
October 19, 2020

AGENDA ITEM 1
ACTION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Meeting Minutes for the July 27, 2020 CalSavers Retirement Savings Board Meeting

Board members present:

State Treasurer Fiona Ma
Genevieve Jopanda for State Treasurer Fiona Ma
Jacqueline Wong-Hernandez for State Controller Betty T. Yee
Gayle Miller for Director of Finance Keely Martin Bosler
Edward De La Rosa
Heather Hooper
Stephen Prough
William Sokol
Yvonne Walker

Staff present:

Kathleen Selenski, Executive Director
Alyssa Delacruz
Angela Duvane
Brian Gould
Carolina Hernandez
Jonathan Herrera
Eric Lawyer
Jacob Schafer
Spencer Walker, General Counsel, State Treasurer's Office

Others present:

Alex Escobar, Franchise Tax Board ("FTB")
Christopher Hicks, FTB
Audrey Noda, Deputy Treasurer
Sharon O'Grady, Attorney General's Office

Contractors present:

Peg Creonte, Ascensus College Savings Recordkeeping Services, LLC ("Ascensus")
Andrea Feirstein, AKF Consulting Group
George DuCasse, Ascensus
Jason Gilbert, Ascensus

Mika Malone, Meketa Investment Group (“Meketa”)
Paola Nealon, Meketa
Sonya Park, State Street Global Advisors Trust Company (“State Street”)

CalSavers Retirement Savings Board (“Board”) Chair Genevieve Jopanda called the meeting to order at 1:03 PM.

Agenda Item 1 - Approval of the Minutes of the April 15, 2020 Meeting of the CalSavers Retirement Savings Board (ACTION ITEM)

Public Comment

None

Board Action

Approval of the minutes of the April 15, 2020 meeting of the CalSavers Retirement Savings Board.

MOTION:	William Sokol	SECOND:	Edward De La Rosa
AYES:	Edward De La Rosa, Heather Hooper, Genevieve Jopanda, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Agenda Item 2 – Executive Director’s Report (INFORMATION ITEM)

Executive Director Kathleen Selenski updated the Board on the passage of Assembly Bill (AB) 102, which changed the name of the board to bring it into conformity with the CalSavers Retirement Savings Program (“the Program”) name.

Ms. Selenski then updated the Board on the challenges imposed on the Program, the workers it exists to serve, and its participating employers, caused by the COVID-19 emergency. Ms. Selenski discussed how program staff and staff from the administrator Ascensus have maintained business continuity while continuing to telework.

Ms. Selenski also provided the Board an update on significant items including employer and saver participation through the second quarter of 2020, the budget, staffing, legislation, policy, enforcement, media updates, outreach, and contracting efforts.

Ms. Selenski noted the investment consultant contract is set to expire in January 2021 and identified the plan to select a firm for the next contract. Ms. Selenski noted a maximum of two board members may volunteer to join the evaluation committee due to open meetings act restrictions and that if more than two members volunteer, preference would be given to those that have not served already.

Public Comment

None

Agenda Item 3 – Program Administrator’s Update (INFORMATION ITEM)

Peg Creonte, George DuCasse, and Jason Gilbert with Ascensus provided an update on operations during the COVID-19 emergency, marketing and communications, client services statistics, administrative benchmarks, field team activity, efforts to improve employer compliance and onboard new employers, system development and enhancements, and payroll provider integration.

Public Comment

None

Agenda Item 4 – Second Quarter Investment Performance & Money Market Fund Discussion (INFORMATION ITEM)

Mika Malone and Paola Nealon, from the Board’s investment consultant, Meketa, provided the Board an overview of the performance of the Program’s investment performance through the second quarter of 2020, including the impact from and participant behavior resulting from the COVID-19 Emergency.

Ms. Selenski led a discussion with the Board and consultants about options for the safety and liquidity portion of the default investment option, currently composed of a money market fund that is experiencing negative performance net of all program fees. The challenge is expected to persist as long as interest rates remain at or near zero. Ms. Selenski discussed efforts to keep participant investment returns at or above zero in this fund, including the waiver of fees made by the investment manager, State Street, and drawing on support otherwise budgeted for marketing. The Board also discussed potential changes to the construction of the default investment option, including exploring options to manage funds internally and a modification to automatically shift investments from the money market fund to a Target-Retirement Fund after a short period of time has elapsed. Staff and consultants will present a comprehensive item on this topic at the next Board meeting.

Public Comment

None

Agenda Item 5 – Selection of Program Consultant (RFP No. CSCRSIB02-20) (ACTION ITEM)

Executive Director Kathleen Selenski presented the board with Resolution No. 2020-03, an approval to execute Agreement No. CRSB02-20 for Program Consultant Services with AKF Consulting Group.

Ms. Selenski provided the board with an overview of the expenditures for the current Program Consultant contract and discussed the Request for Proposals process.

Public Comment

None

Board Action

Approval of Resolution No. 2020-03: Approval to Execute Agreement No. CRSB02-20 for Program Consultant Services with AKF Consulting Group.

MOTION:	Gayle Miller	SECOND:	Edward De La Rosa
AYES:	Edward De La Rosa, Heather Hooper, Genevieve Jopanda, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Agenda Item 6 – Regulations Amendments (ACTION ITEM)

Policy Director Eric Lawyer presented a summary of proposed regulations amendments and a resolution to approve the regulations and provide staff authority to execute and deliver documents necessary for the rulemaking process.

Public Comment

None

Board Action

Approval of Resolution 2020-04: Approval of Regulations Amendments and Authority to Conduct Rulemaking.

MOTION:	Edward De La Rosa	SECOND:	William Sokol
AYES:	Edward De La Rosa, Heather Hooper, Genevieve Jopanda, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Agenda Item 7 – Update on Development of Enforcement Program for Employer Compliance

Executive Director Kathleen Selenski provided an update on the status of designing and developing the employer enforcement program with the Franchise Tax Board, including estimated costs and timing of implementation. Ms. Selenski discussed efforts to collaborate with the Franchise Tax Board (FTB), the entity responsible for collection of employer penalties for noncompliance and hearing of employer appeals.

Alex Escobar and Christopher Hicks from FTB introduced themselves to the Board.

Public Comment

None.

Agenda Item 8 - Assembly Bill 683: Medi-Cal Eligibility (Carrillo)

This item was not heard.

Board Chair Genevieve Jopanda adjourned the open session at 2:58 PM.

Agenda Item 9 – 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 Action

No action taken

Board Chair Genevieve Jopanda reconvened the open session at 3:03 PM. Chair Jopanda announced that the Board met in closed session and that no action was taken.

Public Comment

None

Other Business

None

The meeting adjourned at 3:04 PM.