
MARCH 21, 2023

**AGENDA ITEM 2
INFORMATION ITEM**

CALIFORNIA ABLE ACT BOARD

Executive Director's Report

Background

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

- National Association of State Treasurers (NAST) Update
- Program Update
 - Federal Legislative and Rulemaking Update
 - State Legislative Update
 - Enrollment Data
- Operations Update
 - Prepaid Card
 - Staffing
 - Board Membership
 - Budget
 - Contracts
- Conversion Update
- Outreach Update

Presenter

Dante Allen, Executive Director, California ABLE Act Board

Attachments

- Attachment #1 – CalABLE Q4 Enrollment Data
- Attachment #2 – CalABLE Budget

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

March 21, 2023

National Association of State Treasurers (NAST) Update

Staff attended the National Association of State Treasurer's Legislative Conference along with Treasurer Ma in Washington DC. Conference events included working sessions with SSA, Senator Casey of Pennsylvania, and disabled ABLE account holders sharing their ABLE experiences.

Staff also participated in Legislative visits focusing on sharing gratitude for passing the ABLE Age Adjustment Act, and potential upcoming priorities, including extending the ABLE related benefits of the 2017 Jobs and Tax Reduction Act. Legislative visits were held with:

Senator Dianne Feinstein (California), Senator Alex Padilla (California), and Senator Catherine Cortez Masto (Nevada)

Program Update

Federal Legislative and Rulemaking Update

The ABLE Age Adjustment Act was passed at the end of 2022 through inclusion in the Congressional Omnibus Spending Bill. First introduced by Rep. Tony Cárdenas (CA29), H.R. 1219 will amend the Internal Revenue Code to raise the age threshold from 26 to 46 for tax-favored ABLE accounts beginning January 1, 2026.

State Legislative Update

AB 339 (California ABLE Age Adjustment): Staff have been monitoring, Assembly Bill 339 (Irwin), which would revise the definition of "eligible individual" under the Qualified ABLE Program by increasing the age limit for when an eligible individual's blindness or disability occurred to 46 years of age to conform with federal ABLE Act beginning January 1, 2026. Staff have created a sample letter of support for the public to share with their representatives.

AB 1381 (Call Centers): Staff have been monitoring Assembly Bill 1381 (Weber), which includes requirements that state agencies who contract with private sector entities for programs or other services in which call center services are included have at least 50% of those call center jobs be in California beginning January 1, 2026. For each new contract, contract extension, or contract renewal after January 1, 2027, the requirement would increase to 75% of call center work be conducted in California.

Enrollment Data (See Attachment 1)

CalABLE gained over 300 accounts during the fourth quarter (8,416 in Q3 vs. 8,739 in Q4)

Despite our slowing account growth and overall challenges in the financial market, our assets under management actually increased. CalABLE has \$89 million in assets under management for Q4, this is up from Q3 by 13%. Average contributions were up 40% from Q2, redemptions were up 10% from Q2, and the average account balance was up 8% from Q2.

Notable element: participation in the FDIC portfolio is still up. Total assets in the FDIC portfolio are 39%, down from 40% in Q3. As a reminder, the board elected to waive the state administrative fee for assets held in the FDIC portfolio. That decision was based on staff estimates that approximately 1/3 of program assets would be held in the FDIC portfolio. No action is recommended at this time in relation to the waiver, however this is an area the board should continue to monitor. The revenue generated through the state administrative fee has direct bearing on our ability to reach self-sustainability and repay the general fund loans that supported the launch of CalABLE.

Operations Update

Prepaid Card

CalABLE's prepaid card continues to be popular. Since launch on October 27, 2022, there have been 920 card requests and 517 card activations.

Staffing

CalABLE is also actively recruiting for an SSA/AGPA bilingual position to assist with outreaching efforts in the Spanish community.

CalABLE has taken on a Master of Public Health student intern, Amira Patrawala. Amira will be working on a project to educate young adults on financial health.

