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Minutes of the  
Oregon Retirement Savings Program  
Board Meeting of August 6, 2019

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Members Present: Treasurer Tobias Read, Chair  
Jeff Anderson  
Kara Backus  
Edward Brewington  
Representative Pam Marsh  
Cory Streisinger

Members Absent: Senator Lee Beyer

Network Staff: Bethany Abbate, Intern  
David Bell, Deputy Director  
Kasey Krifka, Engagement Director  
Joel Metlen, Operations Director  
Michael Parker, Executive Director  
Missy Simpson, Executive Coordinator  
James Sinks, Financial Education Program Manager  
Stephanie Swetland, Plan Specialist

Treasury Staff: Dave Elott, Legal Counsel  
Ryan Mann, Legislative Director

Others Present: Ted Bender, Ascensus  
Ryan Fitzgerald, Sellwood  
Matt Golden, Ascensus  
Jeff Gratreack, Business Owner  
Ryan Harvey, Sellwood  
Representative John Lively  
Deanna Longair, Ascensus  
Senator James I. Manning, Jr.  
Lawanda J. Manning  
Nathan Pellatz, Sellwood  
Kevin Raymond, Sellwood

The meeting was called to order at 10:10 a.m. by Treasurer Tobias Read, Chair.

Representative John Lively and Senator James Manning, Jr. introduced themselves to the Board and gave a brief update on the building the meeting was held in, and a little history of the town of Springfield.

**Agenda Item 1- Review and approval of the June 27, 2019 Board Minutes (ACTION ITEM)**

**MOTION:** Board Member Jeff Anderson moved to approve the June 27, 2019 minutes, seconded by Board Member Edward Brewington. The minutes were approved by a 5/0 vote.

**Agenda Item 2 – Discuss and potentially approve an exemption renewal process (ACTION ITEM)**

Michael Parker, Executive Director, and Joel Metlen, Operations Director presented a recommendation to the Board to make exemptions from OregonSaves permanent and require self-reporting if an employer stops offering its own plan. A copy of Mr. Parker's memo regarding the recommendation is included as a part of the records for the Oregon Retirement Savings Program's Board meeting.

**MOTION:** Cory Streisinger moved for the Board to direct staff to proceed with their rulemaking as outlined in the staff recommendation memo, seconded by Kara Backus. The recommendation was approved by a 5/0 vote.

**Agenda Item 3 – Executive Director's Report (INFORMATION ITEM):**

Michael Parker, Executive Director, updated the Board on the 2017-19 biennium, which was the last biennium the program would receive general fund appropriations. Starting in the 21-23 biennium, the assets under management will be large enough to provide revenue to be self-supported. Mr. Parker noted that Washington State's bill did not pass, but they will be moving forward with an agency bill, and staff will provide support to Washington as they move through their process. An update was given on the California lawsuit and the brief the federal government filed will be emailed to the Board. Sellwood Consulting will be the new Investment Consultant for OregonSaves, and staff is working on an RFP for an Audit firm for the program. Cory Streisinger suggested a member of the Board be included as part of the selection process. CFM and Cappelli Miles contract ends December 31<sup>st</sup> of this year. Staff is working on a recommendation to present to the Board. Mr. Parker noted an organizational change, adding James Sinks to the Oregon Savings Network. Mr. Sinks will be working on financial literacy and employer outreach for OregonSaves.

**Agenda Item 4 – Employer and Employee Testimony (INFORMATION ITEM):**

Employer / Employee did not show up.

**Agenda Item 5 – Program Implementation and Administration (INFORMATION ITEM):**

- a. Implementation / program numbers**
- b. Full participation and DOR Form**

Joel Metlen, Operations Director, provided the Board with specific program numbers on employers and employees and where the program is in terms of rollout. There has been a significant increase in employers implementing the program. With the rollout ending next year, Mr. Metlen informed the Board there will be cleanup for the next couple of

years. OregonSaves celebrated their anniversary, and all bills associated with the program passed through legislation. Staff is working with Department of Revenue on the DOR form, and working on a process with BOLI for implementing the full participation bill. A copy of Mr. Metlen's presentation is included as a part of the records for the Oregon Retirement Savings Program's Board meeting.

**c. Outreach**

Kasey Krifka, Engagement Director, gave an update on the marketing efforts for this year. Moving forward, staff will work on strategies for coverage of the program that are free, some of these strategies being more media and press releases. The Funny or Die video was released to help public awareness of the program. A copy of Ms. Krifka's presentation is included as a part of the records for the Oregon Retirement Savings Program's Board meeting.

