



California Achieving a Better Life Experience (ABLE) Act Board

presents

“CalABLE Workshop for Service Providers” Webinar

Monday, April 17, 2017

1:00 p.m. – 2:00 p.m. PST

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[Webinar begins 1:00 p.m.]

>> CHRISTINA ELLIOTT: **[LOST AUDIO]** Good afternoon, everyone, this is Christina Elliott. Thank you for signing up and logging in for the CalABLE workshop for service provider. What you see is some housekeeping I'll go through quickly. If you have technical issues, contact GoToWebinar, there's a phone number and a website listed there in the first bullet. A copy of the presentation is available in the handout section of the webinar portal. We'll archive this webinar and have it available on the YouTube channel.

The live captioning is available on the third bullet listed. And we'll take the

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opportunity to ask you to follow us on Twitter and follow us on Facebook. **[AUDIO RESUMES]**. We respond with and interact with the stakeholders on social media frequently.

We'll head to the next slide now. I'm Christina Elliott, I have Carrie Fisher Stone, Deputy Executive Director here as well. She'll help with a navigation of questions throughout the webinar. Ruth Holton-Hodson, Senior Policy Advisor and, of course, Raji Prasad our program analyst is here as well. So we wanted to spend time quickly to talk with you all about our progress. As you know, we've spent quite a bit of time organizing advisory councils, writing our emergency regulations, and finalizing those as well, late winter, early spring. And it's really been critical to have the relationship with service providers like yourself throughout this entire 6 to 8 months.

So I also wanted to thank you all for your engagement and your participation throughout this process. We could not be where we are without your partnership and your support and your feedback and your honest opinion about what your consumers and constituents need and how we, CalABLE administrators can navigate that alongside of you.

So here we are here, 2017, finishing out winter, right, with the spring soon to come. We attached in the portal, you'll see not only a copy of this presentation but also a copy of our emergency regulations. And so I wanted to bring those to your attention because we are not finished with those. We're aiming to finalize the program design this spring, early summer, preparing for our launch. And this type of convening is really important as we get to that step.

If you have any questions as we go through the slide deck, please feel free to

submit them. We'll wait until the end to answer them. But if you have a thought, type it out, send it to us, and we'll go to those questions at the end. We really do anticipate this webinar being pretty interactive, more interactive than our webinar from December.

We're really hoping to touch base with you all. Learn what we need to learn as we prepare to launch the program this summer and early fall.

So let's talk about next steps. April 27th is our next board meeting and we do hope you all will call into that meeting. There's a public comment line that you can access. The information is always attached to the agenda. And April's board meeting will be really important with respect to a conversation that the board will have about priorities with respect to program design.

As we've navigated the design of the program over the last 8 months, we've learned a lot about what other states are doing and how we can take lessons learned. We also learned a lot about what we are able to do and not to do from an infrastructure perspective. The Board in our statute is established as a fiduciary, which means they have legal responsibility over the trust.

So other states that have joined onto the ABLE Alliance, which is a consortium of states, and those that have a partnered up with other states have a different legal structure than California. And we've found that those options are not as -- we may not be able to do those in the same way that other states have done that. So that's going to be a really important conversation. And as service providers, an interesting conversation from your perspective because program design means staff.

And the way staffing looks and the way the Board sets the program will have a direct impact on our sister agencies, service providers like yourselves. It will pretty much

dictate how the ABLE program in California interacts with folks like yourself.

So I think it's important to be engaged in that process as well. So the May Board meeting is scheduled for May 2. And we are also expecting responses from our program manager RFP to come in May 2. That's the due date. So the Board may decide in its April 27th meeting to cancel that meeting and have it happen later on in May so they can vote on program design or we might still keep that meeting and have a lighter agenda for May 2 and the Board votes on program design in June.

So I say all of this as kind of an update. We do plan to have the program design finalized by June. So we are not -- we are not really off of our timeline or anything, it's just been extended a couple weeks. We're going to host our third meeting of public agencies, the public agency advisory council on May 10. We hope you join us for that as well. And again, we want to have a discussion about our regulations, about setting up systems and processes for interacting with public agencies and local municipalities that serve the population that we will serve.

