
NOVEMBER 19, 2018

AGENDA ITEM 2
INFORMATION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Executive Director's Report

Budget

As of July 31, 2018, the most recent available reporting, the program has spent \$209,422 in loan funding in the current fiscal year and a total of \$2,228,480 since inception. As the FI\$Cal system continues to be implemented we will provide updated budget reports. A detailed budget summary is included as Attachment 1.

Staffing

Jonathan Herrera was promoted to Manager of Outreach and Marketing on November 7, 2018. Mr. Herrera first joined the program as an Associate Government Program Analyst in October 2017. His performance in bringing together stakeholders and engaging pilot employers has been outstanding and gives the leadership team complete confidence in his ability to excel in his new role. The search for the Staff Services Manager II is ongoing and staff have begun a search to backfill Mr. Herrera's previous position.

Contracts Executed Under Delegated Authority

Staff executed an interagency agreement with the California State Treasurer's Office in October 2018. The agreement is a one-year term for an amount not to exceed \$90,302. The agreement is necessary to pay for accounting, budgeting, legal services, information technology services, information security, personnel, and other services.

Regulations Update

At the November 6, 2018 meeting, the Board approved a revised set of proposed regulations and approved a resolution to provide staff authority to conduct rulemaking. Staff filed the proposed regulations with the Office of Administrative Law (OAL) November 8, 2018. OAL will have until the end of the day November 18, 2018 to approve or disapprove the proposed regulations.

Legislation and Policy Update

The U.S. Department of Labor announced a Notice of Proposed Rulemaking October 22, 2018 for a proposed rule that would expand the ability of businesses to join multiple employer defined contribution plans (MEPs). The rule was developed in response to President Trump's Executive Order issued August 31, 2018. If implemented, the rule would allow employer associations of businesses to offer MEPs that could be joined by members of the association. The rule would also allow professional employer organizations to sponsor MEPs. The Family Savings Act of 2018 (H.R. 6757), which passed out of the House September 27, 2018, or the Retirement

Enhancement and Savings Act (H.R. 5282, S. 2526) would both expand MEP eligibility further than the proposed rule.

The Internal Revenue Service (IRS) announced November 1, 2018 cost of living adjustment will increase the dollar limitations for tax-qualified retirement plans in 2019. The limit on annual contributions to an Individual Retirement Account (IRA) will be increased from \$5,500 to \$6,000 in 2019. The limit for catch-up contributions – contributions made after age 50 – will increase from \$6,500 to \$7,000. The cost of living adjustments will also result in changes to eligibility to make deductible contributions to Traditional IRAs, eligibility for Roth IRAs, and eligibility for the Saver’s Credit.

Frequency of Board Meetings

Executive Director Katie Selenski recommends that the Board transition to an every-other-month meeting schedule in 2019, similar to other established boards and commissions in the State.

Media Mentions

1. **CalSavers Launch Could Touch Thousands of Local Employers (The Business Journal | November 02, 2018)**
<https://thebusinessjournal.com/calsavers-launch-could-touch-thousands-of-local-employers/>
2. **State-run retirement savings plan ready to launch (Calpensions Blog | November 05, 2018)**
<https://calpensions.com/2018/11/05/state-run-retirement-savings-plan-ready-to-launch/>
3. **CalSavers Pilot to Launch This Month (NapaNet | November 07, 2018)**
<https://www.napa-net.org/news/technical-competence/state-auto-ira-plans/calsavers-pilot-to-launch-this-month/>
4. **Roads2Retirement Acts I - V**
<https://www.youtube.com/channel/UCwGUErHsSMu-yAngIep-mlA/videos>

External Presentations since the Last Board Meeting

External events at which CalSavers staff or board members presented since the last Board meeting:

1. October 18, 2018: Inland Valleys Regional CalSavers Workgroup Meeting (hosted by United Way of the Inland Valley); Riverside, CA
2. October 18, 2018: CalNonprofits Policy Convention; Los Angeles, CA

3. October 23, 2018: CAMEO/Small Business Development Center CalSavers Webinar (Train the Trainer); Sacramento, CA
4. October 24, 2018: California Asset Building Coalition Financial Resources Event; Sonoma, CA
5. October 29, 2018: News & Review Storyboard for the Sacramento Area; Sacramento, CA
6. October 31, 2018: Southern California Grantmakers presentation; webinar
7. November 1, 2018: CalNonProfits CalSavers Webinar; Sacramento, CA
8. November 15, 2018: California Community Action Partnership Association Conference; Sonoma, CA
9. November 15 – 16, 2018: CalFWD Economic Summit; Sonoma, CA

Upcoming External Presentations

External events at which CalSavers staff or board members are presenting in the upcoming months:

1. November 27-29, 2018: Pilot Program launch events in multiple cities; details forthcoming
2. December 4, 2018: California Asset Building Coalition Annual Symposium; Fresno, CA
3. December 7, 2018: CalCPA National Webinar on State Programs

Attachments

Summary of Monthly Budget Report (through July 31, 2018)