

ILLINOIS SECURE CHOICE BOARD

**Meeting of Thursday, August 15, 2019
James R. Thompson Center
100 West Randolph, 16th Floor, Chicago, Illinois**

MEETING MINUTES

The August 15, 2019 meeting of the Illinois Secure Choice Board (“Board”) was called to order by Mr. Diaz at 3:00p.m. CT with the presence of a quorum.

BOARD MEMBERS PRESENT

Fernando Diaz, *Designee for the Illinois State Treasurer*

Cesar Orozco, *Designee for the Illinois State Comptroller*

Curt Clemons Mosby, *Designee for the Illinois Governor’s Office of Management and Budget (via teleconference)*

David Marzahl, *Board Member*

David Rappaport, *Rappaport Reiches Capital Management, LLC - Co-Managing Partner*

TREASURER’S STAFF

Barbara Delano, *Assistant General Counsel*

Courtney Eccles, *Director of Secure Choice*

Ashlee Gabrysch, *Deputy Director of Secure Choice*

Rodrigo Garcia, *Chief Investment Officer and Deputy Treasurer*

APPROVAL OF BOARD MEETING MINUTES

Board members reviewed the May 16, 2019 Board Meeting Minutes, which were provided in advance of the meeting. There was no discussion, and no additional changes were proposed.

A motion was made by Mr. Marzahl, seconded by Mr. Rappaport to approve the May 16, 2019 Board Meeting Minutes. The motion carried.

DISCUSSION – LEGAL UPDATES

Amanda Sonneborn of Seyfarth Shaw LLP provided an update on the CalSavers litigation. Ms. Sonneborn explained that the US Department of Justice (DOJ) filed a request that the judge stay any action on the pending motion to dismiss the current lawsuit while they decide whether to intervene in the lawsuit on behalf of the US Department of Labor. She noted that the US DOJ did not take an affirmative position on the applicability of ERISA to CalSavers and state-administered plans, but the language of their request seemed to indicate it was something they were considering. Ms. Sonneborn reiterated that US DOJ has not taken a position and was simply asking for my time to consider it and noted that it was likely the court would let them have the time to consider.

The Board discussed potential timing and legal process based on the different outcomes of the lawsuit.

STAFF UPDATES

Ms. Eccles provided a budget update for the fiscal year 2019 spending, reviewing the report that had been sent to Board members in advance of the meeting. She noted that numbers were higher than the previous fiscal year due to both the spending on the insurance policy and increases in contractual services, including marketing services.

Ms. Eccles provided an update on board and staff transitions, thanking John Gay and John Rauschenberger for their service to the board and welcoming Mr. Orozco to his first board meeting. She explained that efforts would be made to identify a new board member in advance of the November meeting and reminded the board that the Governor would make the appointment, the Treasurer approves it, and the Senate confirms the appointment. Ms. Eccles and the board also thanked Ms. Gabrysch for her time serving on Secure Choice staff, noting that she had taken a new position outside of the Treasurer's Office.

Ms. Eccles then provided a legislative update, noting that the legislation passed during the 2019 spring legislative session had been signed by the Governor. In addition, she explained that there may need to be some legislative changes to the enforcement section of the statute for the Illinois Department of Revenue (IDOR) and staff would continue to work with IDOR to have those ready for the fall veto session.

Finally, Ms. Eccles gave a brief update on the research work with Pew. A data sharing agreement has been finalized between the Program and Pew and staff from Pew will provide an update on the project and timeline at the next board meeting. She also noted that staff are working to finalize the renewal of the data sharing agreement with IDOR and the Illinois Department of Employment Security for the employer data utilized by the Program.

DISCUSSION – SECURE CHOICE QUARTERLY REPORT

Matt Golden provided a program update for both the end of the 2nd quarter and numbers current as of early August. Mr. Golden provided the board with saver and employer summary data as of 08/07/2019, including number of registered employers (1,015) and employers that have begun payroll (169), noting the increase in employer engagement through wave two of the Program. After providing saver and employer summary data, Mr. Golden then proceeded to give an update on the client service experience, including call volumes by month by employers and savers, in English and in Spanish. He again noted the uptick in engagement by employers during the second wave rollout. Mr. Golden also gave an update on the new employer onboarding team and outreach work by the field representatives.

Gina Maria Lemon provided a summary of the quarterly marketing and outreach work. She also discussed third quarter marketing work and next steps for outreach and employer engagement through the remainder of 2019 and the rollout of the final program enrollment wave. Ms. Eccles highlighted the successful efforts to create fact sheets and posters in multiple languages including Chinese, Polish, and Spanish.

Mr. Garcia then provided an overview of the market during the quarter and an overview of investment performance over the quarter. Peter Gerlings of Segal Marco provided additional market and investment analysis.

ACTION ITEM – APPROVAL OF ADMINISTRATIVE RULE CHANGES

Ms. Eccles provided a summary of the changes being made to the administrative rules, including updated definitions based on statutory changes and clarifying the relationship between professional employer organizations and client employers. She explained rules would need to go through the administrative process for approval by JCAR and would provide the board with status updates at future meetings.

A motion was made by Mr. Marzahl, seconded by Mr. Rappaport to approve the administrative rule changes. The motion carried unanimously.

DISCUSSION – SUMMARY PROGRAM DESCRIPTION UPDATE

Ms. Eccles reminded the board that they had approved the summary program description at the previous meeting and provided the final documents that would be sent to every individual who is enrolled in the program.

PRESENTATION/BOARD ENRICHMENT – BOARD OVERSIGHT & FIDUCIARY RESPONSIBILITY – SEGAL MARCO

As part of ongoing board enrichment, Wendy Carter of Segal Marco Advisors provided a review of best practices in board oversight, management, and fiduciary responsibilities. She highlighted the importance of transparency, creating and following a process, documentation, and always acting in the best interest of program participants. Ms. Carter also focused on the importance of oversight as it relates to the operations of the program in addition to the investments.

Treasurer’s Office staff provided additional information on internal systems, audits, and reporting that take place to monitor, test, and confirm operational processes and investment oversight for the Program.

PUBLIC COMMENT

There was no public comment.

OLD AND NEW BUSINESS

There was no old or new business.

ADJOURNMENT

Mr. Diaz reminded board members that the next meeting will be held Thursday, November 14th at 3:00pm.

With no further business, a motion was made by Mr. Rappaport, seconded by Mr. Marzahl to adjourn the meeting. The motion carried unanimously.