



**NC ABE**  
National ABE Alliance Member



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

## **DRAFT MINUTES**

### **NC ABE PROGRAM BOARD OF TRUSTEES**

The quarterly meeting of the NC ABE Program Board of Trustees was called to order at 9:30 a.m., May 11, 2022, by the Chair, State Treasurer Dale R. Folwell, CPA. The meeting was held in a hybrid format, with people attending virtually or in person in the Dogwood Conference Room of the Longleaf Building at 3200 Atlantic Avenue, Raleigh, NC 27604. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

#### **Members Present**

Board members attending in person: Treasurer Dale R. Folwell.

Board members attending virtually: NC Commissioner of Banks Katherine Bosken, Chris Egan, Marquita Robertson, and Carlton 'Tim' Smith.

#### **Members Absent**

Board members absent: Melinda Plue.

#### **Guests Present**

Guests attending virtually: Jose Gamboa, Molly Peterson, and Paul Souppa from Ascensus.

#### **Department of State Treasurer Staff Present**

Staff members attending in person: Thomas Causey, Reid Chisholm, Zora Falkowski, Patti Hall, Jeff Hancock, and Alan Jaquith.

Staff members attending virtually: Ted Brin, Christy Farrelly, Joan Fontes, Fran Lawrence, and Laura Rowe.

The Chair called the meeting to order and reminded members that, since this meeting is being held in a hybrid format, members must announce their names when they arrive, when they depart, and when speaking. He explained that making a motion will be assumed to be a vote for the proposal and that all votes will be taken by roll call. He stated that today's meeting is being recorded as part of the Department of State Treasurer's initiative to increase government transparency.

#### **Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest**

The Chair asked, pursuant to the ethics rules, about board member conflicts of interest. No conflicts of interest were identified.

### **Approval of Minutes**

The Chair entertained a motion to approve the minutes of the February 9, 2022, NC ABLE Program Board of Trustees meeting. Commissioner Bosken so moved, and Mr. Egan seconded. The motion passed by a unanimous roll call vote of 5-0.

### **National ABLE Alliance Program Manager Contract Update**

The Chair recognized Mr. Jeff Hancock to provide an update on the National ABLE Alliance's program manager contract. Mr. Hancock said that Illinois, the lead state in the National ABLE Alliance, has not yet finalized contract terms with Ascensus. Illinois has extended the current contract with Ascensus through June 30, 2022, to allow additional time for negotiations. This contract extension also applies to North Carolina's implementation agreement. He stated that the Board previously voted to give staff approval to sign the contract and execute the implementation agreement once Illinois completes negotiations with Ascensus. The Department expects to see the master contract in place by the end of June and will then execute the implementation agreement. Mr. Hancock said that we expect to see a lower fee.

### **NC ABLE Budget for 2022-2023**

The Chair recognized Mr. Jeff Hancock to provide an update on the NC ABLE Program budget for fiscal year 2022-2023. Mr. Hancock reviewed the proposed administrative budget (included in the Board's materials), including revenue and expenditure assumptions. In response to a question, he confirmed that the program lost a full-time employee position that was previously included in the NC ABLE Program budget. Mr. Hancock stated that SRP staff is administering the NC ABLE program. The budget reflects reimbursement to SRP to cover staff time allocated to ABLE. He commented that the current structure is working successfully; staff has been able to meet all requests for presentations and outreach. Commissioner Bosken commented that based on the outreach numbers, SRP staff is doing a phenomenal job. The Chair commented that our partnerships with The Arc of North Carolina, March of Dimes, and similar organizations, are very beneficial to promoting the NC ABLE program.

The Chair entertained a motion to approve the NC ABLE Program budget for 2022-2023. Commissioner Bosken so moved, and Mr. Egan seconded. The motion passed by a unanimous roll call vote of 5-0.

### **Legal Matters**

The Chair recognized Mr. Reid Chisholm to provide a legal update on the NC ABLE Program. Mr. Chisholm commented that all members of the ABLE Alliance use the same investments and the same Investment Policy Statement (IPS). The Alliance has an investment sub-committee and works with an outside consultant for investments. Mr. Chisholm shared that some changes were made to the IPS, mainly dealing with benchmark indices for the investment managers of the underlying mutual funds and exchange traded funds (ETFs). Mr. Chisholm commented that a few other changes to the ABLE IPS are pending, and that staff will bring these to the Board at a later date. Staff recommends that the Board approve the IPS changes.

The Chair entertained a motion to approve the changes to the ABLE IPS. Commissioner Bosken so moved, and Mr. Smith seconded. The motion passed by a unanimous roll call vote of 5-0.

### **Communication and Marketing Update**

The Chair recognized Ms. Zora Falkowski to provide an update on communication and marketing efforts for the NC ABLE Program (included the Board's materials). Ms. Falkowski said that the NC ABLE Program had an active first quarter, stating that we engaged in several new opportunities, conducted more webinar events, and did our first Spanish-language presentation. NC ABLE also partnered with graphic arts students at Franklin Academy High School to create posters and launch the statewide "Power of Five" campaign, celebrating the 5<sup>th</sup>-year anniversary of NC ABLE account availability. The Department held a kickoff event at the school, where staff and Treasurer Folwell met with the school founder, school staff, students, and an NC ABLE account holder to raise awareness and celebrate the growth of the program. Ms. Falkowski commented that this will be an ongoing partnership with the school and their graphic arts students. She mentioned that we are using the students' posters on social media, on our website, and for future events. Ms. Falkowski thanked the Treasurer for taking the time to visit the school and to speak individually with the students.

She shared that average balances for NC ABLE accounts rose over \$10,000 for the first time during the first quarter. Ms. Falkowski also said that in the first quarter we saw continued engagement and strong interest across our social media platforms. She thanked the Treasurer for also raising awareness of the Program at a recent March of Dimes event. She thanked members of the Board and Cheryl Walfall-Flagg, who have all been strong advocates of the Program and have sent several outreach opportunities our way.

### **Administrative Update**

The Chair recognized Mr. Jose Gamboa from Ascensus, Relationship Manager for the Program, to provide an administrative update (included in the Board's materials). He said that the NC ABLE Program assets were over \$16 million on March 31<sup>st</sup> and commented that this is phenomenal growth from \$0 to \$16 million in five years. He mentioned that out of 19 Alliance members, North Carolina ranks sixth in terms of assets. He reviewed assets by investment option, contributions by type, and contributions by age group. Mr. Gamboa also shared that the checking option is the most popular, but the more aggressive options have a strong percentage of the total assets.

The Chair, Treasurer Folwell, left the meeting, and Mr. Causey took over as Acting Chair.

Mr. Paul Souppa of Ascensus reported on investments and portfolio performance (included in the Board's materials). He noted that overall, the NC ABLE Program experienced 41% growth in the past 12 months, despite the market turbulence this year.

At 10:26 a.m., Ms. Marquita Robertson stated that she was leaving the meeting.

**Public Comments**

No public comments were offered.

**Board of Trustees Comments**

Commissioner Bosken congratulated the staff for managing through a difficult time and for raising awareness of the Program.

The Acting Chair announced the next Board meeting will be Wednesday, August 10, 2022, at 9:30 a.m.

**Adjournment**

The Acting Chair commented that with no further business before the Board, he would entertain a motion to adjourn. Commissioner Bosken so moved, and Mr. Smith seconded. The motion passed by a unanimous roll call vote of 5-0 (Treasurer Folwell called in and voted remotely). The meeting adjourned at approximately 10:31 a.m.

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Chair

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Date

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Secretary

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Date