
JUNE 20, 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
 - State Legislative Update
 - Enrollment Data
 - Statement of Investment Policy
- Operations Update
 - Staffing
 - Budget
- Conversion Update
 - Prepaid Card
 - Conversion Communications
 - TIAA Bank Transfer
- Outreach Update

Presenter

Dante Allen, Executive Director, California ABLE Act Board

Attachments

- Attachment #1 – AB 339 Sponsor Letter
- Attachment #2 – CalABLE Q1 Enrollment Data
- Attachment #3 – \$100 Million Milestone Press Release
- Attachment #4 – Budget
- Attachment #5 – TIAA Bank Transfer Notice

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

June 20, 2023

National Association of State Treasurers (NAST) Update

Staff attended the National Association of State Treasurer's Treasury Management Training Symposium in Portland, OR. The agenda for the conference included updates from the ABLE Savings Plans Network, innovative methods to increase enrollments, financial literacy tools for outreach, national ABLE data, legislative and regulatory impacts to ABLE programs, and inclusive marketing, among other topics.

Program Update

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.

AB 339 has been referred to Senate Governance and Finance Committee. A hearing is scheduled for June 21 and staff have submitted a sponsor letter from Treasurer Ma (See Attachment #1).

AB 1381 (Call Centers): Staff have been monitoring Assembly Bill 1381 (Weber), which is regarding bringing call center jobs back to California. This is similar to the bill that passed into law last year. AB 1381 intended to expand on the progress of the previous legislation by including provisions previously excluded in the last bill. AB 1381 has been amended to remove the percent of call center jobs located in California requirements for no-fee contracts that include call center work. Instead, AB 1381 will require the Department of General Services to establish scoring incentives for those contracts.

SB 544 (Open Meetings): Staff have been monitoring Senate Bill 544 (Laird), which would amend existing law that will remain operative after July 1, 2023, to remove indefinitely the teleconference requirements that a state body post agendas at all teleconference locations, that each teleconference location be identified in the notice and agenda of the meeting or proceeding, and that each teleconference location be accessible to the public. The bill would require a state body to provide a means by which the public may remotely hear audio of the meeting, remotely observe the meeting, or attend the meeting by providing on the posted agenda a teleconference telephone number, an internet website or other online platform, and a physical address for at least one site. SB 544 has been referred to committee on Government Organization.

Enrollment Data (See Attachment #2)

CalABLE gained 495 accounts during the first quarter, this is up from Q4 by 5%.

CalABLE has \$101 million in assets under management for Q4, this is up from Q4 by 13%. A press release announcing the \$100 million milestone and promoting CalABLE is in final development and will be distributed following the 6/20 Board Meeting (See Attachment #3).

Contributions were up 17% from Q4, redemptions were up 23% from Q4, and the average account balance was up 8% from Q4.

Statement of Investment Policy

Staff are working to incorporate ESG and DEI language into CalABLE's Statement of Investment Policy. Staff are working with other BCAs within the State Treasurer's Office to develop uniform language. When the language is finalized, it will be presented to the Board for approval as an action item.

Operations Update

Staffing

CalABLE has hired Maria (Vivi) Sandoval for an AGPA bilingual position to assist with outreach efforts in the Spanish community. Vivi is originally from Venezuela and has been living in California since 2016. She has a bachelor's in business management and has over 10 years of experience in the administration area. Vivi embarked on her state career in 2022 with the Labor and Workforce Development Agency and was responsible for various human resources, administrative, fiscal, and general analytical functions, including HR affairs within the EDD's and DIR's Human Resources Division. CalABLE is excited to welcome her to the team.

Budget (See Attachment #4)

As of May 17, 2023, the most recent available reporting, the program has spent \$636,560 in fiscal year 2022-23. CalABLE is currently receiving a general fund allocation and loan repayments are scheduled to begin in 2024.

Conversion Update

The program administrator conversion from TIAA to Vestwell is scheduled to be completed on August 21. Account access will be paused during the conversion window from August 17 at 1pm PT to August 21 at 6 am PT. Staff have reviewed the program disclosure statement and it is close to the final version.

