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**March 22, 2022**

**AGENDA ITEM 2  
INFORMATION ITEM**

**CALIFORNIA ABLE ACT BOARD**

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Executive Director's Report

***Background***

The Executive Director's Report includes an overview on the following items:

- National Association of State Treasurers (NAST) Report
- Program Update
  - Legislation
  - Enrollment Data
  - Outreach
- Operational Update
  - Budget Change Proposal
  - Contract
    - 529A Investment Consulting Contract- Meketa
  - Staffing
  - Board Member

**Presenter:** Dante Allen, Executive Director, California ABLE Act Board

Attachment 1: Q4 Enrollment Data

**CALIFORNIA ACHIEVING A BETTER LIFE EXPERIENCE ACT BOARD  
EXECUTIVE DIRECTOR'S REPORT**

**March 22, 2022**

**National Association of State Treasurers (NAST) Report**

The NAST ABLE committee has identified a governance framework and is currently working on bylaws, a dues structure and an implementation timeline that best fits the needs of ABLE Program Administrators. This move is a critical next step for the progression of ABLE which will provide greater decision-making authority for ABLE programs, Program Administrators, and their partners.

The ABLE Age Adjustment Act continues to be active in congress.

<b>Bill No.</b>	<b>Author</b>	<b>Purpose of Bill</b>	<b>Date Introduced</b>	<b>Current Status</b>
H.R. 1219	Cardenas	This bill, the ABLE Age Adjustment Act, would increase the age threshold for eligibility for such programs from 26 to 46.	2/23/21	Referred to House Committee on Ways and Means (2/23/21)
S. 331	Casey	This bill, the ABLE Age Adjustment Act, would increase the age threshold for eligibility for such programs from 26 to 46.	2/22/21	Read twice and referred to the Committee on Finance (2/22/21)

**Program Update**

- Legislation

AB 2216 was introduced by Assembly Member Irwin. On February 24, 2022, this legislation went to the Revenue and Tax Committee. The act amends Sections 4875, 4879 and 4885 of the Welfare and Institutions Code, relating to the Qualified ABLE Program. These sections were approved in 2015, before CalABLE began operations in December 2018.

Existing law establishes the Qualified ABLE Program, administered by the California ABLE Act Board, in this state for purposes of implementing the federal ABLE Act. Existing law requires the board to segregate the moneys coming into the ABLE program trust into 2 funds: the program fund, which is continuously appropriated, and the administrative fund, which is available upon appropriation by the Legislature. All moneys paid by designated beneficiaries or eligible individuals in connection with ABLE accounts are required to be deposited, as received, into the program fund, promptly invested, and accounted for separately.

Existing law defines “ABLE account” and “designated beneficiary” for purposes of the act. Existing law prohibits acceptance of a contribution to an ABLE account that is not in cash or if the contribution would result in aggregate contributions exceeding a specified amount. Existing law authorizes, to the extent allowed under federal law, all amounts in the designated beneficiary’s ABLE account to be transferred into the ABLE account of another designated beneficiary’s account. Existing law requires the board to notify all designated beneficiaries of the potential tax consequences of transferring funds from one ABLE account to another, as specified.

Under existing law, following the death of a designated beneficiary, and only after the department has received approval by the federal Centers for Medicare and Medicaid Services, the state is prohibited from seeking recovery under the Medi-Cal estate recovery provisions of any amount remaining in the designated beneficiary’s ABLE account for any amount of medical assistance paid under the state’s Medicaid plan, and prohibits the state from filing a claim for the payment under the ABLE Act.

This bill would, among other things, instead authorize a change in the designated beneficiary of an ABLE account to take effect upon the death of the designated beneficiary, as specified. The bill would remove the requirement on the board to notify all designated beneficiaries of the potential tax consequences described above.