On May 23rd we will begin the regular rule making process. As you probably know, we finalized the emergency regulations, which means we still have to go through the regular rulemaking process. We don't plan on changing the text of the current emergency rules right now. We want to have some more stakeholder convenings with folks like yourself to figure out some of the harder questions about legal authority, helping folks navigate their ABLE accounts that may not be able to do that on their own. The issue of the representative payee are not currently addressed in the text of the regulations. However, we want to make it clear we understand that's an issue and we want to continue to partner with you and others like yourself as we move forward and

grow this program together.

We plan to continue with outreach throughout California regions and another thank you for those on the phone that have helped us with over 250 stakeholder meetings over the past year. You guys have been critical to the program design, the feedback that we received at those convenings has been invaluable.

In July, we plan to rollout the ABLE Ambassador's Program. We'll have our program design pretty much ready to launch and we're looking to partner with our stakeholders with those that are happy with how the program looks and help us get the word out. We don't have a marketing budget and so we hope we can partner with stakeholders to get the word out about CalABLE as we prepare if the fall 2017 launch.

I mentioned what we learned at a national level and how we've immediately implemented some of the lessons learned. There's been a slow uptake in ABLE programs across the nation. And you can attribute that to a variety of things. There's a Medicaid recovery, which I'm sure many of you on the phone understand and are familiar with. There's also mistrust of financial services, firms, there's mistrust of investment people in general, and of course, there's a mistrust of government.

And so as a financial services tool and a government entity, we are in -- we're in the negative when it comes to trust. We start out with our target population having to earn trust. And it's been really really important to us to spend time with our stakeholders, with our future participants to earn their trust because we believe that if people trust what we've been doing, if they feel like they've been a part of the process here in California, they will be more apt to sign up and take advantage of this really amazing tool.

We have increased public engagement and awareness and we responded to **[LOST AUDIO]** a number of inquiries and we plan to do more of that. We want to use local agencies and organizations as information providers and distribute resources and hopefully we can tack on to some of your marketing for programs you provide.

We aim to have uniform interpretations of the federal and state statutes. The way that our state law is written right now, which is important for folks like yourself to **[AUDIO RESUMES]** understand and know what we are doing, we have capped our contributions at \$100,000 for state level benefit programs. We plan to lift that cap and remove it from the state statute. But we really want to provide continued education to our sister agencies and folks that provide services to people with disabilities on what this means and how to navigate ABLE, folks with ABLE accounts and those collecting state-level benefits.

Our market is broad and we need to make sure we effectively protect potential consumers. So the way that we plan to do that is utilizing our state regulatory process to come up with ways to provide additional consumer protections while also allowing for more flexibility for consumers who are eligible for ABLE accounts to access ABLE and utilize this tool. So the marketing of CalABLE. We currently have fact sheets available in Spanish, Vietnamese, Chinese (both traditional and simplified), Russian, Hmong. We have copies of these fact sheets. Please feel free to contact us to get a copy of it digitally. We encourage you to distribute it as you see fit.

We are getting together media kits for social media. Flyers and brochures. Of course with no marketing budget, we are hoping word-of-mouth is an effective tool for getting the word out with respect to CalABLE. Partnering with agencies, service

providers is going to be really important because of two things. There's of course, the ability to provide financial literacy education, provide information about CalABLE and how it may be helpful for your consumers, but it also provides the opportunity to provide consistent messaging around what CalABLE is. There's other ABLE programs available. There's a lot of confusion around what ABLE means and what it changes, and so to be able to have access to information for your consumers, I think, will be critical.

You can pick up the phone and call me or Carrie or Raji and we'll help you navigate any questions you may have if something pops up as you are providing your services to your consumers.

We plan on developing brand awareness and identify objectives and deliverables as we get closer to launch.

The way the program is currently set up, we will have to charge fees. And while that is unfortunate, it's the world that we have to navigate. So part of that is the way to drive down fees is to get a lot of participation. And that's why marketing is important because we are doing on the side some private fundraising and we have plans in place to target low income eligible individuals so they can participate in ABLE, those that might not be able to afford a fee structure.

We're even hoping to provide some seed money for the low-income population that's eligible. But marketing and getting participation is long-term the way to be not only self-sustaining but the cheapest plan available across the nation.

So let's talk about ABLE Ambassador's Program. For some on the phone, this might be something you might be interested in, for some, you might not be able to due to your job or the agency you work for. But we plan to begin recruitment in July. Of

course it all depends on launch, but that's our target. And this will include formalizing a strategy, training prospective Ambassadors, meaning getting those folks that are interested up to speed on what ABLE is, how people can utilize it, but being very careful to navigate what type of information people give.

