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AUGUST 28, 2017

AGENDA ITEM 2  
INFORMATION ITEM

CALIFORNIA SECURE CHOICE RETIREMENT SAVINGS INVESTMENT BOARD

*Executive Director's Report*

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The Executive Director and staff will provide information and updates, including the following topics:

- Staffing
- Budget
- Contracts Executed Under Delegated Authority (none to report)
- Program Design and Regulations Development
- Stakeholder Engagement
- Program Consultant
- Branding
- Foundation Engagement
- 2018 Meeting Schedule
- Legislative Update

***Attachments***

- Attachment #1: Media Mentions & Upcoming Events
- Attachment #2: Proposed Tentative Meeting Schedule for 2018 Calendar Year
- Attachment #3: Proposed Timeline for Development and Adoption of Secure Choice Regulations
- Attachment #4: Office of Administrative Law Emergency Rulemaking Flowchart
- Attachment #5: Office of Administrative Law Regular Rulemaking Flowchart

## Agenda Item 2 – Executive Director’s Report, attachment #1

### Media mentions & Upcoming Events

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#### *Media mentions*

1. For workers without retirement plans, states step in (The Wall Street Journal | August 16, 2017)  
<https://www.wsj.com/articles/states-test-workplace-retirement-plans-for-residents-lacking-them-1502881230>
2. Legal or not, states forge ahead with 401(k)-for-everyone plans (Governing | August 2017)  
<http://www.governing.com/topics/mgmt/gov-401k-states-retirement-private.html>
3. Supporting retirees (The Sacramento Bee | August 7, 2017)  
<http://www.sacbee.com/news/politics-government/capitol-alert/article165607697.html>
4. In birth of a new state program, what’s in a name? (Calpensions | July 31, 2017)  
<https://calpensions.com/2017/07/31/in-birth-of-new-state-program-whats-in-a-name/>

#### *Upcoming events*

Events at which Secure Choice staff and/or Board members are participating in the coming months:

1. August 29, 2017: California Asset Building Coalition Annual Conference
2. September 8, 2017: CalChamber Annual Board of Directors Meeting
3. October 17, 2017: AARP Multi-State Workshop (Portland, OR)
4. October 19, 2017: ACLHIC Annual Conference (Napa, CA)
5. October 19, 2017: World Economic Forum Workshop (San Francisco, CA)

## **Agenda Item 2 – Executive Director’s Report, attachment #2**

### **Proposed Tentative Board Meeting Schedule for 2018**

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The following dates are the proposed dates for the 2018 tentative schedule for California Secure Choice Retirement Savings Investment Board meetings. Until scheduled otherwise, each meeting shall occur at 1:00 p.m. in Conference Room 587 at 915 Capitol Mall, Sacramento, CA 95814.

- January 22<sup>nd</sup>, 2018
- February 26<sup>th</sup>, 2018
- March 26<sup>th</sup>, 2018
- April 23<sup>rd</sup>, 2018
- May 21<sup>st</sup>, 2018
- June 25<sup>th</sup>, 2018
- July 23<sup>rd</sup>, 2018
- August 27<sup>th</sup>, 2018
- September 24<sup>th</sup>, 2018
- October 22<sup>nd</sup>, 2018
- November 19<sup>th</sup>, 2018
- December 17<sup>th</sup>, 2018

## **Proposed Timeline – Development and Adoption of Secure Choice Regulations**

**Timeline.** Outlined below is an estimated schedule for the drafting and adoption of regulations for the California Secure Choice Retirement Savings Program. The timeline is subject to change.

### **Stakeholder Engagement**

|                            |  |
|----------------------------|--|
| July 2017                  | Begin informal employer and employee stakeholder working group meetings.                         |
| September 2017             | Complete program design meetings with stakeholder working groups.                                |
| October –<br>December 2017 | Hold informal public hearings and/or workshops on program design elements (per Board direction). |

### **Board Approval**

|  |  |
|--|--|
| August 28, 2017                        | Present first batch of stakeholder input on regulations to board.                                  |
| September 25, 2017                     | Present second batch of stakeholder input on regulations to board.                                 |
| October 23, 2017/<br>November 27, 2017 | Present draft of options for regulations to board.   |
| November 27, 2017                      | Present first draft of regulations to board.   |
| December 18, 2017                      | Present second draft of regulations to board and seek board approval depending on board direction. |
| January 22, 2018                       | Depending on Board direction at December meeting, seek board approval on draft regulations.        |

### **Emergency Regulations**

All dates below assume the Board approves submission of emergency regulations at the January 22, 2018 Board meeting.

|                  |  |
|------------------|--|
| January 15, 2018 | 5-day Notice posted on Secure Choice website and sent to Interested Parties. |
| January 22, 2018 | Secure Choice Board Meeting – Resolution for Proposed Regulations.           |
| January 23, 2018 | Emergency regulations filed with OAL.  |
| January 28, 2018 | Public comment period ends.  |

