
APRIL 15, 2020

AGENDA ITEM 2
INFORMATION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

Executive Director's Report

Overview of COVID-19 Response

The COVID-19 emergency poses unprecedented challenges for the workers the CalSavers Retirement Savings Program (“CalSavers” or “the Program”) exists to serve, as well as for the employers with whom we collaborate to facilitate the Program. CalSavers staff, consultants, and contractors are working hard every day to respond to the new challenges and are dedicated to supporting workers and employers in a timely and accommodating manner.

The primary categories of impact to the CalSavers Program are identified below and will be described by the Executive Director during the board meeting.

Business Continuity

- Staff telework and internal operations
- Ascensus operations and customer service

Savers Impact

- Money Market Fund Performance Net of Fees
 - State Street Global Advisors (SSGA) fee waiver commitment to avoid negative yield (up to 12 basis points)
 - Board action to avoid negative overall return, net of all fees (up to 80 basis points)
- Withdrawals; Roth structure as flexible for short-term needs

Employers Impact

- Wave 1 Employer deadline (see Item 3)
- Extra flexible support

Communications and Outreach

- Change in employer notification schedule and messaging
- Outreach continuing, shifting online
- Paid outdoor advertising on hold

Now more than ever, we see how important it is for all individuals to have tools to build financial resiliency in the short- and long-term. As the California community moves into recovery later this year, CalSavers will be well poised to demonstrate how our program design meets the short- and long-term needs of working people while providing solutions to employers.

Review of Program Participation and Funding

The Summary of Program Participation and Funding for the quarter ending March 31, 2020 is included as Attachment 1.

Staffing

On March 6, 2020, Treasurer Fiona Ma announced the appointment of Spencer Walker as General Counsel, replacing Mark Paxson, who retired in February. Staff congratulates Mr. Walker and thanks him for his service to the California Secure Choice Retirement Savings Investment Board (“Board”). Mr. Walker will continue to serve the Board while a search for a new senior attorney is underway.

Budget

The budget reports from December 2019 through March 2020 are not available at this time due to delay in reporting from the implementation of FI\$Cal. As of November 30, 2019, the most recent available reporting, the program had spent \$499,960 in loan funding in fiscal year 2019-20 and a total of \$4.18 million since inception. A detailed budget summary is included as Attachment 2.

Contracts Executed Under Delegated Authority and Upcoming Contracts/Renewals

Translation Services

The current agreement with STC Interpreting, provider of translation services, expired on January 31, 2020. Staff released Request for Qualifications (RFQ) No. CSCRSIB06-19 for external translation services on March 6, 2020. Thirteen proposals were received and staff is currently conducting the evaluation process. The agreement with the selected vendor will be for two years with an optional one-year extension for a maximum value of \$150,000 if the extension is exercised.

Program Consultant

The current agreement with AKF Consulting, the program consultant, is set to expire on August 6, 2020. Staff is currently developing a Request for Proposals (RFP) to solicit bids to provide these services under a new agreement, with adjustments to account for current needs. The draft RFP is included as Attachment 3 and the procurement schedule is shown below. As in previous procurements for important board services, and consistent with the governance policy and the Bagley-Keene Open Meeting Act, two board members may volunteer to join the staff evaluation committee.

Date	Action
May 1, 2020	RFP Available to Prospective Bidders
May 15, 2020	Deadline for Written Question Submission
May 22, 2020	Answers to Written Questions Distributed
May 29, 2020	Deadline for Proposal Submission
June 1 – 12, 2020	Evaluation of Proposals
June 15 – 30, 2020	Optional Interviews
July 27, 2020	Notice of Intent to Award
August 7, 2020	Contract Award

Staff will recommend a firm to the Board for approval at a July Board meeting, currently scheduled for July 27.

Trust Audit

Staff is currently developing an RFP to solicit bids for external auditing services of the California Secure Choice Retirement Savings Trust, which includes the assets held by program participants. The resulting agreement with the selected contractor will be for fiscal year audits of 2019-20 and 2020-21, with an option for the Board to extend for one additional Fiscal Year report, for a maximum total contract value of \$225,000 if the option is extended.

Legislation and Policy Update

State Legislation

Senate Bill 1042 (Pan) was introduced February 18, 2020. The bill would make most of the statutory amendments approved by the Board at the November 18, 2019 Board meeting. Staff will provide additional detail on this legislation later in the agenda.

Senate Bill 1371 was introduced by the Senate Judiciary Committee February 21, 2020. The bill makes a variety of grammar edits and other code maintenance, including some changes to CalSavers statute.

Federal Legislation

The Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act (H.R. 748), was signed into law March 27, 2020. Among its measures to provide relief in response to the COVID-19 emergency, the CARES act includes provisions specific to retirement. Specifically, the CARES Act:

- Extends the deadline for contributions to July 15, 2020;
- Waives required minimum distributions for 2020;
- Allows up to \$100,000 in non-penalized early withdrawals for needs related to the COVID-19 (e.g. diagnosis, inability to work due to child care, reduced hours, or general financial impact); and
- Doubles the loan amount an individual can make from their retirement account from \$50,000 to \$100,000; and
- Allows individuals up to three-years to make tax payments on early withdrawals.

Enforcement

Please see Item 5.

External Presentations

A summary of external presentations provided since the last Board meeting and upcoming external presentations is included as Attachment 4.

Earned Media

Media coverage, including articles, television and radio segments, and podcasts published since the previous Board meeting, is summarized in Attachment 5.

Attachments

- Attachment 1: Summary of Program Participation and Funding for the quarter ending March 31, 2020
- Attachment 2: Summary of Monthly Budget Report (through November 30, 2019)
- Attachment 3: Draft RFP for Program Consulting Services
- Attachment 4: External Presentations
- Attachment 5: Media Coverage (through April 10, 2020)