



**NC ABL**  
National ABL Alliance Member



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

## **MINUTES NC ABL PROGRAM BOARD OF TRUSTEES**

The quarterly meeting of the NC ABL Program Board of Trustees was called to order at 9:35 a.m., November 8, 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: Treasurer Dale R. Folwell.

Board members attending virtually: Kenneth Bausell on behalf of Kody Kinsley, Joyce Jarrett on behalf of NC Commissioner of Banks Katherine Bosken, Melinda Plue, and Carlton 'Tim' Smith.

### **Members Absent**

Board members absent: Marquita Robertson.

### **Guests Present**

Guests attending virtually: Jose Gamboa, Molly Peterson, Paul Souppa, and Derrick Thompson from Ascensus; Dan Beck from Fifth Third Bank.

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

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

Staff members attending virtually: Christy Farrelly and Robin Deaver.

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.

The Chair said he wished to conduct the proceedings today in honor of former North Carolina State Controller Dr. Linda Combs, who passed away three weeks ago.

### **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 May 10, 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.

### **Administrative Update**

The Chair recognized Mr. Jeff Hancock, Director, Supplemental Savings Programs, to provide an administrative update. Mr. Hancock reviewed the planned NC ABLE Administrative Budget for Fiscal Year 2023-2024 (included the Board's materials). He commented that this budget is the exact same dollar amount as the prior year and the overall appropriation remains the same. The NC ABLE Program also receives revenue based on the number of accounts; this revenue is expected to increase. Expenditures are largely projected to remain the same. Mr. Hancock commented that the reimbursement to the Supplemental Retirement Plans for services rendered to the NC ABLE Program is increasing and noted the NC ABLE Program does not have any dedicated full-time personnel. Due to expanded outreach, one SRP staff member's time that is spent supporting the ABLE Program has been increased.

Mr. Hancock informed the Board that House Bill 131 passed the House and is in the Senate as Senate Bill 692. If passed, this bill will protect NC ABLE account balances and withdrawals from the account (when the money is used for permitted purposes) from assignment, liens, judgement, seizure, or garnishment. Medicaid payback is not a part of this bill.

### **Communication and Marketing Update**

The Chair 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 staff has been busy raising awareness of the NC ABLE Program through sponsorships, ongoing events, and social media. During Q2 and Q3, staff participated in 19 different events and webinars. The NC ABLE Program began hosting monthly webinars late last year and they continue to grow in popularity. The Treasurer had some impactful media moments for the NC ABLE Program with the Special Olympics, an article in Spectrum Magazine, and an appearance on the Jackson Robol Show, a community podcast.

The NCABLE.org website continues to grow as a resource. Visitors to the website are mainly using the enrollment checklist, calendar of upcoming events, and on-demand webinars. There has been an 18.7% month-over-month increase in users on the site.

Looking ahead to 2024, staff will continue building organic growth by modifying and streamlining webinars to provide a unique experience. Ms. Falkowski noted that already for Q4, staff has participated in, or has scheduled, 12 events and webinars. Staff is also launching a pilot program with the Wake Forest Parks & Recreation Department's Specialized and Inclusion Programs. Staff has a goal of expanding this initiative to other parks and recreation departments throughout the state.

Mr. Hancock added a big thank you to staff; he noted that Q4 has been extremely busy with simultaneous events.

### **Administrative Update**

The Chair 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 said that Derrick Thompson from the Ascensus Product Team would lead off. Mr. Thompson discussed software enhancements, including progress on the account type enrollment and updates for online enrollments, including entities. Debit cards will no longer be sent to all account owners who elect the checking account option; instead, the debit card will be an optional feature that must be selected by an account owner.

Mr. Gamboa introduced Mr. Dan Beck, Vice President of Product Line, Fifth Third Bank, to discuss recent attempted online fraud events affecting NC ABLE accounts. A recent attack occurred with an online service provider. This attack was a broad attack directed at the vendor's payments and not directly at the NC ABLE Program. Once the attack was discovered, Fifth Third Bank rejected all payments to the vendor to protect the portfolio, and issued refunds to any impacted NC ABLE accounts. No account information was compromised. Fifth Third Bank has implemented strategies to address future events. Mr. Beck explained that this type of fraud has been an industry-wide problem and stated that Fifth Third Bank stands behind its zero liability promise on unauthorized transactions.

Mr. Gamboa announced that the New Hampshire ABLE program has joined the Alliance, as of October 31, 2023. The Alliance now stands at 19 programs. He introduced Ms. Molly Peterson, Senior Client Relationship Administrator, Ascensus, to review program performance metrics (included in the Board's materials). She shared 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. Ms. Peterson noted that electronic payments are nearly half of contributions. Participant behavior overall is similar to last year.

Ms. Peterson said the NC ABLE Program has experienced a 23 percent increase in new accounts over the last year, with a spike in new account openings in May. She attributes the growth to the communication and engagement efforts from the strong outreach of the Supplemental Retirement Plans' team.

Mr. Paul Souppa, Director, Investment Management, Ascensus, reported on investments and portfolio performance (included in the Board's materials). He commented that despite negative performance in the markets during the third quarter, assets still grew by about \$400,000. Mr. Souppa said that North Carolina's asset growth was slightly less than the National ABLI Alliance's average due to the weakness in the equity and fixed income markets and North Carolina's more aggressive investment stance.

**Public Comments**

No public comments were offered.


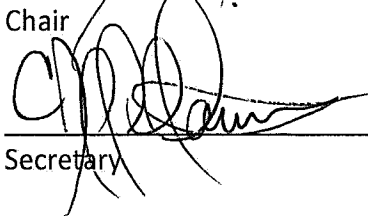
**Board of Trustees Comments**

No comments were offered.

The Chair announced the two Board meetings next year will be Thursday, May 9, 2024, at 9:30 a.m. and November 7, 2024, at 9:30 a.m.

**Adjournment**

The Chair commented that with no further business before the Board, he would entertain a motion to adjourn. Ms. Plue so moved, and Mr. Smith seconded. The motion passed by a unanimous roll call vote of 5-0. The meeting adjourned at approximately 10:28 a.m.

  
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Chair  
  
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Secretary

5/9/24  
Date  
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Date