrey Noda, David Oppenheim, Gayle Miller, Wesley Witherspoon, Carla Castañeda, Kathleen Barajas	ABSTAIN: Ana Acton
NOES: None	RECUSE: None

Not Present: None

ACTION: Motion Passes

Chair Ma introduces Item #2 and Dante Allen

Item #2 – Information Item

Executive Director’s Report by Dante Allen

- The 3rd quarter finished with 6,473 active accounts. CalABLE has attained more than \$60.3 million in assets. CalABLE is the 4th largest program in accounts and 5th largest in assets. Approximately 34.7% of assets are in the FDIC-Insured Portfolio which is higher than projected. This may warrant board action in the future.
- Dante revealed the budget and expressed wishes to be more transparent with the budget in the future.
- CalABLE has renewed its contract with the AKF Consulting Group for another two years, a \$275,231 contract. CalABLE has also established a new \$19,500 contract with Everfi, an agency that teaches financial literacy which will go through the end of 2022.
- There is no significant movement with the ABLE Age Adjustment Act.

- There are several state legislative concepts currently in development without a bill or sponsors.

Program Updates

- In November, the NAST Executive Committee approved an amendment to the NAST Constitution that would create an ABLE Network of NAST like the College Savings Plan Network (CSPN).
- CalABLE is working with TIAA and Intuition ABLE to ensure compliance with the issuance of final IRS regulations. Most of these changes are very consumer friendly such as an expanded ALR definition and establishment of a successor beneficiary.
- The 2021 webinar attendance was 2,091, a 24% increase over last year with a replay audience of 11,000 views. CalABLE has created relationships with SSA, HUD, DOR, DDS, DSS, and Medi-Cal, featuring presenters from these organizations.
- TIAA is working to finalize plans for the transition from the current prepaid-card issuer to the new US Bank/IAS managed prepaid VISA card.
- In December, CalABLE plans to issue an RFP for Investment Advising Services. The contract with Meketa will expire in March 2022. The investment consultant will assist the Board with:
 - I. Creating the statement of investment policy and monitoring criteria for the Trust
 - II. Evaluating program manager and investment manager proposals, and
 - III. Monitoring the investment performance of the program manager(s).
- CalABLE welcomes a new staff member, Matthew Harmetz, who is new to state service. He joins CalABLE with experience working with a non-profit advocacy organization as both a trainer and educator to employers and students alike regarding hiring and employment-based skills for employees with Autism.
- Dante recognizes the many individuals who have contributed to the daily success of CalABLE, a list of more than 130 people.

Chair Ma noted that the continuation of online board meetings may continue throughout 2022 due to the new mask mandate and Omicron Corona Virus variant.

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

Item # 3 - Information Item

Review of CalABLE Investments Performance for the Third Quarter 2021

- **Glenn Friedman from TIAA**
 - There was a strong economy in the third quarter. However, increased interest rates and inflation did influence investments.
 - The third quarter portfolios reported returns of: 0% for the Conservative portfolio, -0.43% for the Moderate portfolio and -0.83% for the Aggressive Growth portfolio. The FDIC Insured portfolio had returns were flat, consistent with low interest rates.
 - The underlying funds are all positive, fulfilling their objectives and capturing the market as they are designed to perform.

- **Eric White from Meketa**
 - Not a lot of change in the capital markets for the quarter, performing close to what they were in the opening of the quarter.
 - The Emerging Markets Index Fund moved into caution, but there is not much immediate concern. This is due to the tracking error spikes. The event causing this resolved right away but the tracking error will take time to resolve.
 - The annualized standard deviation for the aggressive portfolio is at around 15%, the moderate portfolio is between 9-10%, and the conservative portfolio is at around 4-5%.
 - There is some concern with the FDIC Insured portfolio due to increased inflation, with a loss of about 5% in purchasing power.

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

- **Ana Acton:** Ana reiterated the importance of financial literacy education so that account holders can start moving towards their financial goals without needing to rely solely on benefits.

Item # 4 - Information Item
Program 11 Marketing Plan

- **Miriam Bookey**
 - Deepen understanding of the audience's needs to promote campaigns.
 - Use existing account holders as ambassadors and advocates.
 - Overview of marketing tactics.
 - Measurement and optimization of benchmarks to ensure marketing efforts are successful.
 - Estimated budget for 2022
 - Timeline of Program 11's plan to promote CalABLE in 2022.

- **Kelly Doherty**
 - Reviewed what Program 11 has done so far.
 - Amplify CalABLE's voice on social media.
 - Meeting with partnering organizations and potential partners.
 - Promoting CalABLE's monthly webinar series.
 - Developing paid ad campaigns.
 - The goal is to grow from 5,000 account holders in 2020 to 12,000 account holders by the end of a two-year contract.

- Provided a list of activities to help meet the objectives laid out by Tom.
- Displayed examples of images and quotes that encapsulate the advertising campaign.
- **Tom Foley**
 - 2022 Objectives
 - Increase awareness
 - Accelerate growth
 - Invest in partnerships
 - Three main audiences
 - Different marketing approaches for each group
 - Those living with a disability
 - Parents/caretakers
 - Advocates/influencers/partners

Chair Ma thanks the Program 11 team and Tom.

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

- **Carla Castañeda:** Thanked the team for providing the different marketing perspectives based on the different audiences.
- **Ana Acton:** Appreciated the cultural competency of the marketing materials and that they have been informed by individuals with disabilities. Ana recommended to keep in mind the cross-disability aspect of the target audience.

Item # 5 - Information Item Industry Landscape Update

- **Andrea Feirstein from AKF**
 - Continued growth of assets and accounts within the ABLE industry.
 - CalABLE has increased by 67% in assets and 49% in accounts this year compared to a 46% increase in assets and 29% increase in accounts for the industry as a whole.
 - Ranks third in both assets and accounts amongst other Independent plans.
 - Average quarterly growth of \$69,570,526 and 6,434 accounts combined within the entire ABLE industry.
 - Snapshot of CalABLE compared to the other independent plans and partners suggests strong, continued growth.

Chair Ma asks if there are any questions for Ms. Feirstein.

- **Ana Acton:** Which one of these states, national or independent plans, allows members of outside states to get a plan there? What share of the market is from California compared to other states?
- **Andrea Feirstein:** Acknowledges that this information used to be shared in the early days of 529 but that states no longer provide this information.

Chair Ma compares ABLE to Scholarshare and inquired about tax incentives to encourage Californians to get CalABLE accounts.

- Andrea Feirstein: Around 20 states offer tax incentives vs 35 states on the 529 side. California has always wrestled with tax benefits, but California has never granted a tax benefit for any of its plans. Andrea stated that it would be great if California can get tax incentives for both CalABLE and Scholarshare and that it would put California at the forefront of ABLE programs.

Chair Ma states that California will continue trying each year to get incentives for California programs like CalABLE and Scholarshare.

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

Item # 6 – General Public Comment

Chair Ma asked if there were any public comments/phone comments for anything not on the agenda – None

Dante Allen: Formally introduces Ana Acton as a new delegate for Joe Xavier from the Department of Rehabilitation.

Chair Ma thanks Ms. Acton.

Chair Ma adjourned the meeting at 3:27 P.M.