This bill would also define “CalABLE account” for purposes of the act to mean an ABLE account established pursuant to those provisions and administered by the board. The bill would adjust the aggregate contribution limit on contributions to ABLE accounts. The bill also would provide that the above-described Medi-Cal estate recovery provisions apply to ABLE accounts and CalABLE accounts established prior to January 1, 2023, and to CalABLE accounts established on or after January 1, 2023, thereby limiting the application of the prohibition on the above-described Medi-Cal estate recovery provisions to CalABLE accounts for accounts established after January 1, 2023.

- Between the third and fourth quarters of 2021, CalABLE has experienced significant growth. Compared to the previous quarter’s 6,473 active accounts, there are now 7,098 active accounts, a 10% increase quarter over quarter. In the final week of December, there were 122 weekly enrollments, the greatest single week of enrollments since the inception of the program. The total assets under management have risen from \$60,319,303 to \$70,498,030, a 17% increase quarter over quarter. And the total amount in account contributions rose from \$8,401,613 to \$11,519,050 during the fourth quarter, a 37% increase quarter over quarter. CalABLE has moved up amongst all ABLE programs and now ranks 4<sup>th</sup> in both assets and accounts.

- Outreach/Marketing

Program 11 ran a series of paid ads across the Meta ad platform (Facebook, Instagram, and partner websites) between September- December. The first campaign was designed to promote CalABLE's monthly webinar series which produced a handful of signups.

The second campaign between December 15- 31 was designed to promote CalABLE's eGifting benefit and year end contributions, to remind current account holders that they could ask family and friends for eGifts to contribute to their accounts over the holidays and to capture the attention of potential new users to the CalABLE world. The two week campaign produced nearly 500 clicks and CalABLE experienced the highest number of enrollments during the last week of December. The social media on the CalABLE website continues to have 80% of the traffic new visitors with 20% being repeat visitors, in Q4 CalABLE had over 94,000 visits and 57,000 unique visitors.

Our webinar 2022 attendance continues to be popular with over 50% attendance rate in January and February. Our YouTube channel has 589 subscribers with the most popular webinars: ABLE 101 with 6,900 views, Ambassador 2021 video with 650 views and Special Needs Trust with 260 views. CalABLE will continue to present webinars about the CalABLE program. In March the webinar will be a panel discussion with DOR and Pride Industries titled "Working with a Disability".

During Q1 CalABLE had eight presentations and one in-person event with 333 attendees. The two webinars had 343 attendees.

Date	Event	Attendees	Webinar
1/20/2022	Autism Society Ventura County	5	
1/25/2022	ParentsCAN	10	
1/26/2022	CalABLE Basics Webinar		161
2/3/2022	Supported Life Conference	106	
2/3/2022	Family Soup- External Affairs	5	
2/9/2022	WEAVE	78	
2/10/2022	Alta Regional Center	35	
2/16/2022	CalABLE and QDE		182
2/17/2022	Autism Society San Francisco Bay Area/ National Council on Severe Autism	35	
2/17/2022	East Valley SELPA	9	
2/25/2022	ARCA Regional Centers' Directors of Client Services	50	
Q1 Total		333	343

## **Operational Update**

- Budget Change Proposal submitted to the Finance Committee for approval. The one (1) position at the AGPA level to allow for a Field Representative that would promote the Outreach and Marketing efforts of the Program and act as a client navigator to provide guidance for individuals with disabilities. The Program will recruit a bilingual incumbent to connect with Spanish speakers within the disabled community.
- CalABLE Budget Expenditures (FY6)

Budget Item	Budgeted Amount	Expenditures (FY6)	Remaining
Personnel Services	\$440,000	\$198,729	\$241,271
Travel	\$3,000	\$0	\$3,000
Printing	\$2,000	\$329	\$1,671
Communications	\$9,000	\$691	\$8,309
Contracts	\$694,000	\$73,983	\$620,017
General Expenses	\$12,000	\$5,049	\$6,951
Total	\$1,160,000	\$278,781	\$1,029,908

- Contracts  
This table includes an update on any new contracts over \$10,000 that were executed since the last meeting.

