
AUGUST 21, 2023

AGENDA ITEM 2
INFORMATION ITEM

CALSAVERS RETIREMENT SAVINGS BOARD

Executive Director's Report

I. TOPICS TO BE PRESENTED DURING MEETING

Staffing

- See revised organization chart in **Attachment 2A**.

Review of Program Participation and Funding

- See **Attachment 2B**.

Update on Employer Compliance Enforcement

State law established penalties for eligible employers that do not make the Program available to their employees. For each wave of employers, after months of notices from Ascensus, staff begin distribution of enforcement notices (“due process notices”) to employers who are not compliant due to missing their registration deadline, failing to upload their employee roster, or failing to facilitate contributions.

State law requires a series of three due process notices at least 90, 60 and 30 days prior to penalty imposition. Following these notices and extensive staff research efforts to identify exempt employers, staff transfer employers to the Franchise Tax Board (FTB) for penalty imposition.

Staff began a new round of due process notices in June for all waves that have passed a registration deadline. The first and second penalty notices have been mailed, and the third is in the process of being printed and mailed. The FTB penalty notices for any remaining noncompliant employers is expected to go out in the month of September.

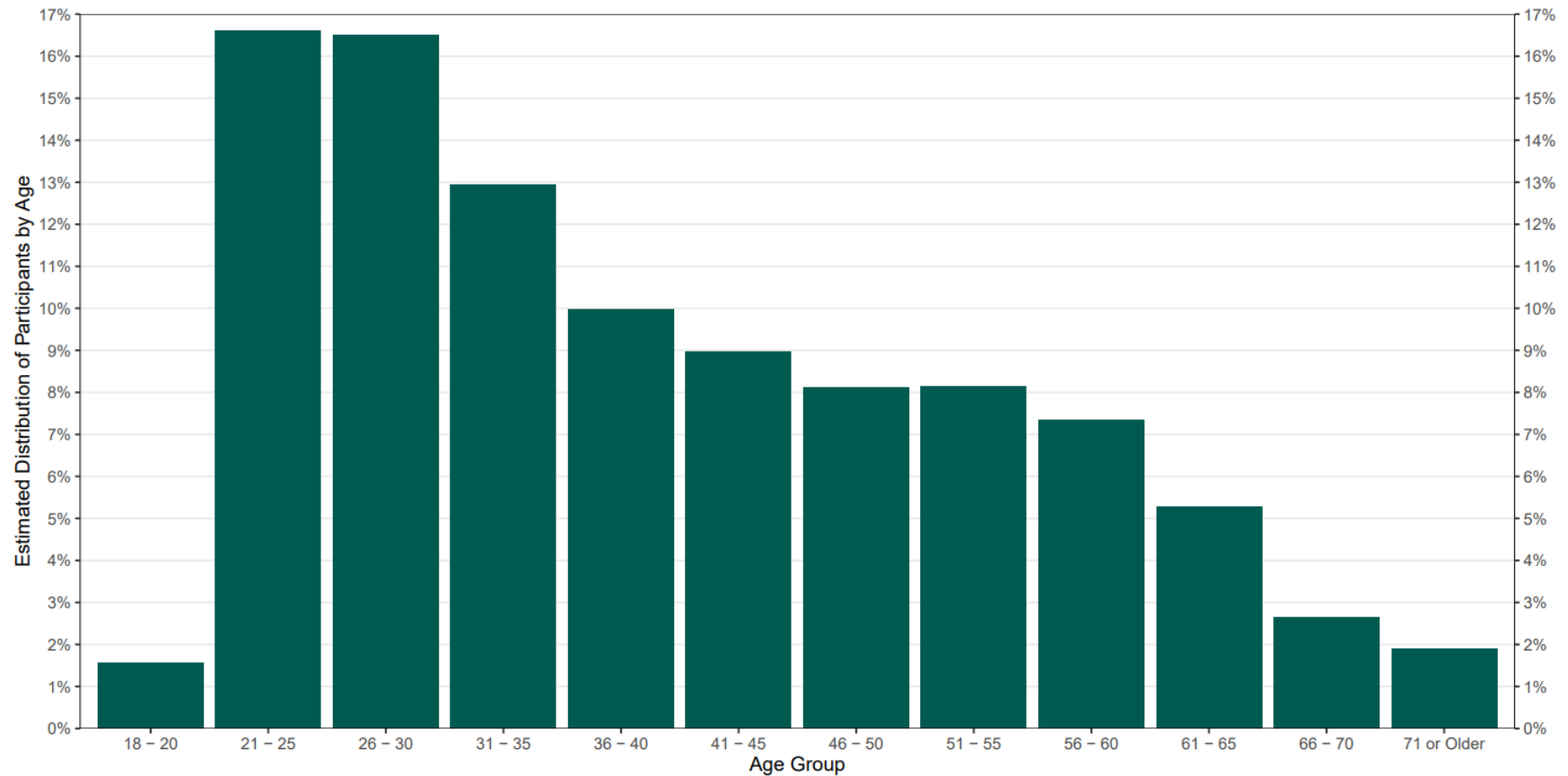
Summaries of enforcement activity are reported in **Attachment 2C**.