**d. Program administration**

Matt Golden, Ascensus, shared updates on the client service experience, noting with the number of calls, the client service team is meeting and exceeding the service levels, and are responding to emails within 24 hours. Mr. Golden also discussed the upcoming enhancements to help employers facilitate the process. A copy of Mr. Golden's presentation is included as a part of the records for the Oregon Retirement Savings Program's Board meeting.

Mr. Metlen reported to the Board the demographic data that was requested at the last Board meeting. There are two required fields for an employer to enter when implementing OregonSaves, which is age and address. The data shows a lot of young people getting access and participating in the program. The chart is stopped at 75, but there are some savers that are in their 80's participating. Ms. Streisinger would like to see the account sizes. The total number of accounts are known, along with the total assets under management, but would like to see a display of how many accounts have \$1,000, so over time the longevity of saving will be seen.

**Agenda Item 6 – Program Investment Review (INFORMATION ITEM):**

Ryan Harvey and Kevin Raymond, Sellwood Consulting LLC, presented a snapshot of the Investment Performance Report for June 30<sup>th</sup>, to show the Board what their reporting will look like and asked for feedback. Mr. Harvey broke down the program fees for the Board, 11 basis points for investment management, 15 basis points for the state's fee, and 75 basis points for Ascensus for the records fee. Ms. Streisinger mentioned the Board had discussed doing some level of subsidy for the Capitol Preservation Fund fees to keep them at 100 basis points, absorbing fees if necessary to keep that return from going negative but also not wanting to get above 100 basis points. Mr. Parker noted staff would listen to past recordings to find out what was discussed on the Capitol Preservation Fund fees.

**PUBLIC COMMENT:**

Jeff Gratreak, co-owner of a small business with 20-25 employees, gave public comment regarding the process of OregonSaves. Mr. Gratreak gave a copy of his testimony to staff which is included with these minutes.

The meeting was adjourned at 12:27 pm.

## Testimony from Jeff Gratreak

Hello,

Below I've included the text from the document that I read from. After talking with you about the liability associated with employer control I can see that changes there are much more difficult so thank you for that information. Another thing is that Representative Marsh asked me about why my employees were opting out and I forgot to say something to her that I wish I had included in my testimony: about one quarter of the employees who have opted out of OregonSaves at my restaurant have said something about a desire to opt back in but because it was so difficult for them to opt out in the first place they didn't want to risk it. I think that is an important note to make about why I think opting out online should be much more user friendly. Here is the text of my public comment:

Hello. My name is Jeff and I co-own and operate a small business in the Willamette Valley with 20-25 employees. I like the premise of OregonSaves-encouraging people to save money for retirement is a great concept. That said, I do not like the OregonSaves process, the user interface, nor the lack of employer control. While those things may seem minor, to a business owner they are severely cumbersome and it is why I am here today.

Employer control:

I was required to sign up all my employees last November-December. If you put that responsibility on employers, coupled with the responsibility of the employer to actually withhold the employee contributions, employers should be able to help employees manage their contribution rates or opt in status online.

User interface:

The language of OregonSaves makes it seem that it is easy to opt out online. I know that opting out over the phone or via a paper form are available, however, the 21st century tells us that more and more people prefer to do things themselves online. Online there is no way to opt out. That is a simple fact. This morning I revisited the OregonSaves website and my own OregonSaves Employee account looking for easy information about opting out online. There was nothing. In order to "opt out" online an employee has to remove an employer as a contributor, which nowhere does it say that doing so is how you opt out online. More so, once an employee removes an employer as a contributor the employer is not notified until they login to the employer portal. I've had many employees remove my business as a contributor (i.e. opt out) before the end of a pay period but since I wasn't notified until I logged in to make contributions it was after I had already deducted another contribution from their paycheck.

OregonSaves process:

My business has a fairly high turnover rate. To my understanding there is no repercussion if I do not withhold employee contributions from their paycheck and in turn do not contribute any money to OregonSaves so long as my employee doesn't have an issue with it. From the initial 24 employees that I signed up, 18 were eligible and signed up mostly as auto opt-in. 17 of them have successfully, albeit difficultly, opted out of OregonSaves, myself included. The remaining employee is in the process of opting out now. With my turnover rate I have about 8 new employees in 2019. Not one of those new employees has requested information about OregonSaves and I have not heard anything from OregonSaves about signing them up so none of them are.

The idea of encouraging people to save is great and I have no problem with the way you are managing contributions. However, you have made this whole process burdensome for employers and confusing for employees, especially for those employees who don't want their money managed by OregonSaves. I have no desire to encourage any current or future employees to work with OregonSaves unless changes are made. I welcome any questions or follow up about my comments. Thank you.

Thank you again for hearing me out and I look forward to meeting with the local field representative to continue the conversation and hopefully help enact positive change.