
OCTOBER 16, 2018

AGENDA ITEM 2
ACTION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

*Meeting Minutes for the September 24, 2018 California Secure Choice Retirement Savings
Investment Board Meeting*

Board members present:

Tim Schaefer for State Treasurer John Chiang
Karen Greene Ross for State Controller Betty T. Yee
Jacqueline Wong-Hernandez for Director of Finance Keely Martin Bosler
Heather Hooper
Robert Purcell
William Sokol
Yvonne Walker

Board members absent:

Edward De La Rosa
Dora Westerlund

Staff present:

Katie Selenski, Executive Director
Alyssa Delacruz
Angela Duvane
Brian Gould
Jonathan Herrera
Eric Lawyer
Robert Hedrick, Senior Attorney, State Treasurer's Office

Contractors present:

Peg Creonte, Ascensus College Savings Recordkeeping Services, LLC ("Ascensus")
Andrea Feirstein, AKF Consulting Group (AKF) (via telephone)
Gina Maria Lemon, Ascensus (via telephone)
Mika Malone, Meketa Investment Group ("Meketa")
Lisa Massena, Ascensus
Vidur Mehra, State Street Global Advisors ("State Street")
Scott Morrison, Ascensus
Paola Nealon, Meketa
Jason Wojdag, Ascensus (via telephone)

California Secure Choice Retirement Savings Investment Board (“Board”) Chair Tim Schaefer called the meeting to order at 1:05 PM.

Board Chair Schaefer requested that Agenda Item 7 be taken out of order as the first item of the agenda.

Hearing no objections from the Board, Board Chair Tim Schaefer adjourned the open session at 1:07 PM.

CLOSED SESSION

Agenda Item 7 – Litigation (Government Code Section 11126(e)(1)) – Discussion with Legal Counsel Regarding Litigation (Howard Jarvis Taxpayers Ass’n., et al. v. The California Secure Choice Retirement Savings Program, et al., Eastern District of California Case No. 2:18-cv-01584-MCE-KJN) (INFORMATION ITEM)

Board Action

No Action Taken

Board Chair Tim Schaefer reconvened the open session at 1:12 PM

Agenda Item 1 – Approval of the Minutes of the August 16, 2018 Meeting of the California Secure Choice Retirement Savings Investment Board (ACTION ITEM)

Public Comment

None

Board Action

Approval of the minutes of the August 16, 2018 meeting of the California Secure Choice Retirement Savings Investment Board (“Board”).

MOTION:	Robert Purcell	SECONDED:	Heather Hooper
AYES:	Karen Greene Ross, Heather Hooper, Robert Purcell, Tim Schaefer, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
NOT VOTING:	None		
ABSTAIN:	William Sokol		
RECUSE:	None		
ACTION:	Motion Passed		

Agenda Item 2 – Executive Director’s Report (INFORMATION ITEM)

Executive Director Katie Selenski provided the Board an update on significant items including the program budget, the independent auditor’s report for the 2017-18 fiscal year, staffing, contracting efforts, outreach planning, and pending changes to the program’s website and branding.

Policy Manager Eric Lawyer discussed an executive order on retirement signed by President Trump that directs the Secretaries of Labor and the Treasury to examine policies that would expand access to multiple employer plans, and to review actions that could simplify plan disclosures required under the Employee Retirement Income Security Act and the Internal Revenue Code. The executive order also directs the Secretary of the Treasury to examine the life expectancy and distribution period tables used to determine minimum distributions from retirement plans required under federal law.

Executive Director Selenski provided the Board a plan to further evaluate solicitation of an environmental, social, governance (“ESG”) focused investment option to be offered by the CalSavers Retirement Savings Program (“Program”). Staff noted the Board would commence a new search in the fall of 2018 to have an ESG investment option available in the spring of 2019. Ms. Selenski suggested, and the Board agreed, the Board consider an information item on the ESG option at the October Board meeting and consider an action item for ESG procurement at the November Board meeting.

Public Comment

None.

Agenda Item 3 – Ascensus Presentation and Implementation Update (INFORMATION ITEM)

Vidur Mehra, Vice President of DC Investment Strategy at State Street Global Advisors, , CFA, introduced himself and Sonya Park (not in attendance) as the main points of contact for the Program. Mr. Mehra gave a brief history of the firm, and updated the Board on their implementation efforts, including the hiring of new staff that will be dedicated to the Program.

Peg Creonte, Lisa Massena, and Scott Morrison with Ascensus presented the Board with the firm’s history and expertise, their vision and roadmap for the Program, a demonstration of the platform participants and employers will be using to interact with the Program, and a summary of the support services to be provided to participants and employers. Mr. Morrison discussed features of the Program that will not be available immediately upon the initial launch of the Program for the pilot evaluation, but will be available either upon full implementation of the Program in July 2019 or by the end of 2019.

The Board agreed to modifications to the CalSavers logo and graphics as proposed by Ascensus.

Public Comment

Mark Herbert with Small Business Majority commented that he appreciates the marketing and outreach resources committed by Ascensus and that he is looking forward to working with the firm.

Agenda Item 4 – Resolution 2018-08: Approval of Administrative Benchmarks for Agreement CSCRSIB07-17A (ACTION ITEM)

Deputy Director Brian Gould presented the Board with the administrative benchmarks that will allow the Program to evaluate the performance of the call center and back office operations.

Public Comment

None.

Board Action

Approval of the proposed administrative benchmarks for agreement CSCRSIB07-17A

MOTION:	William Sokol	SECONDED:	Karen Greene Ross
AYES:	Karen Greene Ross, Heather Hooper, Robert Purcell, Tim Schaefer, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
NOT VOTING:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passed		

Agenda Item 5 – Resolution 2018-09: Approval of Investment Options Labels (ACTION ITEM)

Deputy Director Gould presented the Board with suggested names that could be used as titles for the investment funds to be provided by the Program instead of their specific technical fund names, often referred to as “white label”. The Board approved the white label names recommended by staff.

Public Comment

None.

Board Action

Approval of the proposed investment options labels

MOTION:	Yvonne Walker	SECONDED:	Karen Greene Ross
AYES:	Karen Greene Ross, Heather Hooper, Robert Purcell, Tim Schaefer, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
NOT VOTING:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passed		

Agenda Item 6 – Resolution 2018-10: Approval of Proposed Regulations and Authority to Initiate Formal Rulemaking (ACTION ITEM)

Policy Manager Eric Lawyer presented a brief summary of proposed regulations, and resolution 2018-10. Mr. Lawyer discussed the substantive changes made to the version of proposed

regulations approved by the Board in February 2018 and explained the reasoning for each change.

Public Comment

Mark Herbert with Small Business Majority spoke in appreciation of the staff and Board, and in support of the resolution presented to the Board.

Blanco Castro, AARP Advocacy Director in California, commended the Board and CalSavers staff on the process for development of the regulations.

Board Action

Approval of Resolution 2018-10: Approval of Proposed Regulations and Authority to Initiate Formal Rulemaking

MOTION:	Robert Purcell	SECONDED:	Heather Hooper
AYES:	Karen Greene Ross, Heather Hooper, Robert Purcell, Tim Schaefer, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
NOT VOTING:	None		
ABSTAIN:	None		
RECUSE:	None		
ACTION:	Motion Passed		

Public Comment

None.

Other Business

None.

The meeting adjourned at 4:10 PM.