
SEPTEMBER 13, 2021

AGENDA ITEM 1
ACTION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Meeting Minutes for the June 22, 2021 CalSavers Retirement Savings Board Meeting

Board members present:

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
Michelle Gastelum
Stephen Prough
William Sokol
Yvonne Walker

Board members absent:

Heather Hooper

Staff present:

Kathleen Selenski, Executive Director
Alyssa Delacruz
Angela Duvane
Carolina Hernandez
Jonathan Herrera
Eric Lawyer
Jacob Schafer

Others present:

Rita Clark, State Treasurer's Office
Ravinder Kapoor, Senior Attorney, State Treasurer's Office
Audrey Noda, Deputy Treasurer
Spencer Walker, General Counsel, State Treasurer's Office

Contractors present:

Peg Creonte, Ascensus College Savings Recordkeeping Services, LLC (“Ascensus”)
 Andrea Feirstein, AKF Consulting Group (“AKF”)
 Jason Gilbert, Ascensus
 Mika Malone, Meketa Investment Group (“Meketa”)
 Troy Montigney, Ascensus
 Paola Nealon, Meketa
 Sonya Park, State Street Global Advisors (“SSGA”)
 George Piquette, Ascensus
 Kevin Sullivan, Newton Investment Managers
 Vidur Mehra, SSGA
 Aidan Yeaw, Ascensus

CalSavers Retirement Savings Board (“Board”) Chair Fiona Ma called the meeting to order at 1:04 PM.

Agenda Item 1 - Approval of the Minutes of the May 19, 2021 Meeting of the CalSavers Retirement Savings Board (ACTION ITEM)

Public Comment

None

Board Action

Approval of the minutes of the May 19, 2021 meeting of the CalSavers Retirement Savings Board.

MOTION:	William Sokol	SECOND:	Stephen Prough
AYES:	Fiona Ma, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
NOT PRESENT	Edward De La Rosa		
ABSTAIN:	Michelle Gastelum		
ACTION:	Motion Passed		

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

Executive Director Kathleen Selenski provided the Board with an update on significant items, including an update on the CalSavers Retirement Savings Program’s (“CalSavers” or “Program”) COVID-19 response, including business continuity and the potential resumption of in-person Board meetings.

Ms. Selenski then updated the board on the Program’s participation growth; the budget; the change to the default investment option; employee recruitment; the progress of the 2019-20 audits for the administrative fund, which was completed, and the program fund audit, which was in its final stages; analysis of potential inclusion of in-home supportive services (IHSS) providers in the Program; legislation; media coverage; and external presentations. Ms. Selenski also shared a quarterly risk monitoring heat map and reviewed its contents with the Board.

Board member Yvonne Walker asked whether the Program will conduct any communications efforts aimed at informing IHSS providers about their ability to join CalSavers directly. Ms. Selenski noted CalSavers staff have developed an informational flyer about the Program unique to the IHSS provider community. Ms. Selenski noted the flyer is being incorporated into orientation materials and distributed through other means.

Public Comment

None

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

Troy Montigney with the Program Administrator, Ascensus, introduced Peg Creonte, who provided the Board with an update on the ownership transition underway at Ascensus.

Board member William Sokol asked Ms. Creonte about her impression of the new ownership group. Ms. Creonte noted all indications were the new ownership intended to grow their organization; she committed to reporting further information to the Board after the transaction is complete later this year.

Mr. Montigney then updated the Board on the current communication schedule for each wave of employers; participation data for the second quarter of 2021; communication efforts for non-responsive employers, the change to the new default investment option, program operations, including administrative benchmarks, call center volume and staffing; and the efforts of the employer onboarding team.

Board member Prough asked about efforts to increase staff at the call centers since November 2020. Mr. Montigney noted they had hired ten full time employees and 24 to 25 temporary associates.

Jason Gilbert with Ascensus provided an update on field team efforts.

Public Comment

None

Agenda Item 8 [taken out of order] – Update on Outreach & Education Efforts

Agenda Item 8 was taken out of order. Jonathan Herrera provided an update on outreach and education efforts. Mr. Herrera spoke about efforts to provide outreach and education to

employers, employer organizations, trade groups, and efforts to increase saver-oriented education.