Prepaid Card

New enrollments for the prepaid card closed on May 22, 2023. For those who currently have a prepaid card, the last day to load money onto the card was June 19, the ability to use the prepaid card will be terminated on July 20, and a check for any money that remains on the prepaid card will be mailed on July 27.

Conversion Communications

CalABLE account holders have been and will continue to be notified about the prepaid card discontinuation.

Staff are working with Vestwell to execute a communication plan regarding the conversion. The plan focuses on taking account holders through an orchestrated journey:

- **Inform** account holders about the imminent change,
- **Prepare** for the steps they will need to take before the conversion,
- **Notify** users when the conversion is occurring,
- **Remind** what actions they must take,
- **Educate** current and future account holders about the new features they will have at their disposal.

TIAA Bank Transfer (See Attachment #5)

The TIAA Federal Savings Bank (TIAA, FSB), the selected bank provider of the FDIC-Insured portfolio available in CalABLE, is scheduled to be sold on or about July 31, 2023. The agreement between TFI and TIAA, FSB for access to the cash option in the CalABLE program will continue under the new bank ownership until the CalABLE program is converted to management under Vestwell.

Outreach Update

CalABLE continues to promote the Partner Toolkit. Since launch on March 3, 381 people have signed up to receive the Partner Toolkit.

CalABLE will be taking a break from our monthly webinar series. The last webinar was in May and focused on financial literacy for young adults. CalABLE plans to start our webinar series prior to the program administrator conversion to educate the CalABLE community on the change.

Our YouTube channel has 804 subscribers. CalABLE will be scrubbing our YouTube channel of material related to TIAA-CREF prior to the conversion.

The CalABLE website traffic continues to have about 80% new visitors and 20% repeat visitors, with 36% accessing the website from their mobile phones.

Outreach Events Second Quarter 2023

Date	Event	Attendees	Webinar	Sponsorship
3/23/23	CalABLE and Taxes Webinar		90	
3/25/23	Fun in the Sun: Walk and Roll Event			161
4/1/23	Antelope Valley Disability Resource Fair	300		
4/11/23	Transition to Independent Living Skills	10		
4/17/23	Stanislaus SELPA	6		
4/19/23	CalABLE Office Hours		20	
4/22/23	SoCal Adaptive Sports Fair	100		
4/25/23 – 4/28/23	ARC Disability Advocacy Conference			900
4/29/23 – 4/30/23	Wheelchair Sports Festival			988
4/30/23	St. Philip the Apostle Special Needs Resource Fair	50		
5/1/23	Lowman Special Education and Career Transition Center	10		
5/1/23	Seesaw Communities	100		
5/2/23	Cal State Fullerton meet with staff	10		
5/2/23	Fullerton College meet with College President and Team	5		
5/3/23	Fullerton School District Office meet	4		
5/6/23	Pomona Special Olympics	100		
5/11/23	CalABLE Financial Literacy Webinar		96	
5/12/23 – 5/13/23	Statewide Self-Advocacy Conference	150		
5/12/23	Dixon May Fair	100		
5/18/23	National Care Advisors	30		

5/18/23	San Bernadino County Bar Association	48		
5/18/23	San Diego County Office of Education	5		
5/18/23	Triumph Support Group	10		
6/7/23	San Diego SELPA	6		
6/17/23	Buddy Walk & Festival 2023	TBD		
6/22/23	Autism Society Ventura County	TBD		
Q2 Total		1044	206	2049

Future Outreach Events Third Quarter 2023

Date	Event
7/13/23	Valley CAPS Day Programs: Manteca
7/14/23	Valley CAPS Day Programs: Modesto
7/15/23	Limitless Conference
7/15/23	San Diego County Schools and Resource Fair
8/2/23	Autism Tree Lunch & Learn
8/3/23	SELPA CAC Resource Fair
8/5/23	Chabot College
9/6/23	Autism Tree Lunch & Learn
9/16/23	Superheroes Triumph! 5K
9/28/23	Harbor Regional Center

