
APRIL 23, 2018

AGENDA ITEM 2
INFORMATION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Executive Director's Report

Staffing

Angela Duvane began working for the program as an analyst on March 1, 2018. Ms. Duvane brings more than ten years of state service, most recently with the Employment Development Department, and expertise in administrative functions. Her duties focus on budget and financial management, contracts management, and board meeting operations.

Budget

Executive Director Katie Selenski testified at hearings on the Governor's proposed fiscal year 2018-19 budget for the program in the Assembly Budget Subcommittee Number Four on March 6, 2018 and in the Senate Budget and Fiscal Review Subcommittee Number Four on March 15, 2018. Committee hearings will continue in April and May, leading to the passage of the budget expected by June 30, 2018. As noted previously, the proposed budget includes authority for an additional \$2.5 million General Fund loan to augment the savings from the current year's budget and authority to hire five additional positions to support the program's start-up and administrative activities.

Per the board's request, staff developed a new budget report for inclusion in the monthly reports to the board, as provided earlier this month. A summary of that report is included as Attachment 1. As of February 28, 2018, the most recent available reporting, the program has spent \$923,248 in loan funding in the current fiscal year and a total of \$1,242,029 since inception.

Contracts Executed Under Delegated Authority

Branding Contract Update

Staff executed an amendment to the contract with RBG Marketing, Inc. (dba Crescendo) to amend the term to June 30, 2018 and increase the maximum amount of the contract by \$35,000. Because the key personnel charged with performing the work under the contract began to work for another firm, the contract was also amended assign the work to that firm, Flip 2 Media, Inc. The amendment will allow Flip 2 Media, Inc. to complete the scope of work in the contract including, among other things, completion of a graphic design style and branding guide.

External Auditor Contract

On April 4, 2018, staff released a request for proposals (RFP) for an independent certified public accounting firm to provide two annual audited financial reports, for the fiscal years ending June 30, 2017 and June 30, 2018. The firm selected will conduct an audit of the financial and

operational status of the Trust in accordance with generally accepted accounting principles and will be required to fulfill the requirements set forth in Government Code §100038, which requires the board to submit an annual audit report to the Governor, the Controller, the State Auditor, and the Legislature by August 1 of each year. The maximum cost of the contract will be \$35,000.

Regulations

As reported by staff in March, staff will delay the official commencement of the rulemaking process until late-summer 2018 to enable consultation with the yet to be hired third-party administrator and ensure the most effective coordination of the multiple phases of the rulemaking process. Before it begins the formal rulemaking process, staff will again solicit the input of the public, stakeholders, and others in the refinement of its proposed regulations and will notify the public when it approaches key dates in the regulations process.

Legislative Outreach

During March and April, Ms. Selenski and outreach coordinator Jonathan Herrera held several meetings with legislators who were elected after the CalSavers authorizing legislation was passed in 2016 in order to brief the new members and their staffs on the program and preview opportunities for district-level collaboration in the lead-up to launch. Staff received positive feedback and many offices were eager to host town-hall style meetings with constituents as well as recommend local community groups and business leaders for partnership to help spread the word.

Outreach Planning and Foundation Support

Staff continues to work with stakeholders to plan the regional working groups for education and outreach, and encourage funders to directly support the program's non-profit organization partners. The News & Review promotional piece and videos, funded and led by AARP, is expected to be available by early May.

Engaging with Researchers

Ms. Selenski will provide a verbal update at the meeting on engagement with researchers and a written update for the May board meeting.

Developing a Comprehensive Written History of the Program

Based on feedback provided during the January 22, 2018 board meeting, staff drafted a new written history of the program that builds on the existing basic timeline and summary information. The expanded history includes more comprehensive detail about the leadership roles stakeholder organizations played in the development and passage of the authorizing legislation. Staff consulted with legislative staff and stakeholders in preparing the draft.

Upcoming Educational Sessions on Investments and Decumulation

Based on a board member request and consultation with the chair, staff and consultants are preparing an educational session for the board focused investments to take place during the board meeting on May 21, 2018. Investment consultant Meketa Investment Group will facilitate the session, with participation from other experts.

Staff and consultants are also considering organizing an educational session on decumulation and distribution and withdrawal options to occur later in 2018, depending on board member interest in this topic.

Media Mentions

- 1. California on verge of creating retirement plan for private-sector workers (Kathleen Pender | SF Chronicle | March 9, 2018)**
<https://www.sfchronicle.com/business/networth/article/California-on-verge-of-creating-retirement-plan-12739753.php>
- 2. Cali's Secure Choice Rebrands, Fast-Tracks for Launch (NAPA Net Staff | National Association of Plan Advisors (blog) | March 13, 2018)**
<https://www.napa-net.org/news/technical-competence/state-auto-ira-plans/calis-secure-choice-rebrands-fast-tracks-launch/>
- 3. California's Private Sector Retirement Plan About to Become a Reality (David Grogan | America Booksellers Association | March 14, 2018)**
<http://www.bookweb.org/news/california%E2%80%99s-private-sector-retirement-plan-about-become-reality-103587>
- 4. Opinion: CalSavers gives Californians a chance at a more secure retirement (CA State Treasurer, John Chiang | OC Register | March 17, 2018)**
<https://www.ocregister.com/2018/03/17/calsavers-californians-a-chance-at-a-more-secure-retirement/>
- 5. California efforts to create state-sponsored retirement plan speeding up (Marlene Satter | BenefitsPro | March 23, 2018)**
<https://www.benefitspro.com/2018/03/23/california-efforts-to-create-state-sponsored-retir/>
- 6. It's opening day and Clayton Kershaw's toughest out is ... California governor candidate John Chiang (Abby Hamblin | San Diego tribune | March 29, 2018)**
<http://www.sandiegouniontribune.com/opinion/the-conversation/sd-john-chiang-clayton-kershaw-ad-20180329-htmlstory.html>
- 7. The investment industry threatens state plans to help workers save (Jared Bennett | The Center for Public Integrity | April 2, 2018)**
<https://www.publicintegrity.org/2018/04/02/21643/investment-industry-threatens-state-plans-help-workers-save>

8. **Commentary: The States' Retirement-Savings Social Experiment (Susan K. Urahn, EVP & CPO Pew Charitable Trusts | Governing The States and Localities | April 11, 2018)**

<http://www.governing.com/columns/smart-mgmt/col-states-retirement-savings-private-sector-social-experiment.html>

External Presentations in Prior Month

1. March 5, 2018, Financial Planning Association Advocacy Day; Sacramento, CA
2. April 20-22, 2018, Common Cents Lab Behavioral Immersion Conference; San Francisco, CA
3. April 23, 2018, Southern California Grantmakers Policy Meeting; Los Angeles, CA

Upcoming External Presentations

External events at which Secure Choice staff and/or board members are participating in the coming months:

1. April 28, 2018, Young Invincibles: State of Millennials Summit; California State University Dominguez Hills, Carson, CA
2. May 14, 2018, Sen. Bob Wieckowski, Treasurer John Chiang, and CalCPA: Student Financial Literacy Workshop; California State University East Bay, Hayward, CA
3. May 16, 2018, National Conference on Public Employee Retirement Systems Annual Conference; New York, NY
4. May 22, 2018, Small Business California: California Small Business Education Day; Sacramento, CA
5. May 31, 2018, California Asset Building Coalition: Financial Resources for the Inland Empire; San Bernardino, CA

Attachments:

- Attachment 1: Summary of Monthly Budget Report