Board Membership

Malia M. Cohen is the new State Controller. Ms. Cohen has renamed her delegates for participation in these meetings.

Budget (See Attachment 2)

As of March 7, 2023, the most recent available reporting, the program has spent \$830,000 in fiscal year 2022-23. CalABLE is currently receiving a general fund allocation and loan repayments are scheduled to begin in 2024.

Contracts (See Attachment 2)

The Program Administrator contract for Vestwell is currently being routed for signature and approval.

Conversion Update

Anne Osborne attended the Vestwell Client Roundtable on March 9-10. The roundtable featured the new improvements being made to the Vestwell platform. The platform will allow for Direct Deposits from SSA and Employer Payroll, enhanced security software and updates to the reporting documents.

Outreach Update

CalABLE launched the Partner Toolkit on March 3, 2023, through the CalABLE listserv and social media sites. Since launch, 316 people have signed up to receive the Partner Toolkit.

Our webinar 2022 attendance continues to be popular with over 50% attendance. Our CalABLE Basics for 2023 webinar was well attended with 204 attendees. We also tried a new webinar format with CalABLE Office Hours. This was an informal webinar from 6:00-7:30 PM dedicated to question and answer. There were 77 attendees and 66 questions asked through the Zoom platform. Office Hours was also simulcast on Facebook and there was activity throughout the webinar on the Facebook platform.

Our YouTube channel has 775 subscribers with the most popular webinars: ABLE 101 at 8,700 views, Tips for Opening a CalABLE Account at 823 views, and Special Needs Trust at 538 views. CalABLE will continue to present webinars about the CalABLE program. Upcoming topics include Maximizing Your CalABLE Account During Tax Time and CalABLE and Financial Health.

March was a busy time for in-person events. Staff attending the Cal-TASH Conference, Abilities Expo, Univision 5k Walk + Health Fair, Sonoma County Transition Fair, and Humboldt County Transition Fair.

CalABLE will continue to look for in-person outreach opportunities in addition to presentations and the monthly webinar series.

The CalABLE website traffic continues to have 80% new visitors and 20% repeat visitors, with 35% accessing the website from their mobile phones.

Outreach Events First Quarter 2023

Date	Event	Attendees	Webinar	Sponsorship
1/18/23	San Diego Regional Center			
1/25/23	CalABLE Basics Webinar		204	
2/1/23	IG Live with NDI and United Ways	N/A		
2/9/23	CalABLE Office Hours		77	
2/15/23	DRC's First Annual Gala			150
2/17/23	Tichenor Clinic for Children	30		
2/23/23	Harbor Regional Center			
3/3/23	Contra Costa Health Services	7		
3/3/23- 3/4/23	CalTASH Conference - In person (IP)			150
3/8/23	State Independent Living Council	10		
3/8/23	San Diego Regional Center	8		
3/10/23- 3/12/23	Abilities Expo - IP	TBD		
3/11/23	5k and Health Fair – IP			TBD
3/15/23	Sonoma County Transition Fair - IP	TBD		
3/17/23	Humboldt County Transition Fair - IP	TBD		
Q1 Total				

Future Outreach Events First Quarter 2023

Date	Event
3/23/23	CalABLE and Taxes Webinar

3/25/23	Fun in the Sun: Walk and Roll Event
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Future Outreach Events Second Quarter 2023