Demographic Data Collection

Staff have identified the data fields to use for a voluntary effort to estimate the race, ethnicity, and gender breakdown of participating savers; Ascensus is currently evaluating scope of project.

Estimated Age Breakdown of Participating Savers

Staff have estimated the ages of participants via the rates of participation in the target retirement funds, presented below:



Risk Monitoring

Quarterly risk heat map (**Attachment 2D**)

Contracts / Interagency Agreements / Amendments

Exceeding \$300,000 or Otherwise Requiring Board Action

1. Employer Enforcement Services Amendment with Franchise Tax Board (FTB): under review
2. Investment Consultant: Authority to issue RFP in Agenda item 7

Up to \$300,000 (Executive Director's Delegated Authority)

1. Program Consultant Agreement: AKF Consulting was the chosen vendor for the term 08/07/2023-06/30/2025
2. Translation and Design Services: Cal Interpreting & Translation was the chosen vendor for the term 05/09/2023-05/08/2025
3. External Program Fund Audit Services: Macias Gini & O'Connell LLP (MGO) was the chosen vendor for the term 07/01/2023-06/30/2025

Legislation and Policy

California Legislation

- **AB 1381 (Weber) Call Centers** - As written on August 4, 2023, the bill was amended to instead establish an addition to state contract scoring that would incentivize agencies to enter into contracts with private entities for call center services that prioritize the work being conducted in California. The bill would have a much less significant impact on the Program.
- **SB 544 (Laird) Bagley-Keene** – As written on August 4, 2023, the bill would extend teleconferencing authorization past the current end date in state law, and would remove teleconference requirements that a state body post agendas at all teleconference locations, as well as identify each teleconference location in the notice and agenda of the meeting, and make each teleconference location accessible to the public. Staff have provided feedback to the department of finance regarding the fiscal impacts resulting from the bill. Staff anticipates no fiscal impact.

