JUNE 21, 2022

AGENDA ITEM 2
INFORMATION ITEM

CALIFORNIA ABLE ACT BOARD

Executive Director's Report

Background

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

- Enrollment Update
- Outreach Update
- NAST Update
- Operational Updates
    - Final IRS Regulations
    - Prepaid Card
    - Legislative Update AB 2216 and AB 1601

Presenter:

Dante Allen, Executive Director, California ABLE Act Board

Attachment 1:
- Q1 Enrollment Data

This page is intentionally left blank.

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

June 21, 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.

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. The bill passed the Assembly floor on 5/12/22. On 6/15/22, AB 2216 passed the Senate Finance Committee via consent.

  AB1601 requires call centers to have 90% of their operations staff located in California. This bill would impact CalABLE's new RFP since the law will only grandfather current contracts. Contracts beginning in 2023 will be required to meet the 90% threshold for call center staff. CalABLE's call center is currently operating out of the state of Florida. The bill passed the Assembly floor on 5/26/22. It passed

- CalABLE grew by 733 accounts in Q1 for a total of 7,691 total active accounts. This is a 14.8% increase compared to the national average of 8.7%
- Assets under management rose to $78 million in Q1. This is a YoY growth of 21.5% compared to the national average of 13.5%
- California is ranked as the 3rd largest independent ABLE program in both assets and accounts.
- The average account balance exceeds the national average at $10,143 compared to the national average of $9,269.

- Outreach/Marketing
  In Quarter 2, CalABLE had 27 outreach events with over 1,100 attendees. We sponsored four events with a reach of 2,000 people. The webinars continue to be popular with 489 attendees between March and May, maintaining a 50% attendance rate.

The most popular webinars continue to be ABLE 101 with 7,400 views, Tips for Opening a CalABLE Account with 576 views and CalABLE and Special Needs Trust with 383 views. The videos that had the highest average view duration were CalABLE 101 at 11minutes, Tips for Opening a CalABLE Account at 16 minutes and CalABLE Qualified Disability Expenses at 17 minutes. The CalABLE YouTube channel has over 650 subscribers with 53% using their computers and 36% using their mobile phones to view the CalABLE YouTube videos.

Operational Update

- The final IRS regulations are targeted to be deployed by the end of August.
- The prepaid card has started to transfer from Meta Bank to the new prepaid card vendor. The final roll out and activation of the new prepaid card is scheduled for August. TIAA is actively communicating with account holders about the transition.

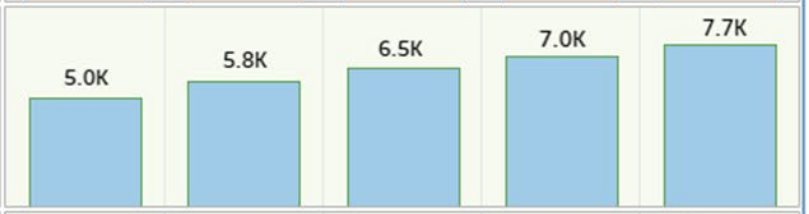
- CalABLE Budget Expenditures (FY9)

Budget Item	Budgeted Amount	Expenditures (FY10)	Remaining
Personnel Services	$440,000	$27,519	$151,030
Travel	$3,000	$0	$1,995
Printing	$2,000	$165	$1,258
Communications	$9,000	$44	$7,695
Contracts	$694,000	$19,935	$500,767
General Expenses	$12,000	$200	-$3,694
Total	$1,160,000	$47,864	$665,041

At A Glance Q1 2022

Total Assets
$78,007,223
(▲ 11% QoQ) (▲ 69% YoY)

Active Accounts
7,691
(▲ 8% QoQ) (▲ 54% YoY)



Contributions
$13,286,416 (YTD $13M)
(▲ 15% QoQ) (▲ 16% YoY)

Redemptions
($3,211,090) (YTD ($3M))
(▲ 14% QoQ) (▲ 80% YoY)

Net Flows
$10,075,326 (YTD $10M)
(▲ 16% QoQ) (▲ 4% YoY)

Accounts Opened
733 (YTD 733)
(▼ -3% QoQ) (▼ -1% YoY)

Accounts Closed
140 (YTD 140)
(▲ 5% QoQ) (▲ 77% YoY)