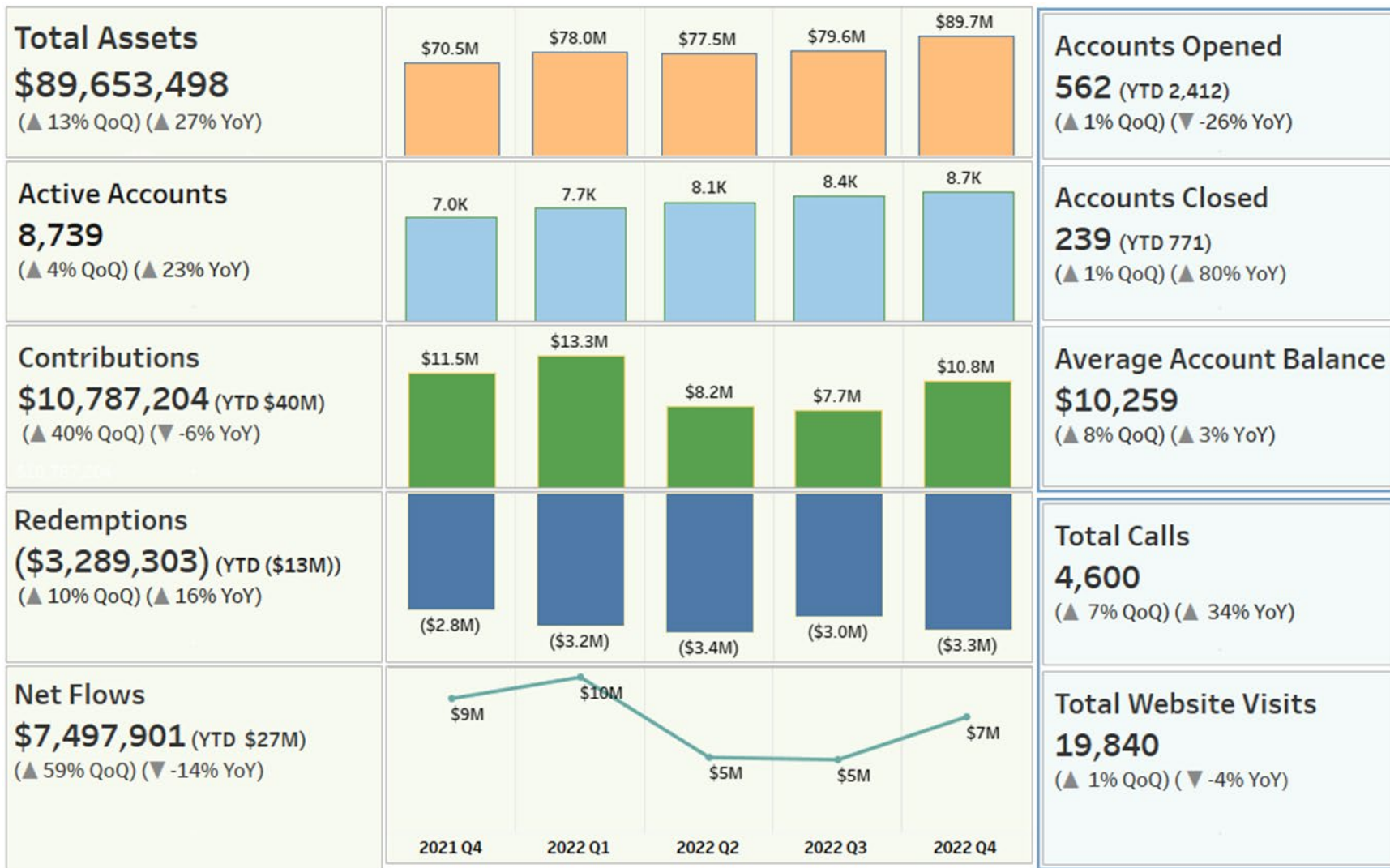
Date	Event
4/1/23	Antelope Valley Disability Resource Fair
4/10/23	Transition to Independent Living Skills
4/19/23	CalABLE Office Hours
4/22/23	SoCal Adaptive Sports Fair
4/25/23 – 4/28/23	ARC Disability Advocacy Conference
4/29/23 – 4/30/23	Wheelchair Sports Festival
4/30/23	St. Philip the Apostle Special Needs Resource Fair
5/10/23	CalABLE Financial Literacy Webinar
5/12/23 – 5/13/23	Statewide Self-Advocacy Conference
5/18/23	San Bernadino County Bar Association

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Attachment #1
Enrollment Data

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At A Glance Q4 2022



"QoQ Comparing to 2022 Q3 and YoY comparing to 2021 Q4"

