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May 20, 2019

AGENDA ITEM 1  
ACTION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

*Meeting Minutes for the March 25, 2019 California Secure Choice Retirement Savings  
Investment Board Meeting*

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Board members present:

State Treasurer Fiona Ma  
Genevieve Jopanda for State Treasurer Fiona Ma  
Karen Greene Ross for State Controller Betty T. Yee  
Karen Finn for Director of Finance Keely Martin Bosler  
Edward De La Rosa  
Heather Hooper  
William Sokol  
Yvonne Walker

Board members absent:

Robert Purcell  
Dora Westerlund

Staff present:

Katie Selenski, Executive Director  
Alyssa Delacruz  
Angela Duvane  
Brian Gould  
Jonathan Herrera  
Ruth Holton-Hodson  
Eric Lawyer  
Spencer Walker, General Counsel, State Treasurer's Office

Contractors present:

Mark Chapleau, AKF Consulting Group ("AKF")  
George DuCasse, Ascensus College Savings Recordkeeping Services, LLC ("Ascensus")  
Andrea Feirstein, AKF  
Paola Nealon, Meketa Investment Group ("Meketa")

California Secure Choice Retirement Savings Investment Board ("Board") Chair Fiona Ma called the meeting to order at 1:01 PM.

**Agenda Item 1 - Approval of the Minutes of the January 28, 2019 Meeting of the California Secure Choice Retirement Savings Investment Board (ACTION ITEM)**

Public Comment

None

Board Action

Approval of the minutes of the January 28, 2019 meeting of the California Secure Choice Retirement Savings Investment Board.

MOTION:	Edward De La Rosa	SECOND:	Heather Hooper
AYES:	Edward De La Rosa, Karen Greene Ross, Heather Hooper, Fiona Ma, William Sokol, Yvonne Walker		
NOES:	None		
ABSTAIN:	Karen Finn		
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 budget, staffing, contracting efforts, risk assessment, legislation, policy, and outreach. Ms. Selenski shared a report developed by UnidosUS on approaches developed by the Program for engaging Latino workers.

Public Comment

None

**Agenda Item 3 – In-Home Supportive Services Update (INFORMATION ITEM)**

Executive Director Selenski introduced Policy Manager Eric Lawyer to present the item.

Mr. Lawyer provided an update on efforts to evaluate the costs and logistics of including providers of in-home support services in the CalSavers Retirement Savings Program (Program).

Chair Ma requested staff to provide the Board monthly updates on the topic.

Public Comment

None

**Agenda Item 4 – Resolution 2019-03: Resolution of the California Secure Choice Retirement Savings Investment Board to Authorize Rulemaking Proceedings to Readopt Emergency Regulations (ACTION ITEM)**

Executive Director Selenski introduced Policy Manager Eric Lawyer to present the item.

Mr. Lawyer presented discussed the purpose of the resolution, which will ensure the emergency regulations will remain in effect until the regular rulemaking process is completed.

Public Comment

None

Board Action

Approval of Resolution 2019-03: Resolution of the California Secure Choice Retirement Savings Investment Board to Authorize Rulemaking Proceedings to Readopt Emergency Regulations.

MOTION:	William Sokol	SECOND:	Karen Greene Ross
AYES:	Edward De La Rosa, Karen Finn, Karen Greene Ross, Heather Hooper, Fiona Ma, William Sokol, Yvonne Walker		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

**Agenda Item 5 – Implementation Update (INFORMATION ITEM)**

Executive Director Selenski introduced Outreach and Marketing Manager Jonathan Herrera and Deputy Director Brian Gould to present this item.

Mr. Gould provided an update on the first wave of the pilot program.

Mr. Herrera provided an update on the progress of the second phase of the pilot program, describing the differences between the first wave and second wave of the pilot program, and the diversity of the employers signing on for the second wave.

Executive Director Selenski then introduced Scott Morrison and George DuCasse, with the Program’s administrator Ascensus.

Mr. Morrison and Mr. DuCasse provided an update on the public website, the development of the mobile application, staffing efforts, engagement with employers and eligible employees, working with payroll providers, and marketing and outreach efforts.

Public Comment

Mark Herbert, Small Business Majority California Director, commended the Board, Program staff, and Ascensus on the progress of the pilot.

**Agenda Item 6 – Investment Policy Statement (IPS) – Annual Review (INFORMATION ITEM)**

Executive Director Selenski introduced Deputy Director Brian Gould and Paola Nealon, with the Board’s investment consultant Meketa, to present this item.

Mr. Gould provided a brief overview of the item and Ms. Nealon discussed the small number of technical edits to the IPS recommended by staff and the investment consultants. Board members William Sokol and Heather Hooper requested a minor additional edit be made to the investment beliefs portion of the IPS.

Public Comment

None.

**Agenda Item 7 – Fiduciary Training (INFORMATION ITEM)**

Executive Director Selenski introduced Andrea Feirstein and Mark Chapleau from the Board’s program consultants AKF to present this item.

Ms. Feirstein and Mr. Chapleau provided fiduciary training for the Board. The training covered important information such as who is considered a fiduciary, what fiduciary duties are, and the consequences of breaching fiduciary duties.

The Board and consultants discussed the principles of fiduciary duty, which includes duties of prudence, loyalty, and obedience guided by common law.

The Board and consultants discussed specific examples of those duties, including how duties of loyalty require fiduciaries to fulfill their duties in the sole interest of program participants and disregard self-interest or interests to outside parties.

The Board and consultants discussed specific examples of duties of prudence and the role of seeking external expertise through staff and consultants in fulfilling those duties. The Board and consultants discussed the roles of plan documents such as regulations, policies, and procedures in fulfilling duties of obedience.

Some Board members asked about fiduciary liability and methods to mitigate risks of fiduciary liability and staff agreed to provide the Board with further information about options for fiduciary insurance. The consultants and Board discussed the importance of adherence to fiduciary principles, appropriate delegation of authority, oversight, and documentation.

Public Comment

None

**Agenda Item 8 - 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 Chair Ma announced the Board would not hold closed session and the item would not be considered.

**Public Comment**

None

**Other Business**

None

The meeting adjourned at 2:57 PM.