We will not be providing financial advice or financial advisement services. We don't have that certification. We don't have the ability to provide that type of training.

Other state agencies -- or I'm sorry, other state ABLE administrators are doing similar types of programs. And we plan to look and see what's working in the national space on this and improving upon it if possible. And it will consist of sharing CalABLE information within your social circles, parent support groups and sharing specific brand messages on social network sites.

Again, consistency of information is really important. It will also be an opportunity to provide feedback on marketing messages for CalABLE prior to launch. And getting ideas on program interface, messaging, and appearance and user friendliness. We'll do what's called a soft launch in summer.

So the ABLE Ambassadors will be a part of that soft launch. It'll be a targeted group of folks that sign up, work out system errors and system kinks and provide us feedback and information on how we can make the enrollment process and use of the California ABLE program better before we launch with a formal marketing effort in the early fall.

We also encourage any kind of writing, commentary on CalABLE, what's working for them, and partnering with us on just getting the word out about the program.

Okay. So we wanted to put this out to you all, a partnership with purpose. We

have very limited resources. As do probably all of you on the phone. And our goal is to form collaborative partnerships with state and local agencies, and nonprofits and any other organization that's interested so that we can maximize ABLE awareness and improve the flow of information.

There's a lot of misinformation out there about ABLE and because it's a little bit complicated it's also because it's new and confusing. There's a federal law, but then there's state laws and each ABLE program is different. So how do we make this less confusing? How do we make this able to navigate? And honestly, you're going to have people you serve that don't have CalABLE accounts. They will have potentially an ABLE account in another state.

And we still want to be a resource for you. We won't know some program-level details probably about the programs your folks are in, but we certainly have contact information and we certainly have resources on ABLE nationally. So this is not -- we don't want to be partners with you only if the folks you have only have CalABLE accounts. We want to be partners with you so ABLE is a tool that people use and get full benefit of. And part of this partnership is learning where our goals intersect, both short term and long term. Defining the agency organization rules and the responsibilities as well as identifying and addressing potential conflicts.

One thing we learned quickly is that we are not just an investment tool. We function as a benefit, even though we aren't a public benefit. As defined in statute, we're an investment or trust, state trust. But I think that it's really important for us to understand where -- how our infrastructure might intersect with yours and how we can partner and utilize shared interests so that we can serve the same population

effectively.

Which leads to the next bullet point with respect to maximizing the effective use of available resources. So internal processes for communication is an example. How can we maximize that process? Where we could set up processes between inter-agencies, develop, and implement formalized process to share information and feedback, queries, memorandums of understanding and all county letters. **[LOST AUDIO]** It depends on the organization you work for and us and we hope we can put together a formal communication process so that we can be a quick resource for you to access.

And of course vice versa. We anticipate the customer service line will get a lot of questions about state-level benefits. And while we aren't providing that type of service, we do want to be able to provide **[AUDIO RESUMES]** information to people where they can access that resource. We want to identify any existing resources or relationships, any in-progress community projects, upcoming events and conferences, we'd love to be a part of and we want to engage multiple sectors of the community. Local, state, federal. We hope that we can be a resource and we'd love to be able to have you all as our resource as well.

And I think we've established much of that already. It would just be really great to set it in a more formal way when we get the program launched.

So April is financial literacy month. So happy financial literacy month. It's really good timing for this webinar. It's really good timing with respect to a lot of these gearing up pre-launch conversations that we're having. We want to be more than just an investment. We want to provide financial literacy planning and empowerment to our

participants. So part of that is partnering up with all kinds of local and state municipalities. Providing or including CalABLE information in your resource referrals, your intake processes, and your case management services. We want to be a partner with you in educating and helping consumers be informed. And a lot of this is ensuring that the fee structure and any fee associated with our program is clearly communicated.

Features of our program is clearly communicated. A lot of state programs provide debit cards or prepaid cards. But some of those come with additional fees and we want to make sure that information is out in front, easy to understand, especially easy to identify so that they aren't taken off guard by any of it. And then as we start to focus on -- not start, but as we start to roll out the program that focus on low-income eligible individuals, let's look for opportunities to partner there. We do plan to engage with nonprofits, charitable organizations to raise money, like I mentioned at the beginning of the webinar, but any information you have there would be very help us for us as well.