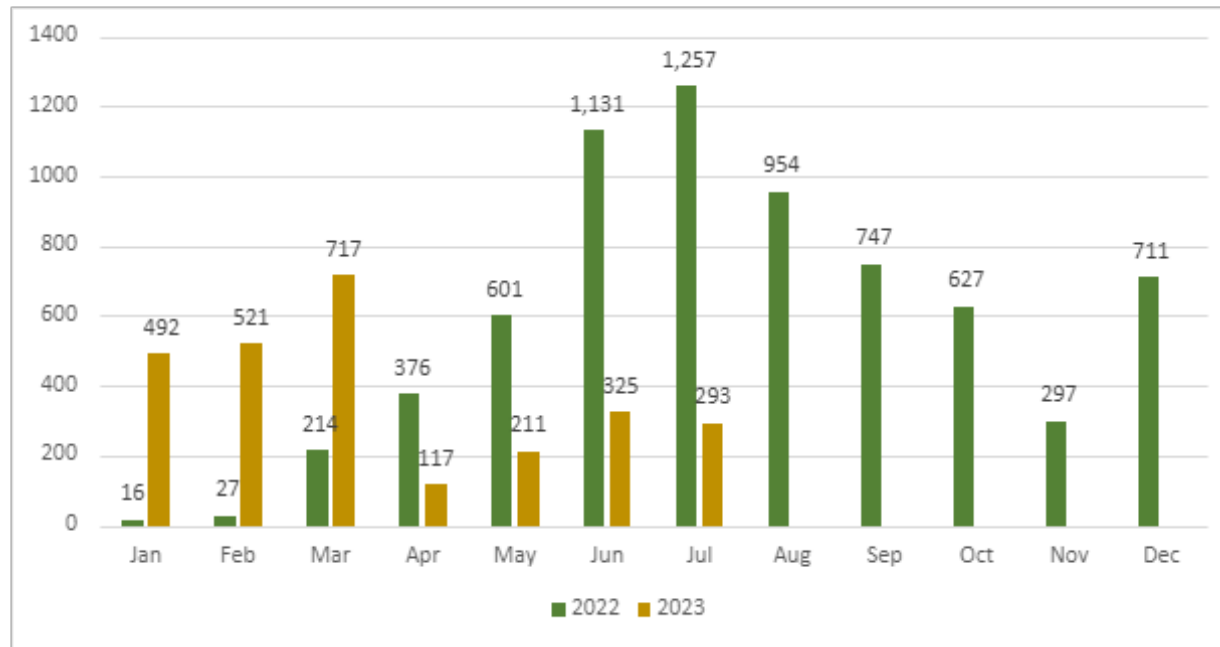
CalSavers Regulations

- **Regular Rulemaking (Amendments to Conform Regulations with SB 1126):** Board approved amendments to conform with Senate Bill 1126 at the November 21, 2022, Board meeting; amendments approved by OAL through the emergency rulemaking process and took effect January 1, 2023; staff initiated the regular rulemaking process to make the amendments permanent on March 24, 2023. The public comment period closed on May 8, 2023, with no public comments received. Staff submitted the complete rulemaking package to OAL on June 23 for review and are currently in communication with OAL staff as they complete their review period. The regulations are expected to be approved before the expiration of the emergency regulations on September 29, 2023.

- **Emergency Rulemaking (Employer Registration Process Change):** Board approved amendments to change the Program regulations to simplify the employer registration process at the May 22, 2023, Board meeting; amendments were submitted to OAL through the emergency rulemaking process and were approved on June 19, 2023; staff is expecting to begin the regular rulemaking process in the near future.
- **Emergency Rulemaking (SB 1126 Conforming Readoption):** Board approved amendments to conform with Senate Bill 1126 at the November 21, 2022, Board meeting; amendments approved by OAL through the emergency rulemaking process and took effect January 1, 2023; staff initiated the regular rulemaking process to make the amendments permanent on March 24, 2023. Staff began the readoption process for the emergency regulations to ensure the regulations would not lapse before the regular rulemaking process was completed. Staff initiated the emergency readoption process on May 30, 2023, and received approval of the regulations readoption on June 19, 2023.

Staff Customer Service Caseload Referred by Ascensus Call Center

Counts of employer cases handled by CalSavers staff, thru 7/31/23



External Presentations

Public Webinars Summary

	English	Spanish	Mandarin	Cantonese	TOTAL
Attendees May-July	312	19	1	0	332
Attendees YTD	781	61	8	4	854
Sessions May-July	23	11	6	7	47
Sessions YTD	58	26	10	12	106

Stakeholder/Community Presentations, Employer visits, and Policy Forum Remarks
(Events Since February Board Report)

	Date	Organization	Event	Location
1.	6/7/23	California's Statewide Micro Enterprise Network (CAMEO)	2023 CAMEO Summit: Advocacy Day	Sacramento
2.	6/8/23	SCORE Capital Corridor	CalSavers: What Employers Need to Know and SBA Resources	Virtual
3.	6/12-14/23	National Association of State Treasurers (NAST)	2023 Treasury Management Training Symposium	Portland, OR
4.	6/21/23	Solano Hispanic Chamber of Commerce	CalSavers Overview and Updates (Spanish)	Virtual
5.	6/28/23	Asian Business Association Orange County (ABAOC)	BIZCON 2023	Garden Grove
6.	6/29/23	San Diego County Fair	Exhibitor	San Diego
7.	7/17/23	Solano Hispanic Chamber of Commerce, Fairfield-Suisun Chamber of Commerce, Dixon District Chamber of Commerce, Vacaville Chamber of Commerce	CalSavers Overview and Updates	Virtual
8.	7/18/23	Office of Senator Min	CalSavers webinar with intros from the Senator and the Treasurer	Virtual
9.	8/3/23	IHSS Advisory Meeting	CalSavers Overview and Program Updates	Virtual
10.	8/7/23	Regional Women's Business Center - Santa Cruz, Monterey, San Benito Counties	CalSavers Orientation (Spanish)	Virtual
11.	8/9/23	CalSavers Statewide Stakeholder Working Group	Working group meeting	Sacramento/ Virtual
12.	8/10/23	Federal Deposit Insurance Corporation (FDIC)	Banca Segura y de Bajo Costo para Latinos en San Jose	San Jose
13.	8/14/23	Regional Women's Business Center - Santa Cruz, Monterey, San Benito Counties	CalSavers Orientation (English)	Virtual
14.	8/15/23	Northern California SBDC w/ State Treasurer's Office and Secretary of State's Office	Resource Fair	Sacramento
15.	8/16-18/23	California Hispanic Chambers of Commerce (CHCC)	Annual Conference	Costa Mesa

