



**NC ALE**

National ALE Alliance Member



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

**MINUTES**  
**NC ALE PROGRAM BOARD OF TRUSTEES**

The regular quarterly meeting of the NC ALE Program Board of Trustees was called to order at 9:30 a.m., November 12, 2020, by the Chair, State Treasurer Dale R. Folwell, CPA. The meeting was held in a hybrid format, with most people attending via teleconference and some attending 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 present were: Treasurer Dale Folwell, Chris Egan (via internet), Commissioner Ray Grace (via internet), Melinda Plue (via internet), and Ben Wright (via internet).

**Members Absent**

Marquita Robertson

**Guests Present**

Guests attending (all via internet) were: Rich DeSilva, Dawn Roach, and Paul Souppa from Ascensus. Cheryl Walfall-Flagg, member of the public.

**Department of State Treasurer Staff Present**

Staff members present were: Mary Buonfiglio, Tom Causey, Reid Chisholm, Chris Farr, Christy Farrelly, Patti Hall, Brian Jackson, Alan Jaquith, Rekha Krishnan, Fran Lawrence, Doug Mayer, and Loren de Mey.

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.

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

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

**Approval of Minutes**

The Chair entertained a motion to approve the minutes of the August 12, 2020, NC ALE Program Board of Trustees meeting, and Mr. Egan so moved. Ms. Plue seconded. The motion passed unanimously via rollcall vote.

**Legal Update**

The Chair recognized Reid Chisholm to provide a legal update on the National ALE Alliance and its procurement process for a program manager. Mr. Chisholm went through the presentation in the Board

members' materials. Mr. Chisholm summarized the various options for structuring the NCABLE Program, explaining that North Carolina may adopt individual state-run programs or may choose to join the National ABLE Consortium. He provided an overview of the tradeoffs with costs, choices, and investments. He commented that North Carolina chose to join the National ABLE Alliance in 2016 at the beginning of the NC ABLE program. Mr. Chisholm explained that the current National ABLE Alliance program manager contract with Ascensus runs through December 6, 2021. The Alliance Contract Team, with representatives from a subset of member states, evaluated whether to renew Ascensus's contract or issue an RFP for a program manager. As recommended by the Alliance Contract Team the Alliance members voted in October to issue an RFP. The RFP is expected to be released in 2020 Q4 and proposals are expected to be evaluated during 2021 Q1. The program manager deals with recordkeeping, investments, and customer service.

Commissioner Grace asked if North Carolina had experienced any problems with the current arrangement and if NC has enough assets, a critical mass, to adopt an individual state program. Treasurer Folwell stated that we do not have critical mass and are not experiencing any problems. Ms. Buonfiglio commented that we are not aware of any states desiring to leave the National ABLE Alliance and that other states seem interested in joining.

Treasurer Folwell stated that he would be stepping away and that Chris Farr would take over as Acting Chair for the remainder of the meeting.

#### **Communication and Outreach Update**

The Acting Chair recognized Christy Farrelly to provide an update on communication and outreach efforts. Ms. Farrelly said that the "Train the Trainer" program has ended. She said NC ABLE will be involved in an upcoming fair with the Museum of Natural History. She shared that the new web page for the NC ABLE program on the nctreasurer.com website has been well received. She explained that visitors are remaining on the page longer and are viewing the ABLE enrollment checklist more often. She said that staff is considering a targeted social media campaign to raise awareness of the NC ABLE program.

#### **Administrative Update**

The Acting Chair recognized Rich DeSilva from Ascensus to provide an administrative update. Mr. DeSilva said that new ABLE regulations have been released and that Ascensus will have working groups reviewing the new regulations. He commented that he anticipates that their employees will continue working remotely until June 2021 due to COVID. He said new accounts opened during the third quarter brought the total NC ABLE open accounts to 1,069. Total plan assets grew despite an increase in withdrawals this quarter, which he attributed to the new college semester. Mr. DeSilva added that in terms of assets, the NC ABLE program remains fifth within the National ABLE Alliance, representing 7.07% of the National ABLE Alliance assets.

Commissioner Grace requested that Mr. DeSilva add a column in the asset ranking table showing the date that each state joined the National Alliance. Mr. DeSilva said he would be happy to do so. Mr. Wright commented that he remains astounded by the Pennsylvania assets in the program. Mr. DeSilva said that he believes that Pennsylvania has a very large marketing budget for their ABLE program. Ms. Buonfiglio shared that Pennsylvania used their 529 plan infrastructure for their ABLE program. Mr. DeSilva said that legislation is being considered to raise the age for ABLE account eligibility to cover disabilities diagnosed before age 46 rather than age 26.

The Acting Chair recognized Paul Souppa to report on investments and portfolio performance. Mr. Souppa noted overall equity market performance is positive year-to-date after a very strong third quarter. He said that the US equity markets were very strong, the international developed markets were slightly positive, and the emerging markets were very strong, primarily because of China's strong rebound since the coronavirus struck.

He said that the US fixed income market had a very low yield during the third quarter with very little volatility and that all returns were positive. He commented that the funds are now situated with short durations and are positioned to do well over the next couple of years. He said that international bonds also had small, positive returns for the third quarter.

#### **Public Comments**

No public comments were offered.

#### **Board of Trustees Comments**

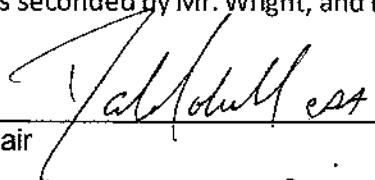
Ms. Melinda Plue expressed continued gratitude for the SRP staff and said thank you all for work you are doing.

The Acting Chair thanked everyone for participating and announced the next Board meeting will be Wednesday, February 10, 2021 at 9:30 a.m.

#### **Adjournment**

There being no further business before the Board, Commissioner Ray Grace moved to adjourn; his motion was seconded by Mr. Wright, and the meeting was unanimously adjourned at 10:16 a.m.

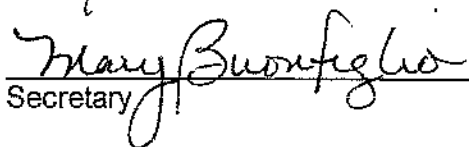
Chair



Date

2/10/21

Secretary



Date

2.10.21

