
SEPTEMBER 28, 2015

AGENDA ITEM 02
INFORMATION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Acting Executive Director's Report

This item will be presented verbally at the meeting.

Attachments

- Attachment #1 – Secure Choice Business Plan Update
- Attachment #2 – Secure Choice Business Plan – Completed Tasks List
- Attachment #3 – The California Secure Choice Retirement Savings Investment Board's Recommendation for Proposed Federal Regulations for State-Initiated Retirement Savings Program

2015-16 Secure Choice Business Plan

Item #	Strategic Goal	Supporting task	Lead	Due date	Status	Comments
1.0	Conduct Legal Analysis		Christina			
1.1		Obtain Board approval for Legal Counsel	Eric	2/5/2015	Green	Complete
1.2		Obtain DGS approval of contract	Eric	3/5/2015	Green	Complete
1.3		Facilitate collaboration amongst contracting firms	Christina	on-going	Green	
1.4		Memo on ERISA issues and recommendations for new language, if any	KLK	5/1/2015	Green	Complete
1.5		Consult with Overture LLC on results of market analysis/feasibility study and program design recommendations	Christina	on-going	Green	
1.6		Utilize Legal Analysis to continue engagement with the Legislature, Federal Government Officials and all interested parties	Christina	on-going	Green	Meeting with OMB/White House Staff, Congressional Delegation, DOL staff, and key stakeholder groups in Washington DC. Drafted Proposed Rules to share with key staff conducting the agency review of the DOL regulations.
2.0	Secure Choice Market Analysis/Feasibility Study/Program Design		Christina			
2.1		Evaluate proposals from RFP	Eric	2/5/2015	Green	Complete
2.2		Obtain board approval of vendor for study	Eric	3/5/2015	Green	Complete

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2.3		Obtain DGS approval of contract	Eric	4/5/2015	Green	Contract was approved late - (4/22/15), but this item is now complete.
2.4		Faciliate collaboration amongst contracting firms	Team/ Christina	on-going	Green	
2.5		Complete study	Overture	12/14/2015	Green	
2.6		Present study to the Secure Choice Board	Overture	12/28/2015	Yellow	We understand this is a tight deadline
2.7		Board presents findings and recommendations to the Legislature	Board with staff reco	1/5/2016	Yellow	Depending on Board direction, this may need to get pushed out to February 2016.
3.0	Obtain \$1 Million Fundraising Target					
3.1		Begin fundraising activities and outreach	Grant	7/1/2013	Green	Complete
3.2		Begin receiving donations	Grant	1/1/2014	Green	Complete
3.3		Follow up with interested parties and potential donors	Grant	7/1/2014 and on-going	Green	complete
3.4		Obtain fully funded status	Grant	5/1/2015	Green	Complete
3.4a		Create list of donars and requirements for communication regarding project status	Grant	5/1/2015	Green	Complete
3.4b		Begin reporting to donors on project status	Eric	6/30/2015 and on-going each fiscal year and quarterly	Green	Complete
4.0	Ensure Stakeholder and Constituent Involvement		Christina			
4.1		Complete Fact Sheet on Program to send to interested parties	Ruth	3/5/2015	Green	Complete

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4.2		Conduct various educational sessions for the Board on Policy Issues the Board should be considering this year	Ruth	3/31/2016	Green	On-going throughout calendar year 2015.
4.2a		Issue Briefing 1: Overview of Retirement Crisis in California	Ruth	4/27/2015	Green	Panel has been confirmed
4.2b		Issue Briefing 2: Comparable Programs	Ruth	5/26/2015	Green	Panel has been confirmed
4.2c		Issue Briefing 3: Governance Issues	Ruth	6/29/2015	Green	Panel has been confirmed
4.2d		Issue Briefing 5: Investment Products and Impact of Design features on Participation and Contribution Rates	Ruth	7/27/2015	Green	Panel has been confirmed
4.2e		Issue Briefing 4: Developing Investment Principles and Policies	Ruth	8/24/2015	Green	Panel has been confirmed
4.2f		Issue Briefing 6: Strategies for Maximizing Participation of Employees and Employers	Ruth	10/26/2015	Green	To be developed soon
4.2g		Issue Briefing 7: Small Business and Non-Profit Administration	Ruth	11/23/2015	Green	To be developed soon
4.3		Conduct statewide outreach to interested parties	Ruth	on-going	Green	
4.3a		Listening session in Northern California (Sacramento), hosted by CAPC	Ruth	5/20/2015	Green	Event was successful and provided staff interesting findings that were shared with our research team at Overture.
4.3b		Listening session, hosted in Bakersfield by Bakersfield Chamber of Commerce	Ruth	9/22/2015	Green	Event confirmed
4.3c		Listening session, hosted in San Francisco by San Francisco Chamber of Commerce	Ruth	10/21/2015	Green	Event confirmed

