



NC ABLE
National ABLE Alliance Member



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

MINUTES NC ABLE PROGRAM BOARD OF TRUSTEES

The quarterly meeting of the NC ABLE Program Board of Trustees was called to order at 9:30 a.m., May 10, 2023, 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: None.

Board members attending virtually: Treasurer Dale R. Folwell, NC Commissioner of Banks Katherine Bosken, Chris Egan, Melinda Plue, Marquita Robertson, and Carlton 'Tim' Smith.

Members Absent

Board members absent: None.

Guests Present

Guests attending virtually: Jose Gamboa 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, Alan Jaquith, and Kristin Merrick.

Staff members attending virtually: Christy Farrelly 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 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 8, 2023, NC ABLE Program Board of Trustees meeting. Ms. Melinda Plue so moved, and Mr. Tim Smith seconded. The motion passed by a unanimous roll call vote of 5-0. (NC Commissioner of Banks Katherine Bosken had not yet arrived.)

Administrative Update

The Chair recognized Mr. Jeff Hancock, Director, Supplemental Savings Programs, to provide an administrative update. Mr. Hancock said that when the NC ABLE Program began in 2017, the Board felt that quarterly board meetings were necessary. He shared that the NC ABLE Program is in its sixth year, is operating effectively, and is part of the National ABLE Alliance, which is a consortium of state-run ABLE programs. He said that with no sweeping changes in the Program and in consideration of the Board members' time, staff recommends that the Board change its meeting frequency from quarterly to semi-annually, keeping the May and November meetings. He said this meets the requirements of North Carolina's ABLE statute.

In response to a question about other state's ABLE programs, Mr. Reid Chisholm shared that he thought only two other states have boards. Mr. Jose Gamboa added that one state with a board does meet quarterly, but most states do not have boards and do not hold meetings. He pointed out that the National ABLE Alliance holds quarterly meetings. The Treasurer commented that if any issue arose that would require the Board's attention, the Board could convene a special meeting. Ms. Plue added that when the NC ABLE Program was just getting started, the Board needed to meet much more frequently. Mr. Chisholm noted that a proposal is under consideration in the General Assembly to amend the NC open meetings law; the amendment effectively would require at least four Board members to attend each meeting in person.

The Chair entertained a motion to approve staff's recommendation to change the frequency of the NC ABLE Program board meetings from quarterly to semi-annually. Ms. Plue so moved, and Mr. Smith seconded. The motion passed by a unanimous roll call vote of 5-0. (NC Commissioner of Banks Katherine Bosken had not yet arrived.)

Investment Policy Statement Revisions

The Chair recognized Mr. Reid Chisholm, Assistant General Counsel, to present revisions to the Investment Policy Statement (IPS). Mr. Chisholm said revisions to the IPS occur at the National ABLE Alliance level and reminded the Board that it established the NC ABLE Program as part of the National ABLE Alliance. The National ABLE Alliance Program has a single IPS and the same investments across all programs in the Alliance. The Alliance's investments are overseen by an investment subcommittee of Alliance members with the assistance of an investment consultant hired by Illinois, the lead state in the Alliance. An affiliate of Ascensus also provides investment oversight and recommendations. Changes to the IPS are made by majority vote of the National ABLE Alliance, and the Department voted in favor of the changes as part of its operational responsibilities for the NC ABLE Program.

Communication and Marketing Update

The Secretary recognized Ms. Zora Falkowski, Communications Officer, Supplemental Retirement Plans, to provide an update on communication and marketing efforts for the NC ABLE Program (included the Board's materials). Ms. Falkowski said the NC ABLE Program continues to evolve and grow, and this growth comes through sponsorships, ongoing events, social media, and the Program's website, NCABLE.org. The Miracle League of the Triangle joined our current sponsorship roster, which includes the Special Olympics North Carolina and the Autism Society of North Carolina. Staff participated in several conferences and in-person or virtual events during Q1, including presenting live at the North Carolina chapter of the National Association of People Supporting Employment First (APSE) conference. At the conference, staff discussed the features and benefits of the Program and were able to answer audience questions and provide additional resources. Webinars are also continuing to be a positive force for outreach and awareness. This quarter, staff presented two NC ABLE hosted webinars and three hosted by other organizations.

Ms. Falkowski commented that in Q1, the NCABLE.org website saw an increase of 33 percent in the number of pageviews with the average visit extending to nearly three minutes. Use of the enrollment checklist grew by almost 500 percent in Q1, and assets surpassed \$20 million for the first time. Social media is a continued source of support for awareness. She shared that in Q2 staff will continue to host monthly webinars, participate with community partners, and engage through conferences and in-person events.

Ms. Falkowski expressed her thanks to staff and the Board for their ongoing assistance and support of the NC ABLE Program.

Administrative Update

The Secretary recognized Mr. Jose Gamboa from Ascensus, Relationship Manager for the NC ABLE Program, to provide an administrative update (included in the Board's materials).

Mr. Gamboa announced that the NC ABLE Program crossed \$20 million in total assets under management as of March 31, 2023, which is a 23 percent increase over the past 12 months. He shared additional metrics for the NC ABLE Program, including contributions by month, contributions by type, contributions by age group, distributions, investment options, and the number of new accounts opened. Mr. Gamboa noted that contributions continue to be strong. He shared that the NC ABLE Program is ranked sixth in total assets among the National ABLE Alliance members.

Board member NC Commissioner of Banks Katherine Bosken announced that she had joined the meeting virtually at approximately 9:45 a.m.

The Chair, Treasurer Folwell, left the meeting at 9:59 a.m. and Mr. Thomas Causey took over as Acting Chair.

Mr. Paul Souppa, Director, Investment Management, at Ascensus reported on investments and portfolio performance (included in the Board's materials). He noted that the NC ABLE Program is the most aggressively-allocated program among the Alliance members, with about 55 percent of assets invested in the top four most-aggressive options, while across the entire ABLE Alliance about 45 percent of assets are in those four options. Only two states (one being North Carolina) are above 50 percent in those four options. Mr. Souppa said that North Carolina's asset growth during 2022 was less than the National Alliance average due to the weakness in the equity and fixed income markets. During 2023 Q1, North Carolina's equity growth was stronger than the National ABLE Alliance overall as stronger market performance provided a tailwind.

Public Comments

No public comments were offered.

Board of Trustees Comments

The Acting Chair announced that Treasurer Folwell will open the ceremonies this Friday for the Special Olympics North Carolina Spring Games in Wilkes County. Ms. Falkowski added that the statewide Special Olympics North Carolina Summer Games start on June 2 and the Treasurer will be participating in the President's Dinner and in welcoming athletes onto the field.

The Acting Chair announced the next Board meeting will be Wednesday, November 8, 2023, 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. Mr. Smith so moved, and Ms. Plue seconded. The motion passed by a unanimous roll call vote of 6-0. The meeting adjourned at approximately 10:12 a.m.



Chair

11/8/23

Date



Secretary

11/8/2023

Date