And we also want to continue to pursue tax incentives or other incentives to get people enrolled. We want to communicate what the caps are. They vary for each state per the 529 plan, the college savings plan is capped with this, that's a 529A, which is what ABLE programs are. Our cap here in California is \$475,000 tax free. And as you know, right now it's tied to state level benefits are capped at \$100,000. And this is a bit out of line with the federal law. No other state has capped state level benefits. Many of the organizations you work for are starting to put together communication to the staff about how to monitor these caps. And so I just want to mention that we are working to remove that cap.

So while there's a \$14,000 annual cap on contributions. The \$100,000 cap is not

a huge glaring issue as of right now.

But we do realize you are going through the process to monitor the \$100,000 cap on your end and because of that, we wanted to flag that we are hopeful that this cap will be removed this legislative session, which means from an administrative perspective for service providers that are operating means-tested benefit programs, you won't need to worry about it anymore.

I just wanted to flag that for you. We also love feedback and to partner with you with respect to customer service. Our population has very unique customer service needs with respect with what is helpful for one group is probably not helpful for another group.

We'd love to learn from you how you navigate that. We learned a lot from the outreach meetings and we've learned a lot from one-on-one conversations with organizations that represent a variety of disabilities. But I don't think that journey will ever been done. We'll always continue to learn how to better serve our customers and how to better serve our consumers and part of that is information sharing with other agencies and organizations that work with the same folks we will work with.

So now we've gotten to the part of the webinar, where Carrie and I will have conversations and she'll read back some of your submitted questions. But continue please to submit your questions, your ideas, if you have resources that you might need from us, let us know what those are. How can you help, but also how can we help?

I think that that is what we are hoping to get from this webinar is some ideas from you and how we can partner together. So I look to Carrie to see if anyone said anything yet.

>> CARRIE FISHER STONE: Yeah, we do have questions, thanks Christina.

Let's start with this question from a service provider who has clients that are eligible for ABLE accounts and is curious when he's talking to them about which way to go, he wants a little bit more clarification on how the CalABLE program might differ, if at all, from other state's ABLE programs. What are the differences there and what are the advantages to their clients to the CalABLE over some other states?

>> CHRISTINA ELLIOTT: That's a fantastic question. And you know, so, let's talk about the differences. So there is a website, the ABLE National Resource Center. www.ablenrc.org, and so you could go to ablenrc.org go there and we would recommend doing this when we launch as well. What you can do there is you can compare all of the programs side-by-side. And you get all of the information, you get not only the differences in the fee structure, but you also learn what financial services firm or bank or entity is running the program, which for some is important to know.

You'll learn the different types of investment options available. And any additional fees associated with that. You'll also learn what types of features and benefits each program offers. I mentioned some have debit or prepaid cards and some have fees associated with those features and that's a really really useful tool to navigate that with your consumer or your client.

You know, the -- so the thing that's unique about the way that it's structured here in California, we have a 7-member Board and that's another thing you'll see. You can see the infrastructure differences on that website. Some are operated by a private bank with no public oversight. Some have boards. Some are treasury programs. Ohio, their ABLE program is overseen by the state treasurer. In California, the state treasure chairs

the Board but we have a 7-member board that represents the disability community. And I would say that transparency and that access the public has to a state board is a benefit.

We've done massive amounts of outreach and education and provided that to the Board. The way that this would work in California is that the public can come to Board meetings and the public and folks like yourself can access individual Board members. You can effectuate change by participating in the public process.

And I think that's really great about California. But with respect to the way the statute is written and for folks that operate means-tested benefit programs at the state or local level, it doesn't matter which ABLE program your consumer participates in. state-level benefits are capped at \$100,000. That's not just for CalABLE, that's for all ABLE accounts.

>> CARRIE FISHER STONE: And SSI, we have a question about the \$100,000 as it relates to SSI.

>> CHRISTINA ELLIOTT: Ok, perfect. And so the \$100,000 is across the board, no matter what ABLE program you are in, capped at \$100,000 as well. So what happened in 2015 **[LOST AUDIO]** there was a little bit of a misunderstanding what that \$100,000 cap was. So we shouldn't have even put in the statute, which is why we're trying to take it out because it creates a lot of confusion.

But the \$100,000 cap is for SSI at the federal level. And that's how other ABLE programs are utilizing that language for their state residents. **[AUDIO RESUMES]** Because Ohio doesn't have a \$100,000 cap benefit, but that doesn't mean that if you have an Ohio account, you don't have to adhere to the \$100,000 cap. Currently in our

state law, you would still have to adhere to that. Again, we're hoping to remove that.

