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AUGUST 21, 2024

AGENDA ITEM 1

ACTION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

*Meeting Minutes for the May 29, 2024, CalSavers Retirement Savings Board Meeting*

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Board members present:

Stephanie Tom for State Treasurer Fiona Ma  
David Oppenheim for State Controller Malia Cohen  
Michele Perrault for Director of Finance Joe Stephenshaw  
Heather Hooper  
Nam Le  
David Low  
Stephen Prough  
William Sokol

Board Members Absent:

Michelle Gastelum

Staff present:

Angela Duvane  
Sandy Guan  
Carolina Hernandez  
Jonathan Herrera  
Eric Lei  
Ariel Pickett  
David Teykaerts  
Connie Van Vorhis  
Tristan Woolacott

Others present:

Monica Jimenez, Counsel, State Treasurer's Office

Contractors present:

Troy Montigney, Ascensus College Savings Recordkeeping Services, LLC ("Ascensus")  
Martha Nemecek, Ascensus  
Paola Nealon, Meketa Investment Group ("Meketa")

Sonya Park, State Street Global Advisors (“SSGA”)  
Elise Thiemann, SSGA  
Craig Harner, Macias Gini & O’Connell LLP (“MGO”)  
Chai Saechao, MGO

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

**Agenda Item 1 – Approval of the Minutes of the February 13, 2024, Meeting of the CalSavers Retirement Savings Board (ACTION ITEM)**

Public Comment

None

Board Action

Approval of the minutes of the February 13, 2024, Meeting of the CalSavers Retirement Savings Board.

MOTION: William Sokol

SECOND: Stephen Prough

AYES:

Heather Hooper, Nam Le, David Low, David Oppenheim, Michele Perrault, Stephen Prough, William Sokol, Stephanie Tom

NOES:

None

NOT PRESENT:

Michelle Gastelum

ABSTENTIONS:

None

ACTION:

Motion Passed

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

CalSavers Executive Director David Teykaerts presented the report. Mr. Teykaerts highlighted the recent milestones reached by the CalSavers Retirement Savings Program (“Program”) including the number of funded Saver accounts, the amount of money contributed, and the number of facilitating employers. Mr. Teykaerts discussed the Participation and Funding Report

and highlighted the growth in the average monthly contribution and assets under management and noted a drop in the opt out rate.

Mr. Teykaerts discussed the ongoing enforcement efforts to bring more employers into full compliance with the mandate by facilitating payroll deductions. Mr. Teykaerts noted the intent of outreach and enforcement efforts was to encourage full compliance with the mandate, by either full facilitation or registering an exemption. Mr. Teykaerts highlighted recent staffing changes, with Jessica Stroing's departure as the Administrative Operations manager, with Desmond Zheng's arrival as an office technician on the admin team, and Cici Lu's arrival as an outreach analyst.

Mr. Teykaerts discussed the enforcement notices being sent by the Franchise Tax Board ("FTB") on behalf of the program, the various communication efforts directed towards different types of noncompliant employers, and the efficacy of different steps in the enforcement process.

#### Public Comment

None

### **Agenda Item 3 – Program Administrator's Report (INFORMATION ITEM)**

Ascensus representative Troy Montigney presented the item. Mr. Montigney discussed Ascensus's work to prepare for the expansion of the mandate to employers with one to five employees whose deadline is December 31, 2025 ("Wave 4") including various backend changes that would make fully facilitating the Program easier for employers. Mr. Montigney noted a new type of compliance communication in development that would specifically encourage ongoing employee roster maintenance.

Mr. Montigney discussed recent optional demographic data collection. Mr. Montigney noted that most savers are female and stated that continuing updates on demographic data would be provided to Staff. Mr. Montigney discussed ongoing Wave 4 communications, and the new forms outreach would take after learning from prior waves.