CA/Able/2022/Q4

Assets by Portfolio Q4 2022

Assets by Portfolio		%	QoQ	YoY
FDIC-INSURED PORTFOLIO	\$35.2M	39.3%	▲ 10%	▲ 48%
AGGRESSIVE GROWTH PORTFOLIO	\$21.2M	23.7%	▲ 17%	▲ 16%
MODERATE PORTFOLIO	\$17.6M	19.6%	▲ 14%	▲ 16%
CONSERVATIVE PORTFOLIO	\$15.6M	17.4%	▲ 10%	▲ 18%

CA/Able/2022/Q4

Accounts by Portfolio Q4 2022

Accounts by Portfolio		%	QoQ	YoY
FDIC-INSURED PORTFOLIO	5,631	34.0%	▲ 5%	▲ 29%
CONSERVATIVE PORTFOLIO	3,796	22.9%	▲ 4%	▲ 22%
MODERATE PORTFOLIO	3,734	22.6%	▲ 3%	▲ 21%
AGGRESSIVE GROWTH PORTFOLIO	3,389	20.5%	▲ 4%	▲ 22%

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Attachment #2
Budget

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CalABLE Budget 2022-23
(updated 3.7.23)

Legislative Loans Status					
Loan Information	Loan Authority	Amount Transferred	Transfer Date	Interest Rate	Repayment Due
SB 826 - Budget Act of 2016	\$850,000				6/30/2024
AB 97 - Budget Act of 2017	\$650,000				6/30/2024
SB840- Budget Act of 2018	\$1,750,000				6/30/2024
AB 74 - Budget Act of 2019	\$1,070,000				6/30/2024
SB 74 - Budget Act of 2020	\$500,000				6/30/2024
Total	\$4,820,000				

Staff Expenditures			
Description	Projected Expenditures	Y-T-D Actual Expenditures	% Spent
Personal Salaries and Wages	\$410,000	\$125,865	31%
Personnel Benefits	\$200,000	\$50,872	25%
Total Staff Expenditures	\$610,000	\$137,576	29%

Operating Equipment and Expenses			
Description	Projected Expenditures	Y-T-D Actual Expenditures	% Spent
In-State Travel	\$4,000	\$987	4%
Out-of-State Travel	\$0.0	\$1,007	0.0%
Contracts	\$649,000	\$82,738	13%
Administrative Expenses	\$151,000	\$11,371	7%
Total OE&E Expenditures	\$804,000	\$96,103	12%

Total Program Expenditures				
General Fund Allocation	Current Year Staff Expenditures	Current Year OE&E Expenditures	Total Encumbered Funds	Total Loan Funds Remaining
\$1,414,000	\$176,737	\$96,103	\$272,840	\$1,141,160

External Contracts (Thru 2/28/23)					
Vendor	Term	Contract Total	Total Contract Expenditures	Remaining	% Spent
AKF Consulting Group	12/1/21-11/30/23	\$275,731	\$85,757	\$189,973	31.10%
529A Program Consulting Services					
Meketa Investment Group, Inc	4/1/22-3/30/24	\$160,000	\$32,562	\$127,438	20.35%
529A Investment Consulting Services					
Program 11, LLC	7/1/21-6/30/23	\$552,226	\$403,383	\$148,843	73.05%
Marketing Services					
TIAA-CREF Intuition	9/1/18-8/31/23	\$695,500	\$695,500	\$0.00	100%
529A Program Plan Manager					
Class Act Interpreting, Inc cancelled	7/1/22-6/30/24	\$14,000	\$650	\$13,350	4.64%
Captioning Services					
Eaton Interpreting Services, Inc.	7/1/22-6/30/24	\$14,000	\$2,075	\$11,925	14.82%
ASL Interpreting Services					
Lazar	7/1/22-6/30/24	\$14,000	\$800	\$13,200	5.71%
Spanish Translation Services					
Total		\$1,725,457	\$1,220,727	\$504,729	70.75%

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