
OCTOBER 19, 2020

AGENDA ITEM 2
INFORMATION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Executive Director's Report

Staffing

Effective October 1, 2020, Carolina Hernandez was promoted from Staff Services Analyst to Associate Governmental Program Analyst in recognition of her outstanding support of the Program's outreach strategy and increasing Program needs in this vital area.

In September, the State Treasurer's General Counsel hired Senior Attorney Jennifer Baldwin, whose portfolio will include the CalSavers Retirement Savings Board. Ms. Baldwin previously served as a deputy legislative counsel in the Office of Legislative Counsel.

Update on COVID-19 Response

Business continuity in the face of the coronavirus pandemic remains strong, both internally with Board staff and externally with contractors. On August 3, 2020 staff implemented the State Treasurer's Office's return to the office plan, with some staff rotating between telework and in-office work and others continuing full-time telework.

Review of Program Participation and Funding

The employer registration deadline on September 30, 2020 drove substantial growth in employer activity, which will largely manifest in growth in funded accounts in December and into 2021. The Executive Director will present highlights of recent growth, as detailed in the full Summary of Program Participation and Funding as of October 12, 2020, included as Attachment 2A.

Budget

As of June 30, 2020, the most recent available reporting, the program spent \$1.4 million in loan funding in fiscal year 2019-20 and a total of \$5.0 million since inception in November 2016. A detailed budget summary is included as Attachment 2B.

Contracts Executed Under Delegated Authority and Upcoming Contracts/Renewals

Program Fund Audit

Staff released Request for Proposals (RFP) No.CRSB01-20 on July 24, 2020 to solicit bids for external auditing services of the Program Fund of the CalSavers Retirement Savings Trust, which includes the assets held by program participants. After evaluating all proposals, staff selected CliftonLarsonAllen, LLP, based on the firm's specialized services and experience with retirement and pension plan compliance, its national reputation, and its ability to scale with the CalSavers Program as it grows. The agreement with CliftonLarsonAllen, LLC will take effect

upon final approval from the Department of General Services (DGS), expected in late October, 2020 and the term of the agreement will be from the DGS approval date through June 30, 2022, with an option to extend one additional year. The maximum value of the agreement is \$134,524 for two years, or \$204,162 if the extension is exercised.

Interagency Agreement with the Franchise Tax Board

As reported during the Board meeting on July 27, 2020, staff are developing an Interagency Agreement (IA) with the Franchise Tax Board to establish the terms under which FTB will implement the employer compliance enforcement program. Staff intend to present the proposed IA to the Board for approval at the next meeting.

Annual Call Center Staffing Model Update

During its meeting on September 23, 2019, the Board directed the Executive Director to update the Board annually on models for providing customer service. Specifically, staff were directed to analyze costs and benefits of continuing to provide this service via the program administrator compared to operating the function in-house with state employees, including revised fee impact analysis informed by the latest knowledge of program participation and growth projections.

Staff conducted extensive analysis based on new data and estimated that a substantial increase in participant fees would still be required to bring the customer service function in-house in the early years, with the difference in fees declining as the Program grows to scale. Based on this analysis, staff conclude that the issue should be reconsidered next year.

As the Program grows, the financial model and assumptions will be refined based on participation and customer service utilization and, per the Board's direction, staff will continue to revise the analysis and update the Board annually.

Legislation and Policy Update

Regulations

During the next Board meeting, staff will present a package of proposed regulations to address the following topics:

- Enforcement of employer compliance
- Re-adoption of current emergency regulations
- Reduction of the minimum contribution amount for non-payroll contributions (already approved by the Board, but a technical update is required)
- Change to the information required for individuals to opt-out of the Program by phone using the interactive voice response system
- Change to the default investment, pending Board direction

State Legislation

Assembly Bill 323 (Rubio), approved by the Governor on September 30, 2020, requires state departments to publish an annual report of each year's payments for placements of marketing or outreach advertising material. Staff are evaluating how this law will affect CalSavers and its contractors.

Federal Policy

DOL on the Inclusion of ESG in ERISA Plans: On July 30, 2020, the comment period closed for a proposed rulemaking issued by the U.S. Department of Labor (DOL) on June 23, 2020. The proposal clarifies plan fiduciaries covered under ERISA may only make investment decisions based on economic factors. The regulation specifically refers to ESG investment options and would require plan fiduciaries to document whenever it deems an alternative investment option like an ESG fund to be economically indistinguishable from an investment fund that does not consider ESG principles. The rule would prohibit ESG investments to be set as the default investment in an ERISA plan.