Mr. Montigney discussed Client Services metrics and noted the differences between prior quarters and the most recent quarter. Mr. Montigney highlighted which service level benchmarks were met, and noted why others were not met. Mr. Montigney noted the continuing trend of high customer satisfaction.

Ascensus Representative Martha Nemecek discussed updates from the Field Team. Ms. Nemecek noted the various problems that employers are facing that inhibit them from full facilitation. Ms. Nemecek noted the importance of shifting from messaging that focuses on registering for the Program, to messaging that focuses on facilitation as the goal. Ms. Nemecek highlighted the Field Team priorities for 2024, focusing on compliance and collection of employer testimonials.

Board Member Heather Hooper inquired when roster maintenance communications could be expected to go out. Mr. Montigney noted that preparations were still ongoing. Ms. Hooper inquired about the rules for Roth IRA accounts, and Mr. Montigney noted that CalSavers notifies potential Savers about said rules. Ms. Hooper inquired if the Board should consider pursuing a Net Promoter Score in the future and noted that acquiring one could provide insight. Mr. Montigney stated this could be possible in the future. Board Member David Oppenheim inquired about the Services Level Agreement benchmarks and requested that the benchmarks be included on the Ascensus presentation materials.

Public Comment

None

**Agenda Item 4 – First Quarter Investment Performance Report (INFORMATION ITEM)**

Meketa Investment Group representatives Paola Nealon presented the item. Ms. Nealon noted that the first quarter growth was slow and stated that the Board should expect a deceleration in consumer spending and potential easing of inflation. Ms. Nealon pointed out that higher domestic interest rates had a negative impact on fixed income assets.

Ms. Nealon discussed the Q1 performance of funds the Program offered. Ms. Malone noted that all the Target Date Funds (referred to as “TDF”) and non-TDF funds performed well for the quarter and that all funds tracked relatively closely with their benchmarks. Ms. Nealon highlighted the various funds that different state facilitated retirement programs offer and compared them to CalSavers offerings. Ms. Nealon discussed with the Board some ways to improve the clarity of the presentation for members of the public viewing the materials.

Public Comment

None

**Agenda Item 5 – Program Fund Audit Report for Fiscal Year 2022-23 (INFORMATION ITEM)**

MGO representative Craig Harner introduced the item and representative Chai Saechao presented the item. Mr. Saechao discussed the Program Fund Audit report and noted that the fund received an unmodified opinion. Mr. Saechao noted that the fund audit did not encompass all facilitating employers, but rather just the Program fund itself.

Public Comment

None

**Agenda Item 6 – Approval of Strategic Plan 2024-29 (ACTION ITEM)**

Executive Director Teykaerts presented the item. Mr. Teykaerts discussed the proposed plan and noted that it marked a shift from a three-year plan to a five-year plan. Mr. Teykaerts noted the

various structural changes made to the proposed plan and highlighted the key points of each section of the plan.

Board Member William Sokol and Ms. Hooper urged Mr. Teykaerts to consider the potential for future changes in the industry that the plan might need to account for, especially since the proposed plan would shift from three years to five. Board Member Michele Perrault suggested an annual review by staff and report to the Board of the changes in the industry and how the Program was adapting to them. Ms. Perrault requested an item be added to the plan surrounding internal fiscal prudence.

Mr. Oppenheim indicated that Diversity, Equity, and Inclusion (“DEI”) should be included as a focal point in the plan. Ms. Hooper requested that the wording of the mission statement be changed. Mr. Sokol requested that a potential to explore structural changes to the program be included in the plan. Board Member Stephen Prough noted that a simple solution for savers should be the Board’s goal. Mr. Teykaerts stated that the Strategic Plan would be more of a guiding document and stated that staff also use a shorter-term Business Plan to track metrics and progress toward shorter term goals. Mr. Teykaerts summarized the requested changes.

Public Comment

None

**Agenda Item 7 – Public Comment**

None.

The Board adjourned at 3:28 P.M.