



**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 quarterly meeting of the NC ALE Program Board of Trustees was called to order at 9:30 a.m., May 9, 2024, 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, CPA.

Board members attending virtually: Katherine Bosken, Chris Egan, Melinda Plue, and Marquita Robertson.

### **Members Absent**

Board members absent: Tim Smith

### **Guests Present**

Guests attending virtually: Kimberly Shockley and Paul Souppa.

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

Staff members attending in person: Shanta Bowley, Thomas Causey, Christy Farrelly, Patti Hall, Jeff Hancock, and Kristin Merrick.

Staff members attending virtually: Reid Chisholm, Robin Deaver, Elizabeth Hawley, 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 unless there is an objection, and 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 and he reminded members that texts (or any other recorded communications) between board members during the meeting, even on personal phones, are public records to the extent that they concern the meeting.

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

The Chair asked, pursuant to the ethics rules, about Board members' potential, or actual or the appearance of a conflict 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 November 8, 2023, NC ABLE Program Board of Trustees meeting. Ms. Melinda Plue so moved, and Ms. Katherine Bosken seconded. The motion passed by a unanimous roll call vote of 5-0.

### **Administrative Update**

The Chair recognized Mr. Jeff Hancock, Director, Supplemental Savings Programs, to provide an administrative update. Mr. Hancock reminded Board members the letter to the General Assembly is included in the Board materials and stated the state of New Hampshire joined the National ABLE Alliance in October 2023 bringing the total to 19 ABLE programs. As of last year, the NC ABLE program had 2,270 accounts with total assets of \$24.5 million and growth of 34% from prior year. One of the priorities of the NC ABLE program is raising awareness and the NC ABLE staff continues to educate the public through conferences, community events and webinars. The age of onset of a disability will be increased from age 26 to age 46, effective January 1, 2026.

The Chair asked about the tax implications for withdrawals from ABLE accounts. Mr. Hancock said that account owners' distributions are reported on Form-1099 QA and information regarding qualified disability expenses (QDE) is provided to account owners.

### **Communication and Marketing Update**

The Chair recognized Ms. Christy Farrelly, Communications Manager, Retirement Systems Division, to provide an update on communication and marketing efforts for the NC ABLE Program (included the Board's materials).

Ms. Farrelly stated the program continues to grow through existing account holders, ambassadors, community partners and events. The content on the website was expanded and there has been an increase in engagement with governmental and community partners. NC ABLE.org had over 7000 unique visits since October 1, 2023. The social media campaign has contributed to increases of 125% in usage and 50% in content interaction. NC ABLE sponsors the Special Olympics, the Autism Society of NC and the Miracle League.

Ms. Farrelly added the NC ABLE program will be expanding into the corporate world and is working on alliances and partnerships with Krispy Kreme and the North Carolina chapter of the Society for Human Resource Management (SHRM). NC ABLE is expanding awareness in the public and private sectors and new resources and customized webinars will be developed to assist with these efforts.

**Program Manager Administrative Update**

The Chair recognized Ms. Kimberly Shockley, Ms. Molly Peterson, and Mr. Paul Souppa from Ascensus, to provide an administrative update (included in the Board's materials).

Ms. Shockley commented on the email marketing campaign. She said 70,000 emails were sent to the ABLE Alliance and North Carolina was 1 of 17 states that participated. There will be another campaign in December, which is the 10-year anniversary of the ABLE Act. Currently, there 44,000 accounts. Ascensus is working with organizations who open accounts on behalf of their clients and there will be online access to view all the accounts.

Treasurer Folwell asked about the effective date of the law that changes the age of onset of a disability diagnosis from 26 to 46. Mr. Hancock said the date is January 1, 2026.

Mr. Souppa said the assets in the NC ABLE program grew 10.3% or \$2.5 million to \$27 million last quarter and the annual growth was 35% or \$7.1 million. This places the program in the top three in the alliance for annual growth. Some of the growth is attributed to the strong equity market and most of the portfolio is in the four funds that had the greatest growth. Shorter term bonds also helped with the growth since interest rates are higher.

Mr. Souppa added that in the equity funds, large cap outperformed the small cap funds and in the international funds, developed markets performed better than emerging markets, partly due to struggles with China. A few years ago, China was about 40% of the emerging market's benchmark, now China is 24% of the benchmark allocation.

Mr. Souppa said that the real estate investment trust fund is sensitive to interest rates and higher interest rates negatively affected its performance. The fixed-income bonds had -3% return and had the lowest performance of the five portfolios.

Treasurer Folwell asked about the allocation of the administrative fee. Mr. Souppa said he wasn't sure which fund the administrative fees goes into. The Treasurer also asked about the initiatives with Krispy Kreme and the process to enroll new members. Ms. Farrelly responded that the logistics are being worked out and custom materials will be prepared. Also, NC ABLE will work with Krispy Kreme to offer direct deposit into members' accounts.

Mr. Hancock added the NC ABLE program's option will be in Krispy Kreme's benefits package and will be offered during annual enrollment. Ms. Farrelly added that NC ABLE will have a section on Krispy Kreme's website and payroll deductions will be contributed on an after-tax basis (as with all ABLE account contributions).

Ms. Bosken asked whether there is at least one account in each of the 100 NC counties and how do we reach the counties that don't have any accounts. She also noted the County of Wake Forest had the most accounts.

Ms. Merrick responded that there are accounts in about 87 counties.

Ms. Farrelly said that a pilot program was done with the parks and recreation department in the Town of Wake Forest since they have specialized programs for individuals with disabilities. The goal is to partner with the specialized programs in parks and recreation departments across the state.

Ms. Bosken added the Ascensus data shows the variety of ways that people learn about the NC ABLE program and making the program available through partnerships will help to increase enrollment.

**Public Comments**

No public comments were offered.


**Board of Trustees Comments**

No comments were offered.

The Chair stated that the General Assembly is considering an Appointments Bill regarding the ABLE Board that could lead to new members.

**Adjournment**

The Chair commented that with no further business before the Board, he would entertain a motion to adjourn in honor of the law enforcement officers who were recently killed in the line of duty in Charlotte NC. Ms. Plue so moved, and Ms. Bosken seconded. The motion passed by a unanimous roll call vote of 5-0. The meeting adjourned at approximately 10:15 a.m.

  
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Chair  
  
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Secretary

Date 11/7/24  
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