



**MINUTES FROM THE MEETING OF THE
DELAWARE EARNs PROGRAM BOARD
October 4, 2022**

A meeting of the Delaware EARNs Program Board Meeting was held on October 4, 2022, convening at 10:30 a.m., at the Office of the State Treasurer (“OST”), Webb Building, 820 Silver Lake Blvd, Dover, Delaware. Board members and members of the public were able to participate in-person, as well as using the provided videoconference and dial-in information.

Board Members Represented or in Attendance:

Fayette Blake – Board Chair
The Honorable Colleen C. Davis – State Treasurer
Rick Geisenberger – Secretary of Finance
Christina Haas – Office of the State Insurance Commissioner
Ethel Belfon – Department of Labor
Donna Vieira – Chair of the Plans Management Board
Robert Herrera – Member at Large

Absent:

None

Others in Attendance:

Liza Davis, Deputy State Treasurer, OST
Jason Staib, Delaware Department of Justice
John Meyer, OST
Jordan Seemans, OST
Dan Kimmel, OST
Deborah Bradl, OST
Carl Kanefsky, OST
John Scott, The Pew Charitable Trusts
Kim Olson, The Pew Charitable Trusts
Monai Washington, OST
Matthew Rosen, OST
Jessica Eckman, AARP National Office
Tyler Micik, Delaware State Chamber of Commerce
Andrea Feirstein, AKF Consulting Group
Michael Parker, Oregon Treasury Savings Network

CALLED TO ORDER

The meeting was called to order at 10:30 a.m.

INTRODUCTION

Mr. Seemans stated one of the most important issues Delawareans are facing is retirement insecurity. Treasurer Davis and her team saw an opportunity to address this issue with Delaware EARNs, a state facilitated retirement plan for private sector employees, administered by the state and facilitated by employers, to help employees save for retirement. OST conducted research and analysis, wrote legislation, and worked with other states that operate similar Auto-IRA programs, including Oregon and California. Ultimately, the Delaware General Assembly passed the legislation, and now the implementation process for the program begins.

Mr. Seemans introduced the Chair of the Board, Ms. Fayette Blake, and shared her background.

Treasurer Davis made remarks and expressed gratitude for the opportunity to impact many lives through the establishment of this program. Treasurer Davis also expressed gratitude to the Board members and the OST Staff for their service.

Ms. Blake asked for the Board members to introduce themselves.

Treasurer Davis asked for members of the public to introduce themselves. Ms. Blake confirmed that a quorum had been established.

PRESENTATIONS

OVERVIEW OF AUTO-IRA PROGRAMS IN OTHER STATES BY PEW CHARITABLE TRUSTS

Mr. Seemans gave a brief introduction of Pew Charitable Trusts (“Pew”). Pew works on retirement insecurity issues in various states across the nation. OST signed a partnership with Pew, in which Pew provided research and analysis to support the passage of the legislation. OST has also asked Pew to present at this Board meeting and provide a high-level overview of state Auto-IRA programs throughout the country.

Mr. Scott, Ms. Olson, and Mr. Blevins from the Pew retirement savings project provided a presentation on the state-facilitated Auto-IRA program model and the adoption and implementation of this program model in other states. Auto-IRA Programs are only for private sector employees, not for state and local government employees. The program is designed for employees who work for an employer that does not offer their own retirement plan. Some employers and employees are exempted. Auto-IRA programs are operational, or in the process of implementation, in 11 states. Mr. Scott provided enrollment and asset data on Auto-IRA programs in other states. Mr. Scott also provided employer and employee satisfaction data from surveys conducted in Oregon and Illinois.

OVERVIEW OF DELAWARE EARNs PROGRAM BY TREASURER DAVIS AND OST STAFF

Mr. Rosen provided details about the Delaware EARNs Act (HB 205), which has been codified into Title 19, Chapter 38 of the Delaware Code, and discussed the structure, rules, and features that the legislation created for the Delaware EARNs program. The EARNs program covers any Delaware employer that has five or more employees and does not currently offer a tax-favored retirement plan. Government entities are excluded. Employees will be auto-enrolled but may opt out of the program. The Board will set the default contribution rate, default escalation rate, the maximum default contribution rate, and the default investment. The Board may offer grants to small businesses who need help facilitating employee enrollment. The statute sets January 1, 2025, as the target launch date for the program to begin.

OVERVIEW OF DELAWARE EARNS BOARD DUTIES BY TREASURER DAVIS AND OST STAFF

Mr. Rosen presented an overview of the EARNS Program Board and its authority and duties. The EARNS Board consists of five (5) ex-officio members or their designees. The five ex-officio members are the State Treasurer, Secretary of Finance, Insurance Commissioner, Secretary of Labor, and the Chair of the Plans Management Board. Additionally, two public appointees from the Governor serve on the Board.

By statute, the Board will meet at least four (4) times per year. Committees will also meet at least four (4) times per year.

Mr. Rosen further explained that the Board's job is to serve as fiduciaries for the program participants, maximize financial security in retirement, minimize cost to participants, employers, and the program, facilitate and encourage employer and employee participation, maximize simplicity and ease administration for employers and participants, ensure the portability of participant accounts, and encourage employer adoption of privately offered retirement plans.

Additionally, Mr. Rosen explained that the Board is responsible for investment and contribution oversight, vendor selection, establishing strategic partnerships, trust oversight, employer and employee outreach, auditing, creating the program budget, entering into interagency agreements, and implementation and program design.

Finally, Mr. Rosen stated that the Board will receive support from OST, the program's Executive Director, and consultants. The Executive Director will coordinate Board activities, facilitate the program's daily operations, oversee public outreach, and manage procurement and vendor relationships.

Mr. Seemans shared an organizational chart that outlined the governance structure of the EARNS program.

Action Items and Future Business

Discussion and Vote to Authorize OST to Issue Program Consultant RFP

Mr. Seemans explained that the program consultant is a general consultant that helps the Board and OST with making key decisions, completing implementation steps, and using best practices. OST plans to administer the RFP process for this contract.

A MOTION was made by Mr. Herrera and seconded by Ms. Vieira to authorize OST to issue an RFP for a Program Consultant.

MOTION ADOPTED UNANIMOUSLY

Discussion and Vote to Establish Standing Committees

Mr. Seemans recommended that the Board establish standing committees which will consider and contemplate various issues, challenges, and decisions that are relevant to the Board. Mr. Seemans recommended the establishment of three (3) standing committees - an Audit, Policy, and Governance committee; a Program & Investment Committee; and an Outreach & Engagement Committee.

A MOTION was made by Mr. Geisenberger and seconded by Mr. Herrera to establish three (3) Standing Committees: 1) Audit, Policy & Governance; 2) Program & Investment; and 3) Outreach & Engagement
MOTION ADOPTED UNANIMOUSLY

PUBLIC COMMENT

None

NEXT MEETING

- The next meeting of the Board is scheduled for November 15, 2022, at 1:00 PM, at the Buena Vista Conference Center in New Castle, Delaware.

FUTURE BUISNESS

- Scheduling standing committee meetings.
- Exploring interstate partnerships.
- Appointing committee chairs.

ADJOURNMENT

A Motion was made by Ms. Blake and seconded by Mr. Geisenberger to adjourn the Meeting.

Ms. Fayette Blake adjourned the meeting of the Board at 12:05 PM.

Respectfully submitted,

Fayette Blake, Chair, EARNs Program Board