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Attachment #1
AB 339 Sponsor Letter

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FIONA MA, CPA

TREASURER

STATE OF CALIFORNIA

June 13, 2023

The Honorable Anna Caballero
Chair, Senate Governance and Finance Committee
State Capitol, Room 407
Sacramento, California 95814

RE: SPONSOR: Assembly Bill (AB 339) (Irwin): CalABLE Age Adjustment Act

Dear Chair Caballero,

As the State Treasurer and Chair of the California Achieving a Better Life Experience (CalABLE) Act Board, California's qualified ABLÉ Program, I am dedicated to building financial stability for Californians with disabilities. That is why I am sponsoring AB 339, which would modify the CalABLE Act by raising the eligibility age limit for the onset of disability from age 26 to age 46.

In 2015, Governor Jerry Brown signed the California ABLÉ Act into law, establishing the California ABLÉ Act Board (SB 324, Pavley) and the state's 529A Qualified ABLÉ Program, CalABLE (AB 449, Irwin) – opening up life-improving opportunities for people with disabilities and their families. However, improvements to the Act have continued to be made at the Federal level and it is imperative we conform these changes so that CalABLE accounts maintain the competitive choice for Californians, compared to other states' ABLÉ programs.

California does not have rolling conformity and we must ensure that Californians enrolled in ABLÉ plans do not fall behind other states. If enacted, state law would conform to federal law, for taxable years beginning on or after January 1, 2026, by expanding CalABLE access to adults who develop a disability before the age of 46. This change would enable hundreds of thousands of Californians with disabilities to secure the important protections of CalABLE accounts.

Tax-advantaged ABLÉ accounts are designed to enable individuals with disabilities to save for and pay disability-related expenses. ABLÉ accounts are an important tool to increase independence for people with disabilities and help enhance their quality of life. It is imperative that we further CalABLE's mission to ensure every eligible resident of our state is able to benefit from financial flexibility and independence. For these reasons, I am proud to sponsor **AB 339**, and urge you to support the passage of this legislation. Please do not hesitate to contact my Legislative Director, Kasey O'Connor, with any questions at (916) 926-2074. Thank you for your time and consideration on this important issue.

In Peace & Friendship,

FIONA MA, CPA
California State Treasurer

915 Capitol Mall, Suite 110, Sacramento, CA 95814 ♦ (916) 653-2995 ♦ Fax: (916) 653-3125
300 S. Spring Street, Suite 8500, Los Angeles, CA 90013 ♦ (213) 620-4467 ♦ Fax: (213) 620-6309

