



MINUTES
NC ABLE PROGRAM BOARD OF TRUSTEES Draft

The semi-annual meeting of the NC ABLE Program Board of Trustees was called to order at 9:30 a.m., May 8, 2025, by the Chair, State Treasurer Brad Briner. 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 Brad Briner and Chris Egan.

Board members attending virtually: Katherine Bosken, Claudine Burns, and Melinda Plue.

Members Absent

Board members absent: Marquita Robertson

Guests Present

Guests attending virtually: Paul Souppa and Kimberly Shockley.

Department of State Treasurer Staff Present

Staff members attending in person: Shanta Bowley, Reid Chisholm, Christy Farrelly, Patti Hall, Jeff Hancock, Kristin Merrick, Eric Naisbitt, and Sam Watts.

Staff members attending virtually: 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, actual or the appearance of a conflict of interest. No conflicts of interest were identified by the Board members.

Evaluation of Statement of Economic Interest for Treasurer Briner and Eric Naisbitt, Delegation by Treasurer Briner to Eric Naisbitt

The Chair presented a delegation to make Eric Naisbitt as Designee for the Chair and informed the members that the Evaluation of Statements of Economic Interest (SEI) for the Treasurer and Mr. Naisbitt are available in the appendix. The SEI evaluations are part of the meeting minutes.

Approval of Minutes

The Chair entertained a motion to approve the minutes of the November 7, 2024, NC ABLE Program Board of Trustees meeting. Mr. Egan so moved, and Ms. Bosken seconded. The motion passed by a roll call vote of 5 - 0.

Administrative Update (included in Board's materials)

The Chair recognized Mr. Jeff Hancock, Director, Supplemental Savings Programs, to present the General Assembly Letter (included the Board's materials) and the Medicaid Payback Provision.

Mr. Hancock said the NC ABLE Program's Annual Evaluation letter to the General Assembly is included in the Board's materials and asked if there are any questions. There were no questions.

Mr. Hancock said the NC ABLE program worked with Mr. Watts and our partners at the Department of Health and Human Services (DHHS) to eliminate the requirement that DHHS file a Medicaid recovery claim against an NC ABLE account, except when required by federal law. A technical correction bill was submitted to the legislators to remove the provision from the NC ABLE Program's legislation. He added there are 20 states that have already eliminated the Medicaid payback from ABLE accounts.

Ms. Plue said that many families were fearful to open new accounts because they didn't want the responsibility to repay the Medicaid costs from the NC ABLE accounts. She offered the services of her organization to be an advocate at the General Assembly to enact the Medicaid bill.

Ms. Bosken asked for the bill number and added many families are afraid to open accounts, knowing that the Medicaid payback provision exists.

Mr. Watts said the bill number is 476 and it passed the House a few weeks ago.

The Chair commended the efforts to remove the provision and said the partnership with DHHS is very valuable to the NC ABLE Program and asked how much has been paid back to Medicaid from the NC ABLE accounts.

Mr. Hancock said approximately \$40,000.00 has been paid back to Medicaid.

Communication and Marketing Update

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

Ms. Farrelly said there are several webinars and events planned, and she shared the results of the online survey with more than 50% of individuals are opening accounts independently and 44% opening accounts on behalf of someone else. Per the survey, approximately half of the members have received a written diagnosis and 10% participate in their company's 401(k). There was a 38% increase in web visits from September to March.

Ms. Farrelly reinforced the goals for the NC ABLE Program: increase awareness, enrollment, and assets. She said there will be a relaunch of the inhouse webinars, expanded awareness in the corporate sector, and engagement in local, specialized programs.

Mr. Hancock added that starting January 1, 2026, the age of onset for a diagnosis goes from 26 to 46, making the program available to a larger group, including military personnel.

The Chair asked if the NC ABLE Program is in discussion with other companies to expand. Ms. Farrelly confirmed that this is ongoing.

Program Manager Administrative Update

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

Ms. Shockley shared the addition of a money market fund to the NC ABLE investment options. She added that a new program update was sent to the National ABLE Alliance and the annual due diligence was completed in April. The client services team has expanded to better focus on the unique needs of the members and on the processes in place to identify areas of improvement.

Ms. Shockley added that NC ABLE Program balances increased by approximately 9 million dollars in the first quarter due to market performance and new accounts. She added the annual contribution for 2025 has increased to \$19,000.00, EBT contributions accounted for 52% of the contributions so far and there were 208 new accounts in the first quarter.

The Chair asked if the growth is from average contribution or new accounts. Ms. Shockley said the growth is from both new accounts and the average contribution.

Ms. Shockley added that distributions for the first quarter increased year over year and 52% of the withdrawals were done at a bank.

The Chair asked where the rollovers are going. Ms. Shockley said rollovers are typically going to another ABLE plan or a sibling.

The Chair asked about the process for unfunded accounts. Ms. Shockley said contacts are made with individuals who have unfunded accounts and whose account have zero balances. A letter is sent after 60 days to remind members to fund their accounts. Accounts that are unfunded for 90 days are closed.

The Chair asked about the success in Pennsylvania. Ms. Shockley said that Pennsylvania has a lot of resources that contribute towards the success of the program. Ascensus has added a new marketing representative which should help in growing the NC ABLE Program.

Mr. Hancock added that Pennsylvania and Illinois have a lot more staff dedicated to their programs.

Ms. Bosken noted the growth in Iowa over recent years and asked if the NC ABLE Program has any data regarding how many disabled citizens in NC are eligible and are we reaching all of them.

Mr. Hancock said Social Security data could provide some insight regarding the number of eligible citizens.

Ms. Shockley said Iowa sends letters from the Treasurer's office and reaches out to entities via email campaigns.

Ms. Farrelly said that several plans offered bonuses to open accounts.

Mr. Hancock added that at the end of October the entity enrollment platform was turned on and four entities have enrolled 24 accounts.

Mr. Souppa said the NC ABLE Program's assets grew by 5.6% for the first quarter and the national alliance grew by 7.7%.

The Chair asked if there is an option for an interest-bearing checking account since the checking accounts have large balances and it would serve our members well to have more funds in the money market option.

Mr. Souppa said the interest on the checking account is approximately 0.1%, which is minimal, and Ms. Shockley said there isn't a default option for deposits.

Mr. Souppa commented on the first quarter performance. He said the US equity funds had negative returns, while the Real Estate Investment Trust Funds and the International Equity funds had positive returns for the first quarter.

Mr. Egan said Disability Benefits 101 is now available to the public and there are benefits counsellors available to answer questions. He thanked Mr. Hancock, Mr. Chisholm, Mr. Watts and the Ascensus team for their guidance and assistance with a mom and her adopted child regarding a 529 plan.

Public Comments

No public comments were offered.

Board of Trustees Comments

The Chair thanked everyone for participating and stated the next Board meeting will be Thursday, November 6, 2025, at 9:30 a.m.

Adjournment

The Chair commented that with no further business before the Board, he would move to adjourn the meeting. Ms. Bosken so moved, and Ms. Plue seconded. The motion passed by a unanimous roll call vote of 5 - 0. The meeting adjourned at approximately 10:33 a.m.

Chair

Date

Secretary

Date