II. TOPICS AVAILABLE FOR PRESENTATION BY REQUEST

Budget

- As of June 30, 2023, the most recent available reporting, the program had spent \$2,590,228 in loan funding in fiscal year 2022-23 and total of \$11.6 million since inception in November 2016. (Detailed budget summary in **Attachment 2E**)

Audits

- Program Fund Audit FY 21-22: Audit Report completed and was submitted on July 26, 2023 (CLA)
- Administrative Fund FY 21-22: Draft Audit Report completed and was submitted on July 26, 2023. Finalized Audit Report was submitted on August 7, 2023 (Gilbert CPAs)

In Home Support Services (IHSS) Provider Inclusion Update

Staff are working with the California Department of Social Services (CDSS) to discuss payroll system changes to facilitate payroll contributions for IHSS providers who opt into CalSavers.

Earned Media

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

	Pub. Date	Publication	Headline/Link
1	5/14/2023	CT Post	Julie Jason: No retirement plan at work? Change is coming
2	5/17/2023	American Society of Pension Professionals & Actuaries	CalSavers: Growth in Assets Outstrips New Registrations
3	5/18/2023	Plan Sponsor	2 More States Create Retirement Savings Plans for Private Sector Workers
4	5/18/2023	American Society of Pension Professionals & Actuaries	CalSavers Assets Hit Half Billion
5	5/22/2023	Pensions & Investments	California Treasurer Ma returns to alma mater for honorary doctorate
6	5/26/2023	Next Avenue	Think You Can't Afford to Save?
7	5/29/2023	National Law Review	Minnesota Establishes State-Sponsored 'Secure Choice' Retirement Program for Private-Sector Employers Without Retirement Plans

	Pub. Date	Publication	Headline/Link
8	6/1/2023	Investments & Pensions Europe	US: state enrolment systems gain traction
9	6/1/2023	Market Watch	It's not impossible to save for retirement: Here's how even low-wage workers can build a nest egg
10	6/2/2023	Pensions & Investments	Vermont to offer a state-run retirement savings program
11	6/7/2023	Paychex	State-facilitated Workplace Retirement Programs: What Businesses Should Know
12	6/12/2023	AARP	How Auto IRAs Are Helping More Workers Save for Retirement
13	6/15/2023	JD Supra	State programs are the places to get clients
14	6/20/2023	Pensions & Investments	Nevada creates state-run retirement savings program for private-sector workers
15	6/20/2023	Barron's	Oregon's State-Run Retirement Plan Hits \$200 Million in Savings
16	7/20/2023	Plan Sponsor	DCIIA Hires Former CalSavers Director Selenski
17	7/20/2023	Pensions & Investments	Former CalSavers executive director joins DCIIA as senior adviser
18	7/20/2023	American Society of Pension Professionals & Actuaries	Teykaerts Tapped to Serve as CalSavers Executive Director
19	7/20/2023	Thomson Reuters	Trendspotting: State-Run Retirement Programs
20	7/21/2023	Plan Adviser	Retirement Industry People Moves
21	7/21/2023	Plan Sponsor	Retirement Industry People Moves
22	7/22/2023	Yahoo! Finance	State-mandated IRAs: How they encourage employers to start 401(k) plans
23	8/9/2023	Coachella Valley Independent	Better Together: After Teaming Up During the Pandemic, Local United Way Affiliates Decide to Merge

Attachments

- Attachment 2A: CalSavers Organization Chart
- Attachment 2B: Summary of Program Participation & Funding as of July 31, 2023
- Attachment 2C: Employer Enforcement Activity (as of August 8, 2023)
- Attachment 2D: Quarterly Risk Heat Map
- Attachment 2E: Summary of Monthly Budget Report through June 30,2023