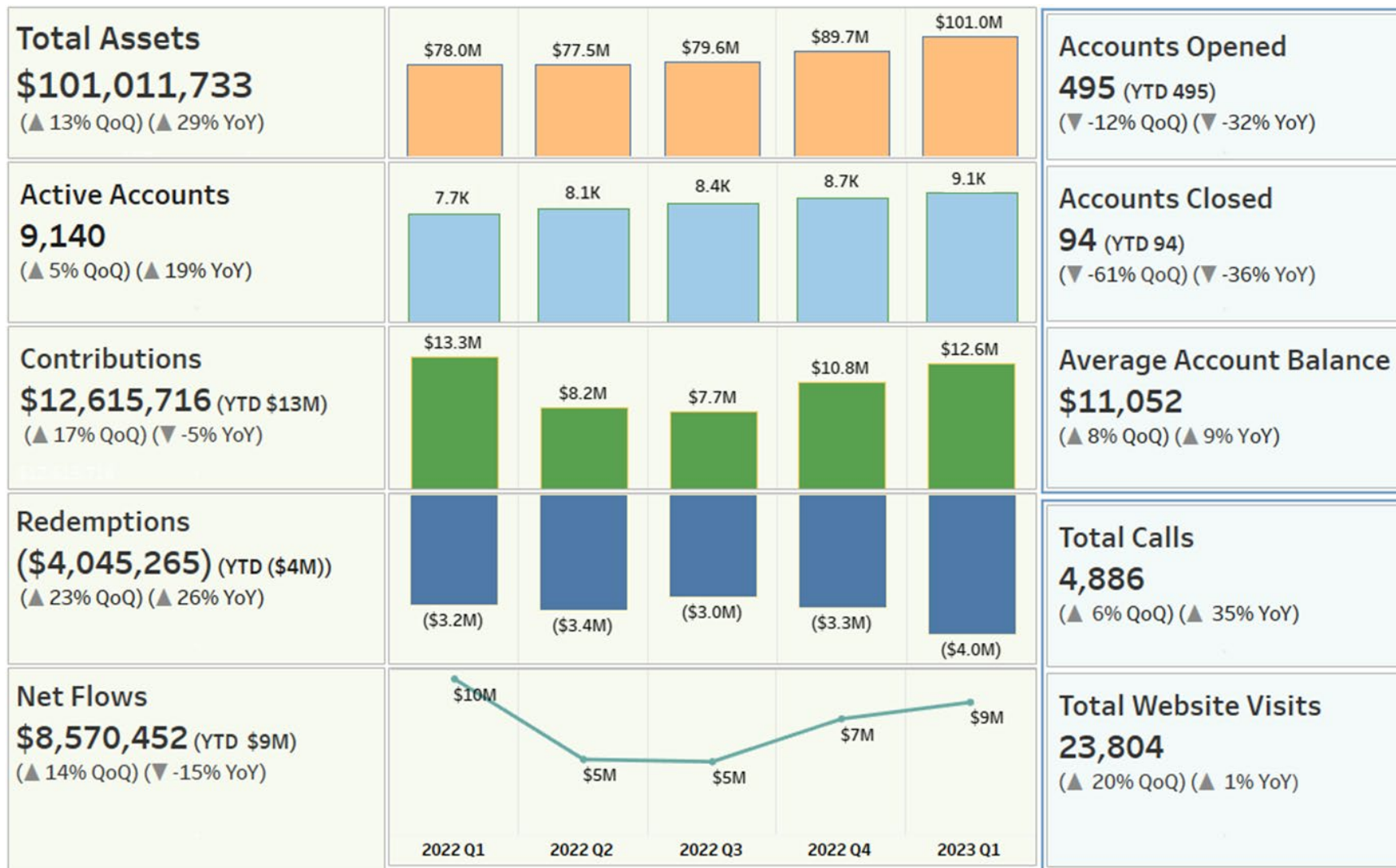
www.treasurer.ca.gov

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Attachment #2
CalABLE Q1 Enrollment Data

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At A Glance Q1 2023



"QoQ Comparing to 2022 Q4 and YoY comparing to 2022 Q1"

Assets by Portfolio Q1 2023

Assets by Portfolio		%	QoQ	YoY
FDIC-INSURED PORTFOLIO	\$39.1M	38.7%	▲ 11%	▲ 41%
AGGRESSIVE GROWTH PORTFOLIO	\$24.7M	24.4%	▲ 16%	▲ 24%
MODERATE PORTFOLIO	\$19.9M	19.7%	▲ 13%	▲ 21%
CONSERVATIVE PORTFOLIO	\$17.4M	17.2%	▲ 12%	▲ 23%

CA/Able/2023/Q1

Accounts by Portfolio Q1 2023

Accounts by Portfolio		%	QoQ	YoY
FDIC-INSURED PORTFOLIO	5,971	34.3%	▲ 6%	▲ 25%
CONSERVATIVE PORTFOLIO	3,981	22.9%	▲ 5%	▲ 20%
MODERATE PORTFOLIO	3,912	22.5%	▲ 5%	▲ 16%
AGGRESSIVE GROWTH PORTFOLIO	3,541	20.3%	▲ 4%	▲ 16%

CA/Able/2023/Q1

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Attachment #3
\$100 Million Milestone
Press Release

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Press Release Draft in Progress

