
JULY 22, 2019

AGENDA ITEM 6
ACTION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Board Governance Policy – Positions on Legislation and Rulemaking

Summary

The California Secure Choice Retirement Savings Investment Board (Board) will consider adopting amendments to the Board Governance Policy that would clarify the Board's authority to take positions on relevant state and federal legislation and rulemaking. The policy would delegate some authority to staff to take such actions when timing doesn't allow for a decision by the Board at a public meeting.

Background

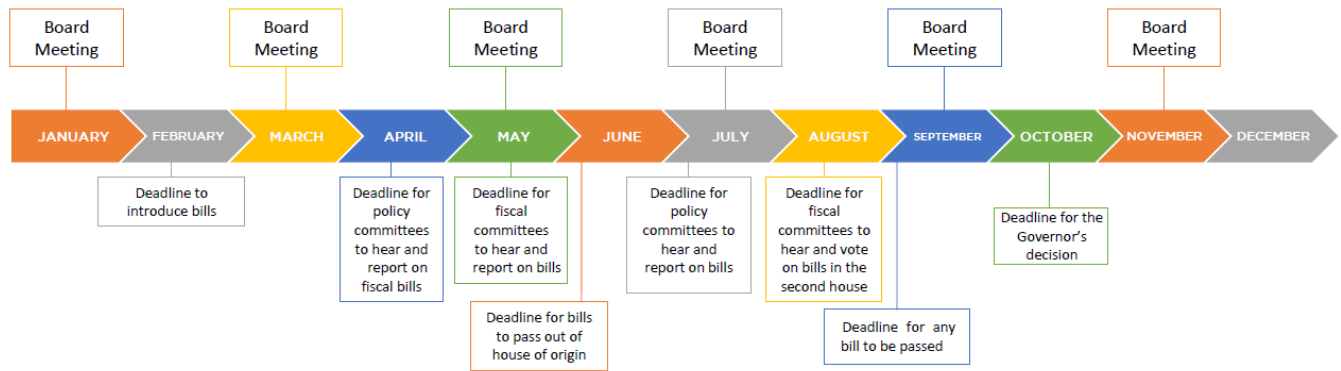
The Board Governance Policy adopted February 2018 does not identify Board perspective on engaging with legislation or rulemaking. Such actions could include submitting formal position letters; providing bill analyses; meeting with legislative staff, committee consultants, and bill sponsors; and providing testimony at legislative hearings.

Staff have informed the Board of relevant legislation at each Board meeting and through direct communication to Board members. To date, there have been very few instances when the Board or the Chair submitted comments on a legislation or a proposed rulemaking. For each of those instances, staff received direction from the Board at a Board meeting. However, the Bagley-Keene Open Meeting Act creates some restrictions on the ability for the Board to respond to all legislation or rulemaking in a timely manner and some limited delegation of authority could allow the Board more flexibility to take positions on legislation.

The Board discussed proposed amendments to the Board Governance Policy regarding legislation and rulemaking at the May 20, 2019 Board meeting. At the meeting, the Board provided staff direction to add language to the proposed amendments stating the Board's power and responsibilities to take positions on legislation or rulemaking. This version of the proposed amendments includes the same language proposed at the previous Board meeting as well as language proposed by the Board.

State Legislative Timeline

Most substantive state legislation is introduced at some point at the start of the legislative session from December to early-February. Most bills are heard in their legislative committees by the end the spring. Bills that pass out of committee may be amended substantially in the following weeks and months and heard again at times that fall between scheduled Board meetings. Bills nearing passage are can be amended rapidly in August.



Rulemaking Timelines

Federal rulemaking typically has public comment periods ranging from 30 to 60 days, however more complex rulemakings can have longer comment periods. Depending on the length of the public comment period, the Board’s meetings schedule may not always allow for staff to obtain Board direction without calling for a special Board meeting.

Draft Language for Delegation of Authority for Positions on Legislation and Rulemaking

Staff drafted language for a legislative policy that would 1) clarify the Board may take positions on relevant state or federal legislation or rulemaking, 2) compel the Executive Director to seek Board direction at full Board meetings before taking positions on legislation and rulemaking, 3) provide the Executive Director limited authority to take positions on legislation and rulemaking that could impact the operations of the Program on behalf of the Board when time does not allow the matter to be considered at a Board meeting, 4) compel the Executive Director to consult with the Board Chair when invoking this delegated authority, and 5) report to the Board on the position taken.

Such legislation or rulemaking could include:

- Any legislation or rulemaking that would alter Title 21 of the Government Code, which includes the majority of state laws regarding the Board and Program, or any other sections of code related to the Board and Program;
- Any legislation or rulemaking that directly or indirectly refers to the operations of the Program; or
- Any legislation or rulemaking that would alter the Board’s authority or ability to fulfill its mission or strategic goals.

Attachments

- Attachment 1: Proposed Amendments to Board Governance Policy (redlines)