
MAY 24, 2022

AGENDA ITEM 1
ACTION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Meeting Minutes for the February 28, 2022, CalSavers Retirement Savings Board Meeting

Board members present:

State Treasurer Fiona Ma
Karen Greene Ross for State Controller Betty T. Yee
Gayle Miller for Director of Finance Keely Martin Bosler
Edward De La Rosa
Michelle Gastelum
Heather Hooper
Nam Le
Stephen Prough
William Sokol

Staff present:

Kathleen Selenski, Executive Director
Sandy Guan
Carolina Hernandez
Jonathan Herrera
Eric Lawyer
Eric Lei
Jacob Schafer

Others present:

Rita Clark, State Treasurer's Office
Genevieve Jopanda, State Treasurer's Office
Audrey Noda, State Treasurer's Office
Sharon O'Grady, Attorney General's Office
Spencer Walker, General Counsel, State Treasurer's Office

Contractors present:

Katelyn Bouzane, Ascensus College Savings Recordkeeping Services, LLC ("Ascensus")

Andrea Feirstein, AKF Consulting Group (“AKF”)
 Kevin Kilgore, Ascensus
 Mika Malone, Meketa Investment Group (“Meketa”)
 Vidur Mehra, State Street Global Advisors (“SSGA”)
 Troy Montigney, Ascensus
 Martha Nemecek, Ascensus
 Paola Nealon, Meketa
 Sonya Park, SSGA
 Kevin Sullivan, Newton Investment Management (“Newton”)
 Aidan Yeaw, Ascensus

CalSavers Retirement Savings Board (“Board”) Chair Fiona Ma called the meeting to order at 1:02 PM. Board Chair Ma introduced Nam T. Le, who had recently been appointed to the Board by the Speaker of the Assembly. Board Chair Fiona Ma took a moment to recognize Board member Edward De La Rosa, who would resign from his position the following day. Chair Ma read a resolution recognizing his service.

Agenda Item 1 - Approval of the Minutes of the January 24, 2021, Meeting of the CalSavers Retirement Savings Board (ACTION ITEM)

Public Comment

None

Board Action

Approval of the minutes of the January 24, 2022, meeting of the CalSavers Retirement Savings Board.

MOTION:	William Sokol	SECOND:	Edward De La Rosa
AYES:	Edward De La Rosa, Michelle Gastelum, Karen Greene Ross, Heather Hooper, Nam Le, Fiona Ma, Gayle Miller, Stephen Prough, William Sokol		
NOES:	None		
NOT PRESENT	None		
ABSTAIN:	None		
ACTION:	Motion Passed		

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

Executive director Kathleen Selenski provided the CalSavers Retirement Savings Board (“Board”) an update on significant items, including a brief mention of a decision by the U.S.

Supreme Court to decline to review the Ninth Circuit Court of Appeals' ruling in favor of the CalSavers Retirement Savings Program. Ms. Selenski provided the Board a brief summary of participation and funding, including a report on enforcement and employer status by waves and the presentation of a new data element to report the number of employers that have facilitated saver deductions within the past 90 days. Ms. Selenski also provided a brief update on staffing, introducing new staff members Sandy Guan and Eric Lei and informed the Board she is working on changes to the organizational chart.

Ms. Selenski also presented the quarterly risk monitoring heat map, provided a presentation on the program budget, contracting efforts, the status of the analysis of in-home supportive service providers, state and federal legislation and policy, regulations, and external presentations.

Public Comment

None

Agenda Item 3 – Projections of Program Metrics and Budget (INFORMATION ITEM)

Executive Director Katie Selenski provided the Board an overview of participation and budget projections for the next five and ten years, respectively. The presentation included expected employer registration and facilitation trends, trends for saver participation over a range of scenarios, and projections of budget needs and ability to repay the loan used to finance program operations.

Board member Stephen Prough asked about the number of employees who have unresolved or failed identity verification. Director Selenski noted some failures are simple issues with non-matching address info and some may be due to mismatched social security or taxpayer identification numbers. Ms. Selenski noted there is not data available that break down the causes of identity verification failures.

Board member William Sokol asked if employers are notified when identity verification failures occur. Ms. Selenski noted the employer portal will show that the employee is not eligible for contributions and explained that the notification is intended to not describe the cause for why the employee is ineligible.