Press Release Draft in Progress

Attachment #4
Budget

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CalABLE Budget 2022-23
(FISCAL Period 10)

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	\$231,247	56%
Personnel Benefits	\$200,000	\$133,835	67%
Total Staff Expenditures	\$610,000	\$365,082	60%

Operating Equipment and Expenses			
Description	Projected Expenditures	Y-T-D Actual Expenditures	% Spent
In-State Travel	\$4,000	\$4,951	124%
Out-of-State Travel	\$0.0	\$3,755	0.0%
Contracts	\$649,000	\$218,451	34%
Administrative Expenses	\$151,000	\$44,321	7%
Total OE&E Expenditures	\$804,000	\$271,478	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	\$365,082	\$271,478	\$636,560	\$1,141,160

External Contracts (updated 6/15/23)					
Vendor	Term	Contract Total	Total Contract Expenditures	Remaining	% Spent
AKF Consulting Group 529A Program Consulting Services	12/1/21-11/30/23	\$275,731	\$234,502	\$41,229	85.05%
Meketa Investment Group, Inc 529A Investment Consulting Services	4/1/22-3/30/24	\$160,000	\$48,537	\$111,463	30.34%
Program 11, LLC Marketing Services	7/1/21-6/30/23	\$552,226	\$489,478	\$62,748	88.64%
TIAA-CREF Intuition 529A Program Plan Manager	9/1/18-8/31/23	\$695,500	\$695,500		100.00%
Class Act Interpreting, Inc cancelled Captioning Services	7/1/22-6/30/24	\$14,000	\$650	\$13,350	4.64%
Eaton Interpreting Services, Inc. ASL Interpreting Services	7/1/22-6/30/24	\$14,000	\$3,275	\$10,725	23.39%
Lazar Spanish Translation Services	7/1/22-6/30/24	\$14,000	\$1,200	\$12,800	8.57%
Total		\$1,725,457	\$1,473,142	\$252,315	85.38%

Amounts shown are subject to change pending final annual audits.

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Attachment #5
TIAA Bank Transfer Notice

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Christopher S. Lynch
President
TIAA-CREF Tuition Financing, Inc.
T 704 988-6610
M 704 807-8107
clynch@tiaa.org

May 31, 2023

Mr. Dante Allen
Executive Director
CalABLE Act Board
901 P Street, Suite 413
Sacramento, CA 95814

Via email: Dante.Allen@treasurer.ca.gov

RE: Sale of TIAA Federal Savings Bank ("TIAA, FSB")

Dear Dante:

As program manager of the CalABLE program we are writing you to inform you of the impending sale of TIAA, FSB. As you know, TIAA, FSB is the selected bank provider of the FDIC-Insured portfolio available in CalABLE. On November 3, 2022, TIAA entered into a definitive agreement to sell its wholly owned bank subsidiary, TIAA, FSB, to investors who will each own non-controlling interests in the bank (the "Transaction"). Pursuant to the Transaction, nearly all the bank's current assets and business lines will be acquired by the new ownership, with the exception of the bank's trust business. The bank under new ownership will be rebranded to a new name, yet to be determined.

The bank's regulator (the Office of the Comptroller of Currency) has provided preliminary approvals for the Transaction, which is expected to take place on or about July 31, 2023. The agreement between TFI and TIAA, FSB for access to the cash option in the CalABLE program will continue under the new ownership of the bank. That agreement will be terminated only after the CalABLE program converts to its new program manager, Vestwell State Savings (the "Conversion"). Since the Conversion is expected to take place after the Transaction, the CalABLE program will have access to the cash option by the TIAA, FSB under its new ownership. TFI will remain in compliance with all terms of its agreement with the Board as program manager for the CalABLE program with regard to providing access to the FDIC-insured portfolio in the CalABLE program.

If you have any questions regarding the Transaction with regard to the CalABLE program and the Conversion, please contact us.

Thank you for your kind consideration to this matter.

A handwritten signature in black ink that reads "Christopher Lynch".

Christopher Lynch
President, TIAA-CREF Tuition Financing, Inc.

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