>> CARRIE FISHER STONE: And understanding some people are having a hard time hearing me, if that remains the case --

>> CHRISTINA ELLIOTT: I'll repeat the question.

>> CARRIE FISHER STONE: [off mic] to follow up, Christina, could you give the website address again for ABLE National Resource Center where people can compare programs.

>> CHRISTINA ELLIOTT: I don't have it in front of me, but I believe it's ablenrc.org. And it's on the website. Raji just reminded me. Lots of stuff is on our website www.treasurer.ca.gov/ABLE.

>> CARRIE FISHER STONE: And just to follow up, you would want to go to the resource section to find those links.

>> CHRISTINA ELLIOTT: There are 3 boxes at the bottom of the website, one is a resource box we put there.

>> CARRIE FISHER STONE: Okay the question is, will credit unions or banks be able to accept CalABLE accounts when we launch.

>> CHRISTINA ELLIOTT: The answer to that is no. The way it's structured is that depending on what the Board decides to do in June, May or June with respect to program design, but the Board will enter into a contract with an entity that will be the program manager of the account. And only the entity that is in contract with the California ABLE Board can administer ABLE accounts in California.

Therefore, if you were to go into your local credit union. Let's say you have a School's credit union and that's where you bank. And they said open your ABLE

account here. That would be bad unless School's responds to our RFP, which is possible. They would not have authority or ability to administer ABLE accounts, so your benefits would be at risk.

The only way you would be able to have an ABLE account is through the state entity overseeing it. So you would have to go to our CalABLE website and click enroll or however that works that's typically what it looks like in other states with the online enrollment process. And that's how you would access an ABLE account.

We do have in our RFP request out to one day have face-to-face customer service and what that means is that we're hoping that in the future we could partner maybe with some subsidiaries of whoever gets the contract to train a staff person at a brick-n-mortar bank who could help people with their ABLE accounts. But that isn't something that is currently seen in the market.

But it's something we heard from stakeholders and constituents as a need. And we wanted to make sure we put that as something we would desire as a service some day from our vendor.

We'll see what those responses say May 2.

>> CARRIE FISHER STONE: Great. With regard to fees, there was a question about whether the regional centers could somehow assist with the fees for participants.

>> CHRISTINA ELLIOTT: Fantastic. I don't know, I mean, that's exactly what we're hoping to talk about today. So I think that -- I can't think of why that wouldn't be okay. What we would have to do is set up a formal document probably. But what I'll do is we're going to write that down and we'll follow up with DDS and ARCA. And then whomever asked that question, we could follow up directly with them and start having

some conversations around how that might happen. But we have folks that are very low-income that are eligible for these accounts. The fees are concerning because we don't have any money to be able to not charge a fee the way that we are setup right now.

And this type of out-of-the-box thinking is what we're hoping to start engaging in. and we'll continue to work through that and hopefully that's something we could do.

>> CARRIE FISHER STONE: To follow up on that, more questions about fees, can we talk a little bit about the range we might see in the fees and at what point will there be no fee?

>> CHRISTINA ELLIOTT: That's a great question. I'll take it backwards. At what point will there be no fees? I want to use as an example for comparison purposes, the college savings plans that were born 20 years ago, the 529 college savings plan, they launched a couple decades ago. And if you look back at how much it costs to open a college savings account for your child, it cost more in 1990 dollars to open a college savings account than it costs to open an ABLE account today. And over the course of 20 years and with enrollment increasing over time, with the assets under management, which is an investment term for how much money is in the trust, the combination of that has driven fees down to a point where it is almost fee-free to have a college savings account, especially here in California due to the fact there's almost \$6 or \$7 billion in assets under management in the college savings plan.

I'm not saying that CalABLE will be more like that because we are more transaction-based but we will get our fees driven down over time in the exact same way. I anticipate that the accounts will be very very very cheap, comparable to 529 college

savings plan sooner than 20 years from now. But you know if we look at what the trends are in the college savings world, you could assume that 10, 15, 20 years from now, it will be very cheap if not free to have an ABLE account.

And I hope by then we have set up some solid relationships with nonprofit organizations with folks that will have grants we apply for consistently on the regular basis so those that still can't afford a fee at all will have a system in place to help those. And I anticipate having that soon. And in 15-20 years, that will be even more matured.

>> CARRIE FISHER STONE: So folks are interested in a comparison of what fees look like in the market today. And if I can ask you to please repeat me because people are not hearing me.