Vendor	Description	Contract Term	Amount
Meketa Investment	529A Investment Consulting	4/1/22 to 3/31/24	\$160,000.00

- Staffing  
CalABLE staffing update - I would like to introduce Madeline Hardy, UC Davis Intern to all of you.
- Board Member  
CalABLE Act Board would like to welcome Cathay Lui the new board delegate for Wesley Witherspoon, from the State Counsel of Developmental Disabilities.

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# Enrollment Data

## 4th Quarter 2021



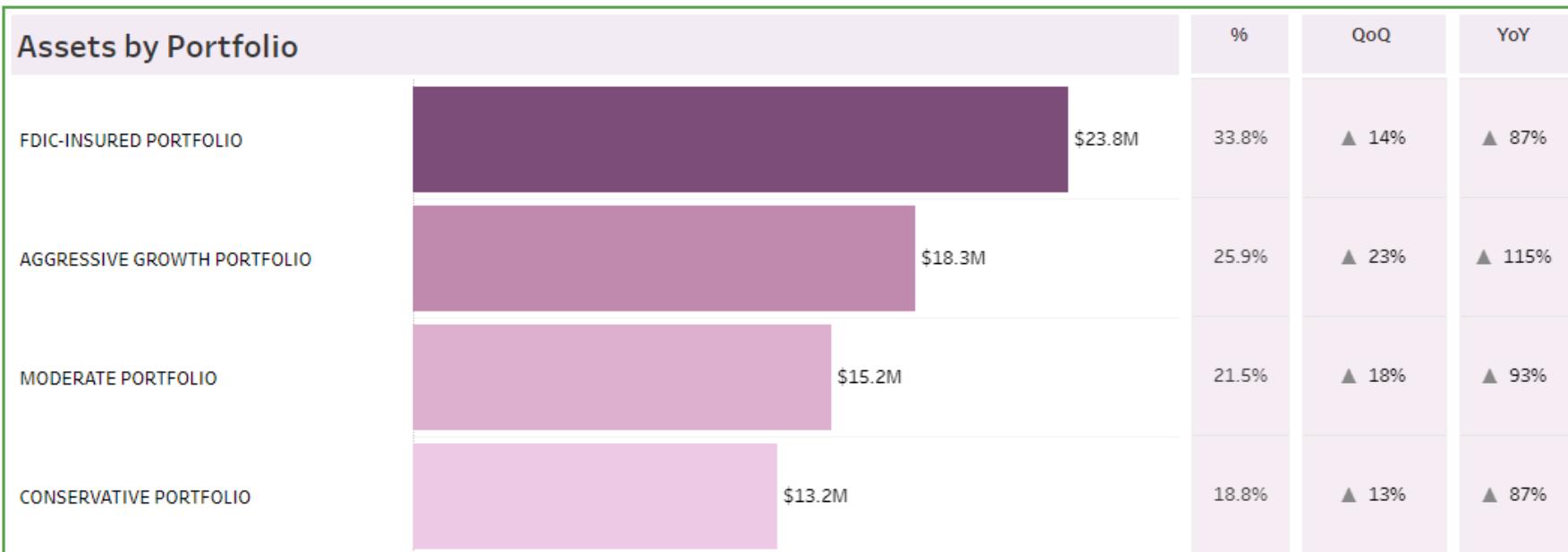
<b>Total Assets</b> <b>\$70,498,030</b> (▲ 17% QoQ) (▲ 95% YoY)	<table border="1"><thead><tr><th>Quarter</th><th>Total Assets</th></tr></thead><tbody><tr><td>2020 Q4</td><td>\$36.1M</td></tr><tr><td>2021 Q1</td><td>\$46.2M</td></tr><tr><td>2021 Q2</td><td>\$54.7M</td></tr><tr><td>2021 Q3</td><td>\$60.3M</td></tr><tr><td>2021 Q4</td><td>\$70.5M</td></tr></tbody></table>	Quarter	Total Assets	2020 Q4	\$36.1M	2021 Q1	\$46.2M	2021 Q2	\$54.7M	2021 Q3	\$60.3M	2021 Q4	\$70.5M	<b>Accounts Opened</b> <b>758</b> (YTD 3,185) (▼ -4% QoQ) (▲ 7% YoY)
Quarter	Total Assets													
2020 Q4	\$36.1M													
2021 Q1	\$46.2M													
2021 Q2	\$54.7M													
2021 Q3	\$60.3M													
2021 Q4	\$70.5M													
<b>Active Accounts</b> <b>7,098</b> (▲ 10% QoQ) (▲ 63% YoY)	<table border="1"><thead><tr><th>Quarter</th><th>Active Accounts</th></tr></thead><tbody><tr><td>2020 Q4</td><td>4.3K</td></tr><tr><td>2021 Q1</td><td>5.0K</td></tr><tr><td>2021 Q2</td><td>5.8K</td></tr><tr><td>2021 Q3</td><td>6.5K</td></tr><tr><td>2021 Q4</td><td>7.0K</td></tr></tbody></table>	Quarter	Active Accounts	2020 Q4	4.3K	2021 Q1	5.0K	2021 Q2	5.8K	2021 Q3	6.5K	2021 Q4	7.0K	<b>Accounts Closed</b> <b>133</b> (YTD 431) (▲ 11% QoQ) (▲ 77% YoY)
Quarter	Active Accounts													
2020 Q4	4.3K													
2021 Q1	5.0K													
2021 Q2	5.8K													
2021 Q3	6.5K													
2021 Q4	7.0K													