External Presentations

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

	Date	Organization	Event	Location	Audience
1.	7/28/20	Treasurer Ma w/ Humboldt Co. Economic Development	Humboldt County COVID-19 Relief for Small Business	Webinar	Employers
2.	7/28/20	CalSavers	Employer Educational Webinar	Webinar	Employers
3.	7/29/20	CalSavers	Employer Educational Webinar	Webinar	Employers
4.	7/30/20	San Diego Chamber of Comm. & United Way of San Diego	San Diego Chamber of Commerce Small Business Roundtable	Webinar	Business Assoc.
5.	7/31/20	Treasurer Ma w/ Assemblymember Chu	Small Business Town Hall with Assemblymember Chu	Webinar	Employers
6.	7/31/20	CalSavers	Employer Educational Webinar	Webinar	Employers
7.	8/03/20	CalSavers	Employer Educational Webinar	Webinar	Employers
8.	8/04/20	California Farm Labor Contractor Association	Employer Educational Webinar	Webinar	Business Assoc.
9.	8/05/20	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
10.	8/06/20	CalSavers	Employer Educational Webinar	Webinar	Employers
11.	8/07/20	CalSavers	Employer Educational Webinar	Webinar	Employers
12.	8/11/20	CalSavers	Employer Educational Webinar	Webinar	Employers
13.	8/12/20	CalSavers	Employer Educational Webinar	Webinar	Employers
14.	8/14/20	CalSavers	Employer Educational Webinar	Webinar	Employers
15.	8/17/20	CalSavers	Employer Educational Webinar	Webinar	Employers
16.	8/19/20	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
17.	8/20/20	CalSavers	Employer Educational Webinar	Webinar	Employers
18.	8/21/20	CalSavers	Employer Educational Webinar	Webinar	Employers
19.	8/24/20	AgSafe	Employer Educational Webinar	Webinar	Employers
20.	8/25/20	CalSavers	Employer Educational Webinar	Webinar	Employers
21.	8/26/20	CalSavers	Employer Educational Webinar	Webinar	Employers
22.	8/27/20	AgSafe	Employer Educational Webinar (Spanish)	Webinar	Employers
23.	8/27/20	Alma Consulting Services & Kern County United Way	CalSavers taller virtual (Spanish)	Webinar	Community
24.	8/28/20	CalSavers	Employer Educational Webinar	Webinar	Employers
25.	8/31/20	CalSavers	Employer Educational Webinar	Webinar	Employers
26.	9/02/20	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
27.	9/03/20	CalSavers	Employer Educational Webinar	Webinar	Employers
28.	9/04/20	CalSavers	Employer Educational Webinar	Webinar	Employers

	Date	Organization	Event	Location	Audience
29.	9/08/20	CalSavers	Employer Educational Webinar	Webinar	Employers
30.	9/09/20	CalSavers	Employer Educational Webinar	Webinar	Employers
31.	9/10/20	Hispanas Organized for Political Equality (HOPE)	Latina Empowerment Day	Webinar	Community
32.	9/11/20	CalSavers	Employer Educational Webinar	Webinar	Employers
33.	9/14/20	CalSavers	Employer Educational Webinar	Webinar	Employers
34.	9/15/20	UnidosUS & CA Hispanic Chamber of Commerce	Your Money. Your Future. (CalSavers Webinar)	Webinar	Employers
35.	9/16/20	UnidosUS & CA Hispanic Chamber of Commerce	Tu Dinero. Tu Futuro. (Spanish CalSavers Webinar)	Webinar	Employers
36.	9/16/20	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
37.	9/17/20	Pleasanton Chamber of Commerce	CalSavers or 401(k) - Small Businesses Need to Decide	Webinar	Employers
38.	9/17/20	Alma Consulting Services & Kern United Ways	CalSavers taller virtual (Spanish)	Webinar	Community
39.	9/17/20	CalSavers	Employer Educational Webinar	Webinar	Employers
40.	9/18/20	CA Farm Bureau Federation	What's CalSavers? What are my Alternatives?	Webinar	Employers
41.	9/18/20	CalSavers	Employer Educational Webinar	Webinar	Employers
42.	9/22/20	CalSavers	Employer Educational Webinar	Webinar	Employers
43.	9/23/20	Small Business Majority	CalSavers - 7 days from deadline	Webinar	Employers
44.	9/23/20	Small Business Majority	CalSavers - 7 días para registrarse (Spanish)	Webinar	Employers
45.	9/23/20	CalSavers	Employer Educational Webinar	Webinar	Employers
46.	9/24/20	Hispanas Organized for Political Equality (HOPE)	Latina Empowerment Day	Webinar	Community
47.	9/25/20	CalSavers	Employer Educational Webinar	Webinar	Employers
48.	9/28/20	CalSavers	Employer Educational Webinar	Webinar	Employers
49.	9/30/20	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
50.	10/1/20	Treasurer Ma w/ Freemont Chamber of Commerce	A Conversation with CA State Treasurer Fiona Ma	Webinar	Employers
51.	10/1/20	CalSavers	Employer Educational Webinar	Webinar	Employers
52.	10/2/20	CalSavers	Employer Educational Webinar	Webinar	Employers
53.	10/6/20	Treasurer Ma w/ Shasta County EDC	Shasta County COVID-19 Relief for Small Business	Webinar	Employers
54.	10/6/20	CalSavers	Employer Educational Webinar	Webinar	Employers
55.	10/7/20	CalSavers	Employer Educational Webinar	Webinar	Employers
56.	10/8/20	Alpine Chamber of Commerce	Learn More About CalSavers	Webinar	Employers
57.	10/8/20	Alma Consulting Services & Kern United Ways	Preparandose para el Futuro (Spanish)	Webinar	Community
58.	10/9/20	CalSavers	Employer Educational Webinar	Webinar	Employers
59.	10/12/20	CalSavers	Employer Educational Webinar	Webinar	Employers
60.	10/14/20	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
61.	10/15/20	CalSavers	Employer Educational Webinar	Webinar	Employers
62.	10/16/20	CalSavers	Employer Educational Webinar	Webinar	Employers
63.	10/16/20	California Hispanic Chambers of Commerce	CHCC 2020 Virtual Convention: Healthcare & Retirement Benefits for your Workforce (Breakout Session)	Virtual Panel	Employers

