
JANUARY 28, 2019

AGENDA ITEM 3
INFORMATION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Executive Director's Report

2019 Meeting Schedule

The California Secure Choice Retirement Savings Investment Board (Board) has had a tentative schedule to meet on the fourth Monday of every month. As discussed at the previous Board meeting, the Executive Director proposes holding meetings once every two months, reflecting the Board's post-launch transition from frequent policymaking and design decision making responsibilities to more monitoring, reporting, and oversight responsibilities. The Board would still receive formal monthly reports of Program participation and activity. Staff anticipate that bi-monthly meetings would provide sufficient opportunity to address any necessary action items. This schedule is similar to other boards and commissions in the state.

The current meeting schedule for 2019 is included below. Staff propose holding meetings on the dates highlighted in bold font, and can adjust the schedule according to the Program's and Board's needs and preferences throughout the year.

January 28, 2019

February 25, 2019

March 25, 2019

April 22, 2019

May 20, 2019

June 24, 2019

July 22, 2019

August 26, 2019

September 23, 2019

October 28, 2019

November 18, 2019

December 16, 2019

Budget

As of September 30, 2018, the most recent available reporting, the program has spent \$330,393 in loan funding in the current fiscal year and a total of \$2,349,451 since inception. Due to the implementation of Fi\$Cal, the transmission of data from the Accounting Department is approximately three months behind. As the FI\$Cal system continues to be implemented and data is available staff will provide updated budget reports. A detailed budget summary is included as Attachment 1.

External Audit

Gilbert Associates, Inc. completed the Independent Audit Report for the 2017-18 fiscal year, and has reported no findings. The audit report is included as Attachment 3 and will be submitted to the state government offices required by statute. Beginning with the audit for current fiscal year,

which will be the first year in which participant assets will be reported, staff will invite auditors from Gilbert Associates to present their report to the Board.

Staffing

Staff are currently reviewing applicants for an Outreach Coordinator (Associate Governmental Programs Analyst) position. Ruth Holton-Hodson is transitioning back to CalSavers as part-time Outreach and Engagement Consultant. Staff continue to examine personnel needs, especially in the areas of outreach, marketing, and communications.

Contracts Executed Under Delegated Authority

Staff executed an interagency agreement with the California Department of Human Resources in November 2018. The agreement is a three-year term for an amount not to exceed \$5,000.00. The agreement is necessary to pay for soft skill, technical, and leadership training classes, and for access to online training modules provided by the Department of Human Resources.

Contractor Update

The Board's investment consultant Meketa Investment Group, Inc. (Meketa) announced January 15, 2019 that Pension Consulting Alliance (PCA), a leading investment consulting and advisory firm, will join Meketa in a transaction expected to be consummated in the first half of 2019. This will not constitute a change in control of Meketa, and according to Meketa representatives it will add significantly more resources, experience, and services to the firm's growing platform. Meketa today has approximately 150 employees and 170 clients. PCA has over 30 employees and 30 clients. The combined firms will consult on over \$1.4 trillion in assets for clients across the spectrum from Public Funds, to Endowments, to Taft-Hartley plans.

Importantly, there will be no change to the consulting team that services CalSavers, nor will headcount be reduced at either organization. The management team, including Co-CEOs at Meketa, will remain in place. Nothing will change with regard to the Board's contract with Meketa, the consulting team, or any of the services the Board receives.

Strategic Planning with Partners

Following the successful launch of the pilot in November and December, staff returned to strategic planning with key partners and consultants. On January 10, 2019, outreach and engagement staff facilitated a strategic planning workshop with a small number of non-profit organization partners who are dedicating staff resources to CalSavers outreach and education. Planning is underway for a large stakeholder meeting on February 14, 2019.

On January 11, 2019, staff and Ascensus leadership held a 2019 planning session to agree on priorities for platform development, marketing, and customer service.

Legislation and Policy Update

Staff continue to monitor the federal rulemaking regarding efforts to expand the use of multiple employer plans. As of the time this item was written, the U.S. Department of Labor was reviewing public comments on the proposed regulations. Staff will continue to monitor any relevant state or federal legislative or regulatory efforts.

IHSS

Staff and the third-party administrator, Ascensus College Savings Recordkeeping, Inc., are continuing to evaluate the logistical considerations and costs of including providers of in-home supportive services among its population of eligible employers and employees.

External Presentations since the Last Board Meeting

During the early months of the pilot, the Executive Director reallocated outreach staff to focus on heavy engagement with pilot employers. As the pilot proceeds staff are refocusing on broader outreach and educational events. Please note this list does not include any of the dozens of events covered by non-profit partners like Small Business Majority or any of the United Way regional organizations.

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

1. November 27-29, 2018: Pilot Program launch events:
 - November 27: Los Angeles
 - November 27: San Diego
 - November 28: Fresno
 - November 29: Sacramento
 - November 29: San Francisco
2. December 4, 2018: California Asset Building Coalition Annual Symposium; Fresno, CA
3. December 7, 2018: CalCPA National Webinar on State Sponsored Retirement Savings Programs
4. December 9, 2018: CA Small Business Roundtable Retreat; San Diego, CA
5. December 11, 2019: Georgetown University Center for Retirement Initiatives: Exploring Opportunities for Multi-state Collaboration; webinar panel
6. December 13, 2019: Georgetown University Center for Retirement Initiatives: Work Hard. Save Easy. How State Leadership and Innovation Are Transforming Retirement Savings; webinar panel
7. January 24, 2019: CalSavers Presentation for the leadership of various San Francisco business associations (Organized by Small Business CA and hosted by the San Francisco Chamber of Commerce); San Francisco, CA

Upcoming External Presentations

As noted above, the Executive Director reallocated outreach staff to focus on pilot employer engagement during the early months of the pilot. As the pilot proceeds staff are refocusing on broader outreach and educational events. Please note this list does not include any of the dozens of events covered by non-profit partners like Small Business Majority or any of the United Way regional organizations.

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

1. January 30, 2019: California Small Business Summit: Building Local Economies; Los Angeles, CA

2. February 11, 2019: National Association of State Treasurers Legislative Conference; Washington, DC
3. February 13, 2019: Foothill Employers Advisory Council member meeting; Auburn, CA
4. February 26, 2019: National Institute on Retirement Security policy conference; Washington, DC
5. March 08, 2019: California Asset Building Coalition: Financial Resources for the Central Coast; Salinas, CA

Attachments

- Attachment 1: Summary of Monthly Budget Report (through September 30, 2018)
- Attachment 2: Media Coverage
- Attachment 3: Financial Statements With Independent Auditor's Report for the Fiscal Year Ended June 30, 2018