>> CHRISTINA ELLIOTT: So the question is, what do fees look like now in the market? And what could we maybe anticipate California fees to look like? Right now it varies, obviously. There's different way that ABLE programs are charging fees too. Some are charging an annual fee. So are doing both an annual fee and basis point fee. And basis points are similar to your annual APR on your credit card.

So it's a percentage fee on what is in your account. Over the course of 12 months. So with that, let's use this as an example. And this is from the last Board meeting where the program consultant explained this market to the Board as it is today.

If you have \$3,000 in your ABLE account in one program, it could cost you up to \$77 a year to have your ABLE account there. And that's because there's a \$60 annual fee to have your ABLE account in that program and on top of that, they charge a certain basis points fee, which drives that \$60 up to \$77 because it's a certain percentage of that \$3,000 over 12 months.

Then you have plans that are 35 bucks a year. And no basis points fee. So the way that -- the way you could think about this is that it really ranges between \$35 and maybe even 80 bucks to have an ABLE account.

So it's a wide range.

>> CARRIE FISHER STONE: And that's per year.

>> CHRISTINA ELLIOTT: Per year, not per month, that's per year. **[LOST AUDIO]** Some are charging it monthly. So some are charging a monthly \$5 fee. And it depends, the ABLE National Resource Center is a great tool for you to check that out.

What you can expect here in California is much lower than that. And I'm very confident. The way the fees are structured are based on the fact that the population is eligible folks **[AUDIO RESUMES]** in each of those states and so you see the more expensive plans have smaller eligible populations.

The cheapest plan, the \$35 plan is one of the states that signed on to the ABLE Alliance and it took 13 of those states to get to the size of eligible people that California has. We have 4 million people in our state with disabilities. We believe with the age cap of 26, probably half of those would not be eligible.

And if you look at how many people collect SSI, there's about 2 million. And cut that in half with the age cap, we anticipate that a conservative estimate is 1 million people would be eligible.

Some states with ABLE programs don't even have 1 million people in their entire state. So I anticipate our fees will be lower than \$35, what they will be, I don't know yet.

>> CARRIE FISHER STONE: One last follow up question on fees. Explaining a little bit more why the need for fees in the first place and why it's not a free program.

Maybe we talk about how we don't have ongoing appropriations the way the statute laid out the structure.

>> CHRISTINA ELLIOTT: To repeat in case anyone couldn't hear, there was a question asking for me to elaborate on why we charge fees and why this isn't free. So I will refer everyone to our state statute. The way that we were constructed in law was as a 7-member Board that's a fiduciary of the trust that self-sustaining on fees, we're set up in the exact same way the 529 college savings plan is set up. So the state legislature did not give the ABLE administration, the ABLE Board, an annual appropriation from the General Fund or any fund. So we received a \$1.5 million loan from the General Fund we have to pay back in 2022. I will not be paying that back in 2022, even if we were to charge \$35 a year, which I don't anticipate we will, we still wouldn't be able to have enough money to pay the loan. We will have to pay it back at some point.

But that piece is out of our hands. We would love an appropriation to administer the program. But that's just not how we were set up in statute. And the way that we run the program this year has been very, very frugal. We spent less than half of what we were given for this fiscal year. In our RFP, we reserve the right to waive the fee for the first year of operation for those folks that open an ABLE account in California for the first 12 months of operation. So again, we are trying to combat the fact we have to charge fees. But there is no other way that we could operate the program unless the legislature gives us an annual appropriation. Even if the Board were to sign up with the ABLE Alliance, there would be a fee because the administrators and the program manager of the ABLE Alliance charges a fee from participants. So there's no way to get around the fee unless the legislature gives us money.

>> CARRIE FISHER STONE: So let's move on. A service provider is asking, there are concerns that they would have to be responsible for keeping the eye on the cap versus our system. So maybe we want to reassure them our system will have that -- that safeguard in place.

>> CHRISTINA ELLIOTT: The concern was from the service provider, who needs to monitor the caps? So that's something that the CalABLE Program would provide. The \$100,000 cap, again we're hoping to get that removed. Some state agencies are working towards asking that question in their eligibility forms to be able to monitor the cap. And they are certainly welcome to do that. But we would work with our vendor to provide that type of service to our consumers, at least that's our hope. And that's our goal. So that would be on us, I believe.

>> CARRIE FISHER STONE: Okay. What about local Social Security offices? Do we know what efforts they are undergoing to make sure CalABLE is known to their clients?