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		Listening Session, hosted in LA or San Diego	Ruth	TBD	Green	Event being scheduled
4.4		Secure Choice Website Usability	Christina	TBD	Green	
4.4a		Create list of features for website	Team/ Christina	TBD	Green	
4.4b		Work with IT to get a timeline of availability so that we can ensure better website usability by due date	Team	TBD	Green	
4.4c		Stakeholder survey: survey the board on features they would like to see on the website in the coming year	Team	TBD	Green	
4.4d		Present results of survey to the board with recommendations for implementation of reasonable requested features	Christina	TBD	Green	
4.5		Recruit stakeholder representatives to testify at each monthly Board Meeting	Ruth	5/1/2015 & On-going	Green	On-going throughout calendar year 2015.
4.6		Build coalition of at least 30 stakeholders/interested parties representing small business, non-profits, and groups serving the target populations	Ruth	1/1/2016	Green	
4.7		Develop Pre-Product/Post-Product Communication Plan	Ruth	6/19/2015	Green	Complete
4.7a		Identify Key Stakeholders	Ruth	5/15/2015	Green	Complete
		Create Fact Sheet for key audiences: business/low-income/employers	Ruth		Green	Complete
4.7b		Create contact list	Ruth	5/22/2015	Green	Complete
4.7c		Identify funding sources	Ruth	5/22/2015	Green	Complete
4.7d		Create plan for funding	Ruth	5/29/2015	Green	Complete

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4.7e		Create Communication Plan for FY 15/16	Ruth	6/12/2015	Green	Complete
4.7f		Obtain Board Approval of Communication Plan	Christina	6/29/2015	Green	Complete
4.7g		Implement Communication Plan	Christina	7/1/2015	Green	On-going throughout calendar year 2015.

Secure Choice – Completed Tasks List

Item 1.0 – Strategic Goal: Conduct Legal Analysis

- 1.1 Obtain Board approval for legal counsel
- 1.2 Obtain DGS approval of contract
- 1.3 Facilitate collaboration amongst contracting firms (KLG & OFLLC)
- 1.3a KLG answers/advises OFLLC on program design questions (20 in total)
- 1.4 Memo on ERISA issues and recommendation for new language if any
- 1.4a Memo sent to DOL in April 2015
- 1.4b Meeting between SPT De Leon/TJC/KLG & key DOL staff May 2015
- 1.4c DOL drafts regulations to assist states on SC efforts
- 1.4d KLG drafts sample regulations to use in meetings with White House/DOL staff at the end of September

Item 2.0 – Strategic Goal: Secure Choice Market Analysis/Feasibility Study/Program Design

- 2.1 Evaluate proposals from RFP
- 2.2 Obtain Board approval of vendor for study
- 2.3 Obtain DGS approval of contract
- 2.4 Facilitate collaboration amongst contracting firms (KLG & OFLLC)
- 2.4a Program Design legal questions sent to KLG July 2015 – answered by August 2015
- 2.4b Bi-monthly touch base meetings with Acting Executive Director and KLG June/July/August/Sept 2015

Item 3.0 – Strategic Goal: Obtain \$1 Million Fundraising Target

- 3.1 Begin fundraising activities and outreach
- 3.2 Begin receiving donations
- 3.3 Follow up with interested parties and potential donors
- 3.4 Obtain fully funded status
- 3.4a Create list of donors and requirements for communication regarding project status
- 3.4b Being reporting to donors on project status (FY 14/15 3rd, 4th quarter report & FY 15/16 1st quarter report)

Item 4.0 – Strategic Goal: Ensure Stakeholder and Constituent Involvement

- 4.1 Complete Fact Sheet on Program and send to interested parties
- 4.2 Conduct various education sessions for the Board on Policy Issues the Board should be considering this year
- 4.2a Overview of Retirement Crisis in California
- 4.2b Comparable Programs
- 4.2c Governance
- 4.2d Investment Products and Impact of Design Features on Participation and Contribution Rates
- 4.2e Developing Investment Principles and Policies
- 4.3 Conduct Statewide Outreach to Interested Parties
- 4.3a Listening Session in Sacramento hosted by CAPC
- 4.5 Recruit stakeholder representatives to testify at monthly Board Meetings