<b>Contributions</b> <b>\$11,519,050</b> (YTD \$41M) (▲ 37% QoQ) (▲ 35% YoY)	<table border="1"><thead><tr><th>Quarter</th><th>Contributions</th></tr></thead><tbody><tr><td>2020 Q4</td><td>\$8.6M</td></tr><tr><td>2021 Q1</td><td>\$11.5M</td></tr><tr><td>2021 Q2</td><td>\$9.5M</td></tr><tr><td>2021 Q3</td><td>\$8.4M</td></tr><tr><td>2021 Q4</td><td>\$11.5M</td></tr></tbody></table>	Quarter	Contributions	2020 Q4	\$8.6M	2021 Q1	\$11.5M	2021 Q2	\$9.5M	2021 Q3	\$8.4M	2021 Q4	\$11.5M	<b>Average Account Balance</b> <b>\$9,932</b> (▲ 1% QoQ) (▲ 19% YoY)
Quarter	Contributions													
2020 Q4	\$8.6M													
2021 Q1	\$11.5M													
2021 Q2	\$9.5M													
2021 Q3	\$8.4M													
2021 Q4	\$11.5M													
<b>Redemptions</b> <b>(\$2,828,816)</b> (YTD (\$10M)) (▲ 11% QoQ) (▲ 90% YoY)	<table border="1"><thead><tr><th>Quarter</th><th>Redemptions</th></tr></thead><tbody><tr><td>2020 Q4</td><td>(\$1.5M)</td></tr><tr><td>2021 Q1</td><td>(\$1.8M)</td></tr><tr><td>2021 Q2</td><td>(\$2.4M)</td></tr><tr><td>2021 Q3</td><td>(\$2.5M)</td></tr><tr><td>2021 Q4</td><td>(\$2.8M)</td></tr></tbody></table>	Quarter	Redemptions	2020 Q4	(\$1.5M)	2021 Q1	(\$1.8M)	2021 Q2	(\$2.4M)	2021 Q3	(\$2.5M)	2021 Q4	(\$2.8M)	<b>Total Calls</b> <b>3,426</b> (▲ 4% QoQ) (▲ 21% YoY)
Quarter	Redemptions													
2020 Q4	(\$1.5M)													
2021 Q1	(\$1.8M)													
2021 Q2	(\$2.4M)													
2021 Q3	(\$2.5M)													
2021 Q4	(\$2.8M)													
<b>Net Flows</b> <b>\$8,690,234</b> (YTD \$31M) (▲ 48% QoQ) (▲ 23% YoY)	<table border="1"><thead><tr><th>Quarter</th><th>Net Flows</th></tr></thead><tbody><tr><td>2020 Q4</td><td>\$7M</td></tr><tr><td>2021 Q1</td><td>\$10M</td></tr><tr><td>2021 Q2</td><td>\$7M</td></tr><tr><td>2021 Q3</td><td>\$6M</td></tr><tr><td>2021 Q4</td><td>\$9M</td></tr></tbody></table>	Quarter	Net Flows	2020 Q4	\$7M	2021 Q1	\$10M	2021 Q2	\$7M	2021 Q3	\$6M	2021 Q4	\$9M	<b>Total Website Visits</b> <b>20,573</b> (▼ -2% QoQ) (▼ -53% YoY)
Quarter	Net Flows													
2020 Q4	\$7M													
2021 Q1	\$10M													
2021 Q2	\$7M													
2021 Q3	\$6M													
2021 Q4	\$9M													

