
MARCH 25, 2019

AGENDA ITEM 2
INFORMATION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Executive Director's Report

Budget

Due to the implementation of Fi\$Cal, the transmission of data from the Accounting Department remains delayed. As the Fi\$Cal system continues to be implemented and data is available staff will provide updated budget reports.

As of December 31, 2018, the most recent available reporting, the program has spent \$933,704 in loan funding in the current fiscal year and a total of \$2,952,761 since inception. A detailed budget summary is included as Attachment 1.

Staffing

Staff are recruiting an Outreach Coordinator at either the Staff Services Analyst or Associate Governmental Programs Analyst level.

The State Treasurer's Office hired a new senior attorney, Spencer Walker, who will be counsel to the California Secure Choice Retirement Savings Investment Board.

Contracts Executed Under Delegated Authority

Staff also executed a contract with the Los Angeles County Business Federation for outreach services to Los Angeles County businesses February 7, 2019. The agreement is for an amount not to exceed \$18,000 and will expire January 31, 2020.

Staff executed a contract with STC Interpreting for language interpreting services February 19, 2019. The agreement is for an amount not to exceed \$250,000 and will expire January 31, 2020 unless staff choose to extend one additional year.

Quarterly Risk Assessment

In accordance with the Board's Governance Policy, the quarterly report on program related risk factors is provided in Attachment 2. Staff and consultants' risk monitoring resulted in no changes to this report from the previous report. Access to employer data and pending litigation remain the two areas where risk has been identified and a management plan is being implemented.

Legislation and Policy Update

State Legislation

Staff have been meeting with leadership in the State Senate and Assembly to inform them of the technical legislative amendments that would: facilitate data sharing with the Employment Development Department (EDD) (essential action item to address the data access risk identified in the quarterly risk report); remove EDD and employers from certain prescribed roles in statute in order to facilitate the streamlined operational process staff developed with the program administrator; and provide EDD more flexibility in the timeframe within which it must begin implementation of employer enforcement mechanisms.

Staff continue to monitor state legislation relevant to the Program. Senate Bill 341 (Morrell) would impact the CalSavers Retirement Savings Program (“CalSavers” or “the Program”) by changing the Program’s enrollment from automatic enrollment to an opt-in structure. Staff are also monitoring Assembly Bill 683 (Carrillo), which would exempt retirement accounts, among other assets, from certain evaluations of eligibility for Medi-Cal.

Federal Legislation

At the federal level, staff continue to monitor relevant legislation. A number of bills have been introduced that would alter federal retirement laws by encouraging employer participation in multiple employer plans (MEPs), encourage the use of automatic enrollment, remove the maximum contribution age for Traditional IRAs, remove or alter required minimum distributions for Traditional IRAs, reestablish the *myRA* program, and myriad other changes.

Most notably, Congressman Richard E. Neal is expected to reintroduce a version, or versions, of legislation he has previously authored: the Automatic Retirement Plan Act and the Automatic IRA Act of 2017. Similar to the Program’s enabling statute, previous versions of the act would establish an employer mandate to sponsor a retirement plan. However, unlike the Program’s enabling statute, previous versions of the acts would not establish a government-operated program available to employers. Instead, the act would offer tax credits to small employers that begin to offer a plan and alter rules to facilitate sponsorship of MEPs and reduce administrative duties of plan sponsorship.

In February, the Executive Director joined her counterparts from Illinois and Oregon to meet with senior staff of several relevant congressional leadership offices, including Congressman Neal’s office, to update them about the three programs’ progress and express our shared interests with regard to the federal proposals.

Staff also continue to monitor the federal rulemaking effort begun by the U.S. Department of Labor (DOL) in October 2018. The regulations would allow associations or Professional Employer Organizations to sponsor MEPs.

External Presentations since the Last Board Meeting

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 roundtable presentation; Washington, DC
3. February 13, 2019: Foothill Employers Advisory Council member meeting; Auburn, CA
4. February 19, 2019: San Francisco Council of District Merchants Associations member meeting; San Francisco, CA
5. February 26, 2019: National Institute on Retirement Security policy conference panel presentation; Washington, DC
6. February 28, 2019: County of Los Angeles Department of Consumer and Business Affairs, Office of Small Business: Contracting Connections, Santa Clarita, CA
7. March 4, 2019: Financial Planning Association of California presentation to Council; Sacramento, CA
8. March 08, 2019: California Asset Building Coalition: Financial Resources for the Central Coast; Marina, CA
9. March 11, 2019: City and County of San Francisco Small Business Commission meeting; San Francisco, CA
10. March 13, 2019: UnidosUS press event to release the new report *CalSavers—California's State Retirement Savings Program: Promising Approaches for Engaging Latino Workers*; Sacramento, CA (See Attachment 2)
11. March 19, 2019: CalSavers Workshop hosted by Kern County Farm Bureau and United Way Kern County; Bakersfield, CA
12. March 21, 2019: (San Francisco) Haight-Ashbury District Merchants Association member meeting; San Francisco, CA
13. March 21, 2019: (San Francisco) West Portal District Merchants Association member meeting; San Francisco, CA

Upcoming External Presentations

1. April 3, 2019: Auburn Chamber of Commerce power lunch; Auburn, CA
2. April 3, 2019: Aspen Institute Leadership Forum on Retirement Savings panel presentation; Warrenton, Virginia
3. April 5, 2019: Treasurer's Small Business Seminar presentation; Rowland Heights, CA
4. April 9, 2019: Meketa Investment Group Investment Conference ESG Integration panel presentation; San Diego, CA
5. April 12, 2019: Defined Contribution Institutional Investment Association Public Policy Forum panel presentation; Washington, DC
6. April 24, 2019: Department of Business Oversight: Financial Literacy Resource Fair; Los Angeles, CA
7. April 24, 2019: California State Association of Counties: Legislative Conference; Sacramento, CA
8. May 14, 2019: West Sacramento Chamber of Commerce member meeting; West Sacramento, CA
9. May 15, 2019: County of Los Angeles Department of Consumer and Business Affairs Center for Financial Empowerment: Tools For Financial Empowerment; Los Angeles, CA

Media

Digital and Social Media

Staff and the Ascensus marketing team have increased the volume of social media posts, included both staff's field-based posts focusing on pilot employers and stakeholders, as well as general posts about the Program and retirement security. During America Saves Week in February, the team ran a series of theme-based social media days and recruited stakeholder partners to collaborate and generate increased levels of engagement. The Program's network of digital followers continues to grow steadily, and Ascensus's marketing team has commenced limited experiments with promoted (paid) posts, which will be an essential element of marketing after the full launch.

News & Review / AARP Regional Promotional Material, volume 2

AARP is working with the *News & Review* to develop a second series of educational material targeted to employers in five regions: Sacramento, Fresno, Inland Valley, Los Angeles and the Bay Area. In January, February, and March, the United Ways across these regions hosted "storyboard" sessions for the *News & Review* writers to hear directly from employers and business leaders about their thoughts on the Program. The new materials will feature profiles of employers in each region and answer common questions about facilitating the Program. The Spanish language version will include content focused on Latinos' interests, not simply translate the standard version. The material will be available this summer.

Media Coverage

See Attachment 4

Attachments

- Attachment 1: Summary of Monthly Budget Report (through December 31, 2018)
- Attachment 2: Quarterly Risk Assessment
- Attachment 3: *CalSavers—California's State Retirement Savings Program: Promising Approaches for Engaging Latino Workers*; new report from UnidosUS
- Attachment 4: Media Coverage