

**Savings Board of Directors Board Meeting  
May 15, 2024  
MINUTES**

**Board Present:**

Chair Young Boozer - in person  
Mr. Edward Reifenberg - virtual  
Mr. Ronald Stokes - virtual  
Mr. Stephen Eberhart - virtual  
Dr. Ken Tucker - virtual  
Ms. Sara Calhoun for Mr. Jimmy Baker - virtual  
Mr. Daniel Hughes - virtual  
Mr. Jack Knight - virtual  
Dr. Jim Purcell - in person

**Board Absent:**

Lt. Gov. Ainsworth  
Ms. Susan Tully

**Others Present:**

Ms. Anita Kelley, Program Director - in person  
Mr. Chad Wright, Assistant Treasurer - in person  
Ms. Glenda Allred, Deputy Treasurer - in person  
Ms. Kayla Bankston, Treasury - in person  
Mr. Jay Steinacher, Union Bank & Trust - in person  
Ms. Cari Kaup, Union Bank & Trust - in person  
Ms. Annoesjka West, Callan - in person  
Ms. Paola Cardenales, Callan - in person  
Mr. Rob Noe, Wilshire Associates - virtual  
Mr. John Nagle, Wilshire Associates - virtual  
Mr. Daniel Nzouankeu, Vestwell - virtual  
Mr. David Bell, Vestwell - virtual  
Mr. David Sengkhammee, Copperwing - virtual

Pursuant to written and public notice, the meeting of the Savings Board of Directors was held in the RSA Union Conference Room in Montgomery, AL on May 15, 2024, with participation also allowed by electronic means in accordance with §16-33C-4 (f), Code of Alabama, as amended.

The meeting was called to order by Chair Boozer at 9:00 a.m.

Roll was taken with a quorum present.

- I. Minutes - Chair Boozer presented the minutes of the February 21, 2024 Board meeting. A motion for approval was made by Dr. Tucker, seconded by Dr. Purcell, with unanimous approval.

## II. Alabama ABLE Savings Plan

### A. Quarterly Reports

1. Vestwell Quarterly Report - Chair Boozer called on Daniel Nzouankeu and David Bell to present the quarterly ABLE report. Mr. Nzouankeu stated that as of 03/31/24 there were \$4,686,447 assets under management, 1000 total accounts, and \$94,559 in rollover contributions for the quarter. He discussed demographic information regarding the beneficiaries and reported on call center operations and statistics. Mr. Nzouankeu and Mr. Bell spoke on recent upgrades to the platform as well as upcoming upgrades such as a mobile application and an automatic gifting option. The report was received as informational.

2. Program Report - Ms. Kelley provided investment information for the program and gave an update on marketing efforts and program activities from the past quarter. The report was received as informational.

3. Copperwing – Ms. Kelley called on Mr. Sengkhammee with Copperwing to present an update on the Marketing Campaign that launch 04/01/24. Mr. Sengkhammee reviewed the campaign objectives which are to increase awareness and understanding of ABLE, and encourage participation in the Alabama ABLE Savings Plan. He reviewed information and results on digital outdoor billboards, radio PSAs, streaming audio, social media, and digital display. He also reviewed website analytics including new users, top traffic sources, and the pages where users are spending the greatest amount of time. The report was received as informational.

## III. CollegeCounts 529

### A. Quarterly Reports

1. Program Report - Chair Boozer called on Anita Kelley to give the program report for CollegeCounts. She provided information on the budget for the 2nd quarter of 2024. She discussed a spreadsheet showing the Statement of Cash Flows for the scholarship program that showed the balance in the account was \$16,163,494 as of 03/31/24. Ms. Kelley gave an update on the scholarship applications and awards. Ms. Kelley called on Cari Kaup to provide an update on 529 Day activities, Baby Palooza sponsorship, and the First Grade Folder Program. The report was received as informational.