Board chair Ma asked about the total number of Californians without access to a workplace retirement savings plan, asking about the accuracy of the often-cited number of seven and a half million Californians. Ms. Selenski noted the figure is relatively outdated and that the data may differ. Ms. Selenski also discussed the difficulty in finding accurate data to measure access to workplace retirement plans. Board members William Sokol and Karen Greene Ross asked about legislative solutions to determine the correct number. Ms. Selenski suggested it would be

difficult for state legislation to address the issue and suggested she could provide the Board a report on exempt employers at a future Board meeting.

Board member Sokol asked about the possibility of legislation that would forgive the loan used for program operations and was supported by Board members Hooper and De La Rosa. Board chair Ma said it would be possible to request again in the future.

Public Comment

None

Agenda Item 4 – Program Administrator’s Report (INFORMATION ITEM)

Troy Montigney, with the program administrator Ascensus, updated the Board on Program activities, including operational developments, marketing, and technology. Kevin Kilgore, information security officer with Ascensus, provided the Board a presentation on cybersecurity measures. Martha Nemecek, director of institutional relationship management at Ascensus, provided the Board an update on field team activity.

Board member Heather Hooper asked about payroll integration efforts, discussing the value of simplicity for employers. Mr. Montigney discussed recurring meetings with payroll providers conducted by Ascensus. Ms. Hooper discussed the value of “360 degree” payroll integration.

Public comment

None

Agenda Item 5 – Fourth Quarter Investment Performance Report & Education Session on Economic and Market Trends (INFORMATION ITEM)

Paola Nealon with 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 December 31, 2021. Mika Malone with Meketa presented an education session on economic and market trends.

Board member Heather Hooper asked about saver activity related to the default investment option. The presenters deferred the question to Troy Montigney, who noted most participants have remained using the default investment option.

After Ms. Malone concluded the presentation on economic and market trends, Board member Heather Hooper asked about the ability to provide CalSavers participants a simpler version of the report. Ms. Selenski noted each investment fund provider creates reports on fund performance. Board member De La Rosa spoke about the importance of informed investment choices and

noted the difficulty in explaining economic, financial, and market information to savers in a way that is intuitive. Mr. De La Rosa also cautioned federal laws and regulations may add to the challenges. Board member Karen Greene Ross suggested the Board consider similar programs like the state’s defined contribution plan for state employees, Savings Plus.

Public Comment

None

Agenda Item 6 – Resolution 2022-02: Board Position on Senate Bill 1126 to Expand CalSavers Eligibility (ACTION ITEM)

Executive Director Selenski introduced the item, an action item to seek Board support of Senate Bill 1126. Ms. Selenski described the bill and discussed the terms of the resolution, which would authorize staff to take a support position on behalf of the Board for a version of SB 1126 with amendments to exclude employers that do not employ individuals aside from the owner of the business and establish a registration deadline of December 31, 2025, for employers with one to four employees. Ms. Selenski also noted the resolution would allow staff to support a different bill if the same or similar language was moved through a different legislative vehicle. Ms. Selenski described Section 16 of the Board’s Governance Policy, which allows staff to take positions on behalf of the Board absent a formal Board vote if there is insufficient time for a Board meeting to consider a bill.

Public Comment

None

Board Action

Approval of Resolution 2022-02 to adopt a support position on Senate Bill 1126, with amendments, or related legislation to expand eligibility for the CalSavers Retirement Savings Program.

MOTION:	Karen Greene Ross	SECOND:	William Sokol
AYES:	Edward De La Rosa, Michelle Gastelum, Karen Greene Ross, Heather Hooper, Nam Le, Fiona Ma, Stephen Prough, William Sokol		
NOES:	None		
NOT PRESENT	None		
ABSTAIN:	Gayle Miller		
ACTION:	Motion Passed		

Board Chair Fiona Ma adjourned open session at 3:20 PM.

Agenda Item 7 – As authorized by Government Code Section 11126(e)(1), the Board will meet in closed session to confer with, and receive advice from, its legal counsel regarding the following pending litigation: Howard Jarvis Taxpayers Ass’n., et al. v. The California Secure Choice Retirement Savings Program, et al.; Supreme Court of the United States Case No. 21-558 (INFORMATION ITEM)

Agenda Item 8 -- As authorized by Government Code Section 11126(a)(1), the Board will meet in closed session to discuss a performance evaluation for the Executive Director (ACTION ITEM)

The Board reconvened open session at 3:54 PM.

Board Chair Fiona Ma announced the Board met in closed session to discuss litigation and approved a performance evaluation for the Executive Director.

Agenda Item 9 – Public Comment

None.

The Board adjourned in honor of former Board member Marty Morgenstern at 3:57 PM.