- 4.6 Build coalition of at least 30 stakeholders/interested parties representing small business, non-profits, and groups serving the target population
- 4.7 Identify Key Stakeholders
 - 4.7a Create Fact Sheet for key audiences: business & employers
 - 4.7b Create contact list
 - 4.7c Identify funding sources
 - 4.7d Create plan for funding
 - 4.7e Create Communication Plan for FY 15/16
 - 4.7f Obtain Board Approval of Communication Plan for FY 15/16
 - 4.7g Implement Communication Plan

The California Secure Choice Retirement Savings Investment Board's
Recommendation for Proposed Federal Regulations for State-Initiated Retirement
Savings Program

Part 2510 of subchapter B of Chapter XXV of the Code of Federal Regulations is amended by adding a new subparagraph (2) to section 2510.3-2(d) to read as follows:

(2)(i) A "State-Initiated Program", as defined in this paragraph (d)(2), shall be considered to satisfy the requirements of paragraph (d)(1)(i), (ii) and (iii), and neither a State (including for purposes of this paragraph any political subdivision, or agency or instrumentality thereof) initiating a State-Initiated Program nor any delegate of a State shall be considered an employer with respect to a State-Initiated Program. In addition, any action or inaction taken by a State or its delegate with respect to a State-Initiated Program shall not be considered an "endorsement" for purposes of paragraph (1)(iii) by any employer whose employees participate in a State-Initiated Program).

(ii) A "State-Initiated Program" is savings program established by a State to enable eligible employees of private sector for-profit and not-for-profit employers to make contributions to an individual retirement account described in section 408(a) of the Code through payroll withholding elections. A State-Initiated Program may not permit employers to contribute to an individual retirement account established under the Program. Individuals who are independent contractors also may participate in a State-Initiated Program and shall not be considered "employees" for purposes of this paragraph (d). A State-Initiated Program may, but need not, include any or all of the following features, rules and procedures:

(A) Automatic enrolment whereby eligible participants are considered to have enrolled in the State-Initiated Program and to have elected to make payroll withholding contributions at a rate or amount specified by the State, provided that each participant is given a reasonable opportunity before enrolment to opt-out of the Program and to modify or cancel such payroll withholding contribution election after enrolment;

(B) Automatic escalation whereby the contribution rate of participants will be automatically increased at such intervals and at such rate or amount as determined by the State, provided that the participant is given a reasonable opportunity before such increases take effect to elect to not have the increase apply or contribute a different amount or cancel such payroll contributions;

(C) Eligibility rules for both employers and employees;

- (D) Permit contributions to be made to a Roth IRA described in section 408(A) of the Code or to a traditional individual retirement account or both;
- (E) Provide for the investment of State-Initiated Program contributions, including establishing procedures to select, remove and replace investment managers, insurers, investment products (including annuity products) or funds, procedures to allow participants to choose how to allocate investment of their contributions from a menu of available options selected by the State, procedures for establishing a default investment alternative for participants who do not have a current investment election in place and procedures to invest assets of individual retirement accounts established under the State-Initiated Program in conjunction with the investment of assets of a retirement plan or deferred compensation plan maintained by the State for its own employees or a multiple employer plan sponsored by the State for private sector employers;
- (F) Offer participants investment and general financial and consumer education;
- (G) Permit employees and independent contractors from other States to participate and/or establish a State-Initiated Program jointly with one or more other States;
- (H) Allow for the rollover of assets contributed pursuant to a State-Initiated Program from or to another State-Initiated Program, another individual retirement account or another eligible retirement plan to the extent permitted under Sections 408 or 408A of the Code;
- (I) Establish fiduciary, operational and disclosure rules for the State-Initiated Program and for the investment of contributions made pursuant to the Program;
- (J) Establish procedures for participant claims and for correcting errors or other failures to follow the State-Initiated Program's rules;
- (K) Establish procedures for the selection, retention and removal of vendors to provide investment, trust, custody, payroll, recordkeeping, education, communication, legal, consulting or other services with respect to the State-Initiated Program;
- (L) Establish withdrawal and distribution rules;

(M) Establish rules applicable to an employer's obligation to make payroll withholding contributions, to provide employee census information reasonably necessary to allow the State to determine State-Initiated Program eligibility and to process participant contributions;

(N) Establish requirements that specified employers must permit their employees employed in the State[s] establishing the State-Initiated Program to enrol in the Program; and

(O) Establish such other rules and procedures for the operation and administration of the State-Initiated Program as the State determines to be necessary or desirable to carry out or enforce any of the foregoing functions.

(iii) This section (d) is not intended to affect the applicability of any state or federal law to the State-Initiated Program other than Title I of the Act. Further, this Section (d) only applies to that portion of the State-Initiated Program in which payroll withholding employee contributions are made to an individual retirement account in the manner described in this paragraph (d)(2).