>> CHRISTINA ELLIOTT: The question was what level of engagement does local Social Security offices have with us and we get a lot of feedback from folks that have had negative feedback from people with experiences with local social security offices that didn't know what ABLE was. A lot of people in California have accounts in other states and they go to the office and talk about their ABLE account and the person at the window doesn't know what ABLE is, and their benefits are at risk.

So we are continuing to have these state agency, federal agency advisory council meetings. We plan to continue to engage with local SSA offices and local HUD offices. The law is really clear.

We have had conversations with SSA on what their plans are for educating their staff and they say they have been. But every time we hear that a SSA staff member is unaware of the -- of the federal ABLA law, we personally call those folks.

And if you have issues with SSA and HUD, get in touch with me, and I'll call them myself. And I've been sending them information and I've been showing them the law and CC'ing the executive level staff back in Chicago for the Social Security Administration. So that they see at the top see the need for education to staff at the field level.

And that's how we've been approaching that. But we are very very much interested in partnering with you to make sure information is communicated to those people.

>> CARRIE FISHER STONE: There's a question about our program brochures, materials, how they can help distribute that to their consumers. So the fact it's on our website in the resources section and maybe tell them I'll provide my email address to everybody here and they can email me directly if they want a copy of any of our fact sheets.

>> CHRISTINA ELLIOTT: For those who didn't hear Carrie, a service provider asked if they could get access to our fact sheets and resources about our programs to distribute to the folks they serve. And yes, absolutely. We'd love to do that. And Carrie is going to provide her email information and then again on our website under the resources section, you can access the fact sheets and download them that way. But we can work with you on getting you copies as well as you'll want to send a presentation out to people so that they can see the presentation and may need additional details.

We're also happy to come and meet with you guys.

We have been doing what a lot and we'll want to continue to do that. If you want to have a training day for your staff, Carrie or I or Raji can come out and talk with your staff and work on some formal training and get that in progress as well.

>> CARRIE FISHER STONE: The Medicare recapture, there's concerns obviously this is going to discourage people from opening an ABLE account. And this person understands there's legislation here in California to potentially eliminate that drawback. Can you talk about that particular legislation and where that stands?

>> CHRISTINA ELLIOTT: The question was asking for me to discuss Senate Bill 218, authored by Senator Dodd, which addresses a state-level Medi-Cal recovery from ABLE accounts. Some of you probably already know Medicaid can recover from ABLE accounts when a beneficiary passes away. But they can only recover costs incurred from the time that a person opens an ABLE account to the time they pass on.

What's going on not just here in California, but dozens have introduced legislation like SB 218. What SB 218 will do is **[LOST AUDIO]** it will stop California from recovering state level Medi-Cal dollars by Department of Health Care Services. That's the state agency that administers the Medicaid program. But California puts a lot of state dollars for the payments for those services.

And the federal law is written in a way if the state were to choose not to recover, it has that authority and autonomy not to do that. SB218 will prevent the **[AUDIO RESUMES]** state from recovering from CalABLE accounts.

So that is currently in appropriations committee in the Senate. It should be going to the floor for a vote and then it goes to the assembly and then hopefully navigates the

assembly as successfully as it has been navigating the Senate. And then it should probably head to the governor's desk late summer for signature.

If you have legislative agendas for sub-committees or any organizations that you are involved with, we would love for you to write a letter to support, come to committee and testify or come name yourself as a supporter. The more the legislature hears from not only consumers but from service providers, I think this is important.

I think the better of a chance it has to pass. And so far, it's flying through very successfully.

>> CARRIE FISHER STONE: Okay, so service providers are having some difficulty, they are providing for statutes around this program to consumers and sometimes it's hard to explain in layman's terms. Is there a way they can ask for our assistance in explaining the legislation when they were communicating with the consumers?

>> CHRISTINA ELLIOTT: Absolutely. So there's been a question, a request for us to be available to service providers to help with some -- explaining some of these technical details around legislation, the program, around the law when speaking with consumers. And absolutely. Email me, email Carrie, email Raji, let us know when you're having a meeting or let us know what questions came up. And we can help you navigate those questions and provide you some suggested language for answering the questions that maybe are easier to understand.

>> CARRIE FISHER STONE: And qualified disability expenses, can we give a quick overview what those include?