2. Union Bank and Trust Plan Overview & Statistics - Chair Boozer called on Jay Steinacher and Cari Kaup with Union Bank and Trust for the quarterly program report. Mr. Steinacher stated there were 118,831 active accounts with total assets in the plan of \$2.620 billion. This represents a 5.5% increase in assets for the quarter and a 15.1% increase for the one-year period. He stated the number of Alabama account holders is 76,623 with \$1.849 billion in

plan assets. This is a 6.6% increase in Alabama assets for the quarter and 19.6% increase for the one-year period. Mr. Steinacher said quarter contributions were \$62.3 million, of which rollover contributions were \$5.62 million. Ms. Kaup provided detailed information on assets, accounts, investments, contributions, and withdrawals. She discussed call center statistics, and the most common topics account holders and advisors are contacting the call center about as well as efforts of outreach staff. The written report was received as informational.

3. Wilshire Investment Performance - Chair Boozer called on Rob Noe of Wilshire Associates to review the investment performance report. Mr. Noe provided commentary on the economy including the U.S. and international equity markets, as well as the fixed income, real estate, and commodity markets as of 03/31/24 as well as for the month of April 2024. He provided the quarterly performance summary of individual fund portfolios for both the Direct and Advisor Plans and discussed fund performance. He stated the target portfolios for the Direct Plan had favorable absolute performance. Active fixed income managers had mostly positive relative performance, while active U.S. equity managers had mostly favorable relative performance, and active international equity managers underperformed. He highlighted outperformers DFA Large Cap Value, DFA Small Cap Value, and T. Rowe Price Large Cap Growth and underperformers Dodge & Cox International Stock and Vanguard Explorer. Regarding the Advisor Plan, he stated that target portfolios had favorable absolute performance. Active fixed income managers and U.S. equity managers had positive relative performance, while active international equity managers had mixed performance. Mr. Noe highlighted outperformers Parametric Commodity, T. Rowe Price Integrated Small Cap Growth, DFA Large Cap Value, T. Rowe Price Large Cap Growth, and T. Rowe Price Small Cap Value and stated there were no notable underperformers. The written report was received as informational.

4. Callan Consultant's Report – Chair Boozer called on Annoesjka West with Callan to present the Consultant's Report. Ms. West said there were no product or manager updates to discuss. She reviewed the current Watch List and noted that no new funds are recommended to be added and no funds are recommended to be removed.

## B. Decision Items

1. Approval of Watch List Recommendations – Ms. West stated Callan recommends the Northern Trust Small Cap Value (Advisor Plan – underlying fund), the T. Rowe Price Balanced Fund (Advisor and Direct Plans), and the Principal Global Real Estate Fund (Advisor Plan – underlying fund) remain on the Watch List. A motion to approve the Watch List as presented was made by Dr. Purcell, seconded by Mr. Reifenberg, with unanimous approval.

## 2. Proposed CollegeCounts Scholarship Criteria Change

a. Chair Boozer called on Ms. Kelley to discuss the current scholarship criteria and a proposed change to these criteria. Since the inception of the scholarship program, no changes have been made to the initial criteria established. When the Program was initiated, it was the Board's desire to expand scholarship opportunities and fill the gap for qualified Alabama students who are often overlooked and may find difficulty in obtaining significant scholarship assistance and demonstrate financial need. She said the Treasurer's office researched scholarship requirements and offerings of the in-state schools and found that with a few exceptions, significant scholarship opportunities are available for students achieving an ACT score of 30 and over. She stated to qualify for the CollegeCounts scholarship, the current maximum ACT score for students attending a four-year college or university is 26. A discussion was had regarding students that have an ACT score higher than 26 with demonstrated financial need.

b. After a thorough discussion by the Board, Chair Boozer presented a proposed resolution to increase the eligible ACT score criteria from 26 and below to 29 and below beginning with the 2024-2025 application period. A motion to approve the resolution was made by Dr. Purcell, seconded by Ms. Calhoun, with unanimous approval.

C. Informational Item – Wall Street Journal Article – Ms. Kelley stated that an article regarding the expanding flexibility of 529 Plans was included in the Board package. The article included information on new rollover rules, more favorable treatment of grandparent-owned accounts, and higher contribution limits.

IV. There being no further business, a motion to adjourn was made by Dr. Purcell, seconded by Mr. Hughes with unanimous approval. The meeting adjourned at 10:22 a.m.

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Anita Kelley, Director

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Young Boozer, Chair