Upcoming External Presentations

	Date	Organization	Event	Location	Audience
1.	10/20/20	CalSavers	Employer Educational Webinar	Webinar	Employers
2.	10/21/20	CalSavers	Employer Educational Webinar	Webinar	Employers
3.	10/22/20	Western Pension & Benefits Council, Orange County	Retirement Plan Alternatives Small Plan Sponsors: CalSavers or PEPs?	Webinar	Industry
4.	10/23/20	CalSavers	Employer Educational Webinar	Webinar	Employers
5.	10/23/20	World Pension Summit, The Hague	Whose Pension Is It Anyway?	Webinar	Policy/Industry
6.	10/26/20	CalSavers	Employer Educational Webinar	Webinar	Employers
7.	10/26/20	Pensions & Investments DC West	Lessons Learned in the Pandemic An Investment Plan for the Unexpected	Webinar	Policy/Industry
8.	10/28/20	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
9.	10/28/20	Georgetown Center for Retirement Initiatives	<i>State of Retirement</i> podcast	Podcast	Policy
10.	10/29/20	CalSavers	Employer Educational Webinar	Webinar	Employers
11.	10/30/20	CalSavers	Employer Educational Webinar	Webinar	Employers
12.	11/3/20	CalSavers	Employer Educational Webinar	Webinar	Employers
13.	11/4/20	CalSavers	Employer Educational Webinar	Webinar	Employers
14.	11/5/20	Hispanas Organized for Political Equality (HOPE)	Latina Empowerment Day	Webinar	Community
15.	11/6/20	CalSavers	Employer Educational Webinar	Webinar	Employers
16.	11/9/20	CalSavers	Employer Educational Webinar	Webinar	Employers
17.	11/10/20	Monrovia Chamber of Commerce w/ Asm Rubio and Treasurer Ma	Employer Educational Webinar	Webinar	Employers
18.	11/12/20	Mission Asset Fund & Mexican Consulate in SF	Financial Week (Spanish)	Webinar	Community
19.	11/12/20	CalSavers	Employer Educational Webinar	Webinar	Employers
20.	11/13/20	CalSavers	Employer Educational Webinar	Webinar	Employers
21.	11/17/20	CalSavers	Employer Educational Webinar	Webinar	Employers
22.	11/18/20	CalSavers	Employer Educational Webinar	Webinar	Employers
23.	11/20/20	CalSavers	Employer Educational Webinar	Webinar	Employers
24.	12/1/20	CalSavers	Employer Educational Webinar	Webinar	Employers
25.	12/2/20	CalSavers	Employer Educational Webinar	Webinar	Employers
26.	12/4/20	CalSavers	Employer Educational Webinar	Webinar	Employers
27.	12/7/20	CalSavers	Employer Educational Webinar	Webinar	Employers
28.	12/9/20	CalSavers	Employer Educational Webinar (Spanish)	Webinar	Employers
29.	12/10/20	CalSavers	Employer Educational Webinar	Webinar	Employers
30.	12/11/20	CalSavers	Employer Educational Webinar	Webinar	Employers
31.	12/15/20	CalSavers	Employer Educational Webinar	Webinar	Employers
32.	12/16/20	CalSavers	Employer Educational Webinar	Webinar	Employers
33.	12/18/20	CalSavers	Employer Educational Webinar	Webinar	Employers

Earned Media

Media coverage, including articles, television and radio segments, and podcasts published since the previous Board report, is summarized below.