Board chair Ma spoke about the importance of outreach and education efforts, noting an example of a community member who had not heard of CalSavers.

Board member Wong-Hernandez expressed her appreciation for the efforts of the outreach team.

Public Comment

None

Agenda Item 4 – First Quarter Investment Performance Report & Education Session on Target Date Funds (INFORMATION ITEM)

Mika Malone and Paola Nealon from the Board’s investment consultant, Meketa, provided the Board an overview of the quarterly performance of the Program’s investment options for the quarter ending March 31, 2021.

Ms. Malone gave an educational session on target date funds that focused on how they function, industry trends, and other related topics. Board member Prough asked about a perceived over-allocation to international and small- and mid-cap stocks within the suite of target retirement funds. Ms. Malone noted the funds have a relatively lower equity exposure than some peers, but with greater exposure to international and small- and mid-cap stocks within that equity portion. Ms. Malone noted she would provide the Board an analysis of how the fund construction compares to peers.

Board member Miller asked for the perspective of the Program’s target retirement fund administrators, State Street Global Advisors (SSGA), about how frequently SSGA reviews its fund allocation and how the Board should oversee the investment options. Vidur Mehra with SSGA noted SSGA reviews fund allocations constantly and made a change in 2021 due to the interest rate environment. Ms. Miller asked how frequently the allocations should be revisited. Mr. Mehra spoke about considerations for revisiting asset allocations.

Public Comment

None

Agenda Item 5 – Resolution No. 2021-04, Delegation of Authority for Enforcement of Employer Compliance

Ms. Selenski introduced the item and explained its purpose.

Public Comment

None

Board Action

Approval of Resolution No. 2021-04. Delegating authority for enforcement of employer compliance to the executive director.

MOTION:	William Sokol	SECOND:	Edward De La Rosa
AYES:	Edward De La Rosa, Michelle Gastelum, Fiona Ma, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Agenda Item 6 - Resolution No. 2021-05, Approval of Strategic Plan 2021-2024

Ms. Selenski introduced the item. Board member Wong-Hernandez asked whether the Board should delete “under development” from measures 1 and 2 from objective 1a. Board Chair Ma noted they could be deleted. Ms. Selenski noted the words could be removed from the final strategic plan and the request would be noted in the minutes.

Public Comment

None

Board Action

Approval of Resolution No. 2021-05 to approve strategic plan 2021-24 with the edit to remove “under development” from measures 1 and 2 from objective 1a.

MOTION:	William Sokol	SECOND:	Jacqueline Wong-Hernandez
AYES:	Edward De La Rosa, Michelle Gastelum, Fiona Ma, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Agenda Item 7 - Resolution No. 2021-06, Delegation of Authority to Board Chair for Execution of Performance Evaluation for Executive Director

Ms. Selenski introduced the item. Board member Miller requested the Board have the ability to provide input and deliberate on the performance evaluation during a closed session and board chair Ma affirmed that is the intention. Board member Prough asked if Board members will have the ability to vote on the performance evaluation during closed session. Board member Sokol asked that staff attorneys review the resolution again and have the Board consider the item again at the next Board meeting.

Public Comment

None

Board Action

The Board voted to consider the item again at the subsequent meeting.

MOTION:	William Sokol	SECOND:	Edward De La Rosa
AYES:	Edward De La Rosa, Michelle Gastelum, Fiona Ma, Gayle Miller, Stephen Prough, William Sokol, Yvonne Walker, Jacqueline Wong-Hernandez		
NOES:	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

Agenda Item 9 – Litigation (Government Code Section 11126(e)) – Discussion with Legal Counsel Regarding Litigation (Howard Jarvis Taxpayers Ass’n., et al. v. The California Secure Choice Retirement Savings Program, et al.; U.S. Court of Appeals for the Ninth Circuit

This item was not heard at the meeting.

Agenda Item 10 – Public Comment

None

Other Business

Board member Yvonne Walker noted it has been her extreme pleasure in being a member of the CalSavers Retirement Savings Board. Ms. Walker noted she would resign from her position and stated she was proud of the work the Board has been able to accomplish.

The meeting adjourned at 3:18 PM.