Average Account Balance
$10,143
(▲ 2% QoQ) (▲ 10% YoY)

Total Calls
3,632
(▲ 6% QoQ) (▲ 15% YoY)

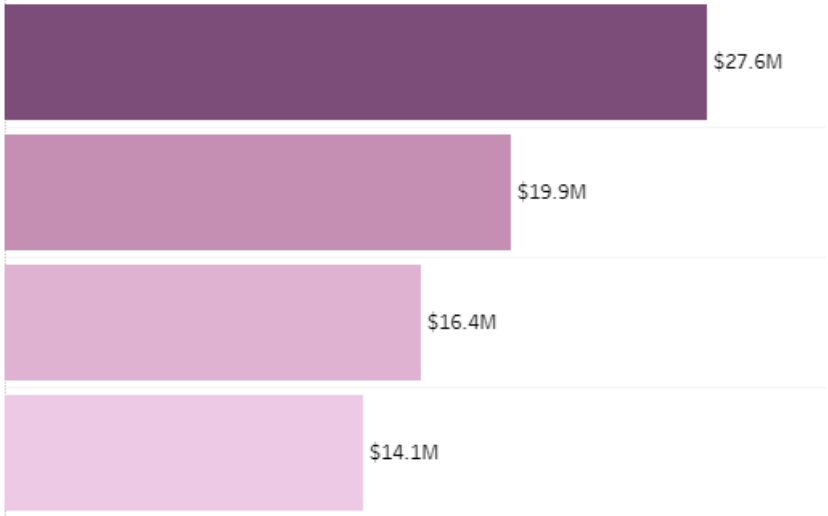
Total Website Visits
23,508
(▲ 14% QoQ) (▼ -50% YoY)

CA/Able/2022/Q1

"QoQ Comparing to 2021 Q4 and YoY comparing to 2021 Q1"

Assets by Portfolio Q1 2022

Assets by Portfolio

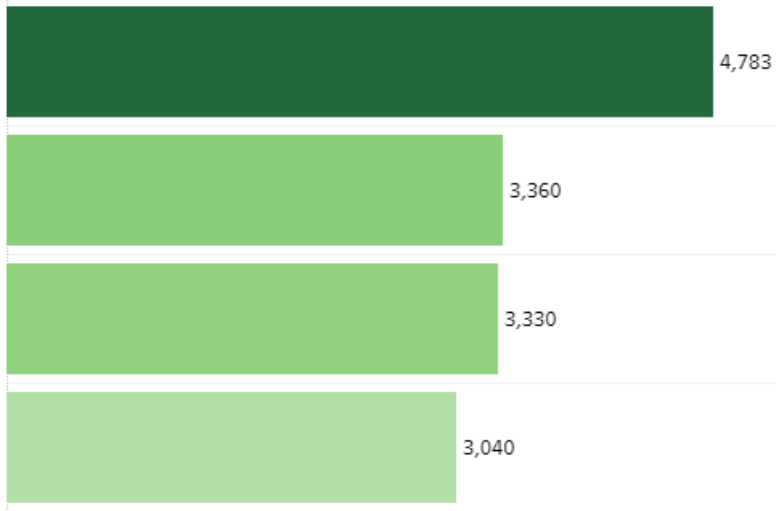


	%	QoQ	YoY
FDIC-INSURED PORTFOLIO	35.4%	▲ 16%	▲ 69%
AGGRESSIVE GROWTH PORTFOLIO	25.5%	▲ 9%	▲ 77%
MODERATE PORTFOLIO	21.0%	▲ 8%	▲ 66%
CONSERVATIVE PORTFOLIO	18.1%	▲ 7%	▲ 60%

CA/Able/2022/Q1

Accounts by Portfolio Q1 2022

Accounts by Portfolio



	%	QoQ	YoY
FDIC-INSURED PORTFOLIO	33.0%	▲ 10%	▲ 56%
MODERATE PORTFOLIO	23.2%	▲ 9%	▲ 57%
CONSERVATIVE PORTFOLIO	22.9%	▲ 7%	▲ 53%
AGGRESSIVE GROWTH PORTFOLIO	20.9%	▲ 9%	▲ 60%

CA/Able/2022/Q1

This page is intentionally left blank.