>> CHRISTINA ELLIOTT: Sure. Sure. So that's good. We probably should have

included a discussion around that in our webinar in a more detailed way because as you're helping your consumers navigate not only your own services but if they have a ABLE account, what can they spend their money on, it's something I think that service providers would benefit from knowing. So if you look to the federal law, there's a list of qualified disability expenses and it's very, very general. So there's some additional information and regulations and the federal regulations and some additional information with respect to HUD and housing. And even still, it's very general. What I think is important for service providers to communicate to consumers or clients is it's very important to keep receipts of purchases and it's also very important to make rent payments or any larger payments within the same month you take out the money.

If you take out a chunk of money and it passes over to the next month, SSA will-- if there's more than \$2,000 taken out -- they can suspend benefits. And it's really important that if you have a bill or a purchase that's going to be made, make payment as soon as possible and don't let the first of the next following month come.

And the way that we could probably navigate this more effectively is for that are interested, reach out to us and we'll put together a workshop on qualified disability expenses and we can talk about information sharing between us and yourself.

And we can set up something formal, whether on our website or a shared portal where information around how people navigate through this effectively. And we can also provide you resources to and explanations around what the federal regulations say. We don't make more specific qualified disability expenses in the state regulation on purpose.

If we start to list out what you can buy, inevitably, we'd be leaving out so much

that you could. And we don't want to limit people's ability to full maximize this tool.

So if that sounds good to everyone, I think we'll have another conversation around how to help consumers navigate qualified disability expenses.

>> CARRIE FISHER STONE: For consumers with ABLE accounts in other state, are they able to transfer to California?

>> CHRISTINA ELLIOTT: The question is, will people that have ABLE accounts in other states be able to transfer to California if they wanted to? The answer is yes. I forget how many times. I think it depends on the ABLE program. But some ABLE programs will charge the consumer a fee to close and transfer out. Many don't charge a fee. The ABLE National Resource Center, the compare tool, lists out that information, which programs charge fees and which don't for transfer of funds.

And then it depends on the plan. How many times you do that. I think it's limited. I just -- that information is not coming -- I can't recall right now. But that certainly is something they could do if they like our program.

>> CARRIE FISHER STONE: Okay, will these funds be guaranteed by the state or federal government be way the funds are by bank.

>> CHRISTINA ELLIOTT: There's a question around the funds being guaranteed, so the principal is protected. We'll do one more question after this, we're over time. But there will be investment options and one of those options will be a federally insured option where the principal is protected. And we would encourage that want to use this on a transaction base, that's the best option for folks that are paying bills and making regular purchases from the ABLE account. For those who want to save for larger purchases or over a longer amount of time, there'll be investment options

where there's a higher risk but you will earn more assets through earned interest over time.

>> CARRIE FISHER STONE: Wanting clarification whether this will primarily be like online banking and what options will exist for participants who don't have internet access.

>> CHRISTINA ELLIOTT: So the question was, is this mostly online, like online banking and what options for those that don't have Internet access? So as of right now, the way the market looks is these are all online enrollment processes where you can request paper enrollment. I anticipate we will be the same. I think that each plan charges a paper fee, a paper processing fee for paper applications and I think those fees vary depending on plan.

I anticipate ours will probably be similar. But for those that don't have Internet access, that's something that we've had sidebar conversations around how do we get those folks. And one thing that we plan on doing is enrollment fairs. So you could come and in-person enroll with one of us and we would walk you through the enrollment. We would provide the laptop and we would provide the technical assistance and then give the folks the phone number where they could access their accounts via telephone. Right now, there's no face-to-face interaction but again that's the goal. We hope to get to a more consumer-friendly setup. But we're not perfect, we realize there are obstacles, people have to navigate and we want to partner with you all well. If you are having an event, perhaps we could bring a laptop to an event you're having and help people enroll that way as well.

>> CARRIE FISHER STONE: And just before we close, can you repeat once

more about when we anticipate opening?

>> CHRISTINA ELLIOTT: Lastly, we anticipate having a soft launch late summer July, August, time frame. And we really do hope to launch by October 1. Hard launch, formal marketing, that's our hope. And on the screen, you'll see our social media links and please feel free to get in touch with us. We'll post this webinar on our YouTube page and then you'll see there now **[LOST AUDIO]** website and you see additional information. Thank you so much for joining us. This is the beginning of the wonderful journey we hope to partner with you on. Thank you for your interest and your feedback, it's been extremely helpful. Have a great day.

[End of webinar 2:00 p.m.]