"QoQ Comparing to 2021 Q3 and YoY comparing to 2020 Q4"

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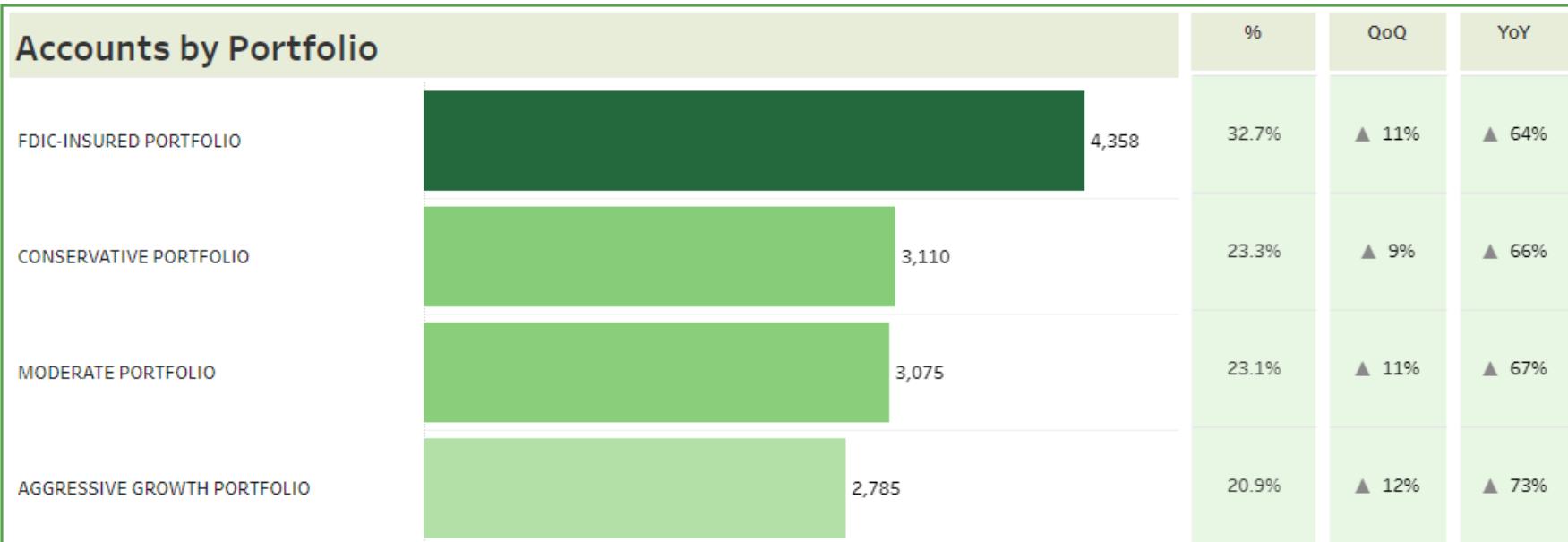


## Assets by Portfolio 4th Quarter 2021





## Accounts by Portfolio 4th Quarter 2021



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