	Date	Publication	Headline/Link
1	7/17/2020	JD Supra	Important CalSavers Registration Deadlines for California Employers
2	7/20/2020	SHRM	Important CalSavers Registration Deadlines for California Employers
3	7/24/2020	Lawyers.com	Three Things Employers Should Know About Retirement Savings Plans
4	7/27/2020	Kress Employment Screening	Weekend Roundup: Candidate's History, Keep Boredom at Bay, CalSavers Registration
5	7/27/2020	ASPPA Net	CalSavers Seeks Proposals for Program Fund External Auditing Services
6	7/29/2020	JD Supra	CalSaver Deadline Approaches for Large Companies to Register or Certify as Exempt
7	7/29/2020	Law360	5 ERISA Cases to Watch in the Second Half of 2020
8	7/31/2020	San Diego Regional EDC	Good News of the Week – July 31, 2020
9	8/3/2020	BRN AM	BRN AM for Monday, August 3, 2020
10	8/7/2020	San Diego Regional EDC	Good News of the Week – August 7, 2020
11	8/12/2020	SHRM	Where Kamala Harris Stands on Workers' Pay and Benefits
12	8/12/2020	BRN AM	BRN AM for Wednesday, August 12, 2020
13	8/19/2020	Cox, Castle, Nicholson LLP	What Employers Need to Know about California's New CalSavers Program
14	8/19/2020	BRN AM	BRN AM for Wednesday, August 19, 2020
15	8/20/2020	CCUL	CCPA Regs. 'Calsavers' Changes, ATR-QM Rule, and BSA Updates
16	8/21/2020	Forbes	Are You Ready For The New 401(k) MEP/PEP?
17	8/26/2020	Irrational Retirement Blog	Behavioral lessons for the second pension pillar in Slovenia
18	8/27/2020	Redding Record Searchlight	Coronavirus updates for week of Aug. 24: Shasta County companies near deadline to offer employee retirement savings plans
19	9/3/2020	JD Supra	Coming Up—CalSavers Compliance Deadlines: What California Employers Should Know
20	9/3/2020	The Business Journal	Employ More Than 100 In California? You Need To Know This
21	9/3/2020	Día a Día News	Empresas que no patrocinan plan de jubilación deben registrarse en CalSavers
22	9/4/2020	Santa Maria Valley Chamber of Commerce	Deadline Approaches: Businesses with More Than 100 Employees that Do Not Sponsor a Retirement Plan Must Register for CalSavers by September 30th
23	9/7/2020	Pensions & Investments	CalSavers expands outreach as deadline looms
24	9/11/2020	Our Weekly Los Angeles	Businesses with over 100 employees must register with CalSavers
25	9/11/2020	Latino California	El coronavirus afecta los ahorros para la jubilación de familias latinas
26	9/11/2020	Patch	Covid Impacts Latino Families' Ability To Save Toward Retirement
27	9/11/2020	Pensions & Investments	CalSavers looking for consultant
28	9/11/2020	Patch	Covid Impacts Latino Families' Ability to Save Toward Retirement
29	9/12/2020	Lexology	California Mandates Cannabis Companies to Provide Retirement Plans by September 30th
30	9/15/2020	Toking Times	California Cannabis Companies Must Have Retirement Plans in Place by the End of the Month
31	9/17/2020	BenefitsPro	California cannabis companies not exempt from retirement plan mandate
32	9/18/2020	Pajaro Valley Chamber	Deadline Approaches: Businesses with More Than 100 Employees that Do Not Sponsor a Retirement Plan Must Register for CalSavers by September 30th
33	9/22/2020	Los Angeles Times	What you should know about the CalSavers retirement program
34	9/23/2020	YubaNet	CalSavers Registration Deadline for Required Businesses 1 Week Away
35	9/23/2020	Massena Associates	Surfin' USA? Retirement Readiness, CalSavers Style
36	9/24/2020	ASPPA Net	CalSavers Registration Deadline for Large Employers Looms
37	9/25/2020	CalChamber HRWatchdog	Reminder: CalSavers Large Employer Registration Deadline Is September 30

	Date	Publication	Headline/Link
38	9/25/2020	The New York Times	Plight of the 'Physical Worker': Worn-Out Bodies and Little Savings
39	9/28/2020	Armanino LLP	California Implements New CalSavers Retirement Savings Program
40	9/29/2020	Money	What Joe Biden's Tax Proposal Could Mean for Your 401(k)
41	10/1/2020	Investment News	CalSavers registers thousands of businesses, will see bump
42	10/7/2020	NAPA Net	Case of the Week: State-sponsored Plans for Private-sector Workers

Attachments

- Attachment 2A: Summary of Program Participation and Funding as of October 12, 2020
- Attachment 2B: Summary of Monthly Budget Report through June 30, 2020