## Proposed Timeline – Development and Adoption of Secure Choice Regulations

|                  |  |
|------------------|--|
| February 3, 2018 | OAL review period ends. If approved, the emergency regulations are filed with the Secretary of State and are in effect for 180 days. |
| August 2, 2018   | Emergency regulations expire.  |
| October 31, 2018 | (optional) first 90-day re-adoption expires.   |
| January 29, 2019 | (optional) second 90-day re-adoption expires.  |

### **Permanent Regulations**

|                   |  |
|-------------------|--|
| February 7, 2018  | Post Notice of Proposed Rulemaking on Secure Choice website.   |
| February 20, 2018 | The <i>Rulemaking File</i> and Notice of Publication are filed with the Office of Administrative Law (OAL). The Notice of Proposed Regulatory Action is issued.    |
| March 2, 2018     | OAL publishes Notice and 45-day public comment period begins.  |
| April 16, 2018    | 45-day public comment period regarding proposed permanent regulations ends.  |
| April 17, 2018    | Public Hearing.  |
| April 17, 2018    | Deliver permanent regulation package to OAL for 30-day review.*  |
| May 17, 2018      | Deadline for OAL review. If approved, OAL issues Approval of Certificate of Compliance for permanent regulations and files regulations with the Secretary of State |
| July 1, 2017      | Permanent regulations become effective.  |

\*If public comments are received that warrant substantial modifications to the proposed regulations, then the process will be lengthened to accommodate a 15-day comment period as follows:

|                |   |
|----------------|---|
| April 20, 2018 | Proposed regulation amendments are modified and Notice of Proposed Changes is issued to initiate a 15-day comment period. |
| May 15, 2018   | 15-day comment period ends.   |

## **Proposed Timeline – Development and Adoption of Secure Choice Regulations**

|                 |  |
|-----------------|--|
| May 16, 2018    | Deliver permanent regulation package to OAL for 30-day review.   |
| June 15, 2018   | Deadline for OAL review. If approved, OAL issues Approval of Certificate of Compliance for permanent regulations and files regulations with the Secretary of State |
| October 1, 2018 | Permanent regulations become effective.  |
| Or,             |  |
| June 14, 2018   | End of new 45-day public comment period – only if major changes are necessary.   |
| July 13, 2018   | Deadline for OAL review. If approved, OAL issues Approval of Certificate of Compliance for permanent regulations and files regulations with the Secretary of State |
| October 1, 2018 | Permanent regulations become effective.  |

### **Alternate Timelines**

If Board does not approve regulations until February 26, 2017 meeting (assuming no changes are necessary):

|                    |   |
|--------------------|---|
| March 12, 2018     | Emergency Regulations take effect.  |
| September 12, 2018 | Emergency Regulations expire.   |
| June 30, 2018      | OAL issues Approval of Certificate of Compliance for permanent regulations and files regulations with the Secretary of State. |
| October 1, 2018    | Permanent regulations take effect.  |

If the Board approves regulations by the December 18, 2017 meeting (assuming no changes are necessary):

|                 |   |
|-----------------|---|
| January 2, 2018 | Emergency Regulations take effect.  |
| July 1, 2018    | Emergency Regulations expire.   |
| April 25, 2018  | OAL issues Approval of Certificate of Compliance for permanent regulations and files regulations with the Secretary of State. |
| July 1, 2018    | Permanent regulations take effect.  |

# EMERGENCY RULEMAKING

*(State agency should choose desired effective date and count backwards at least 17 days)*

***At least 5 working days before filing with OAL, the state agency must mail and post an emergency Notice, but 5-day Notice is not required if it is a Government Code § 11346.1(a)(3) emergency.***

Notice consists of:

1. Proposed text
2. Finding of Emergency, which includes:
  - 1 CCR § 48 statement
  - Justification of emergency
  - Gov. Code § 11346.5(a)(2)-(6) information

***AT LEAST 10 CALENDAR DAYS BEFORE DESIRED EFFECTIVE DATE, AGENCY MUST FILE EMERGENCY WITH OAL***

Filing with OAL consists of:

1. Form 400, plus six copies
2. Proposed text, plus six copies
3. Form 399
4. Finding of Emergency
5. 1 CCR § 50(a)(5)(A) statement

During the first 5 days of OAL's review, the public may submit comments to OAL with a copy to the state agency, unless it is a Government Code § 11346.1(a)(3) emergency.

The agency generally has until the 8th day of OAL's 10-day review to submit rebuttal to any public comments to OAL (optional).

***The 10th day after the emergency is filed with OAL is OAL's deadline for a decision, and, if approved, for filing with the Secretary of State.***

If approved, the emergency is effective upon filing with the Secretary of State and is effective for 180 days.

Up to two 90-day readoptions are allowed if the agency is making progress towards adopting permanent regulations.

To make regulations permanent, the agency must conduct a regular rulemaking, providing for a regular notice and comment period (known as a Certificate of Compliance).

# REGULAR RULEMAKING

