

MEETING  
STATE OF CALIFORNIA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
OPEN SESSION

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FECKNER AUDITORIUM  
LINCOLN PLAZA NORTH  
400 P STREET  
SACRAMENTO, CALIFORNIA

TUESDAY, APRIL 18, 2023

9:00 A.M.

JAMES F. PETERS, CSR  
CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 10063

APPEARANCES

BOARD MEMBERS:

Theresa Taylor, President

David Miller, Vice President

Malia Cohen, represented by Lynn Paquin

Fiona Ma, represented by Frank Ruffino

Lisa Middleton

Eraina Ortega

Jose Luis Pacheco

Kevin Palkki

Ramón Rubalcava

Yvonne Walker

Mullissa Willette

STAFF:

Marcie Frost, Chief Executive Officer

Michael Cohen, Interim Chief Operating Investment Officer

Douglas Hoffner, Chief Operating Officer

Matthew Jacobs, General Counsel

Stephenson Loveson, Chief Information Officer

Kim Malm, Interim Deputy Executive Officer, Customer Services & Support

Donald Moulds, PhD, Chief Health Director

Nicole Musicco, Chief Investment Officer

Michele Nix, Acting Chief Financial Officer

APPEARANCES CONTINUED

STAFF:

Brad Pacheco, Deputy Executive Officer, Communications & Stakeholder Relations

Scott Terando, Chief Actuary

Marlene Timberlake D'Adamo, Chief Diversity, Equity, and Inclusion Officer

Michelle Tucker, Chief, Human Resources Division

Danny Brown, Chief, Legislative Affairs Division

David Teykaerts, Assistant Division Chief, Stakeholder Relations Division

ALSO PRESENT:

Mark Chekal

J.J. Jelincic

Earlene Stevenson

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PROCEEDINGS

1  
2           PRESIDENT TAYLOR: Good morning, everyone. Id'  
3 like to call the Board of Administration meeting to order.  
4 Our first order of business this morning is to call the  
5 roll.

6           BOARD CLERK TRAN: Theresa Taylor?

7           PRESIDENT TAYLOR: Here.

8           BOARD CLERK TRAN: David Miller?

9           VICE PRESIDENT MILLER: Here.

10          BOARD CLERK TRAN: Lynn Paquin for Malia Cohen.

11          ACTING BOARD MEMBER PAQUIN: Here.

12          BOARD CLERK TRAN: Frank Ruffino for Fiona Ma?

13          ACTING BOARD MEMBER RUFFINO: Present.

14          BOARD CLERK TRAN: Lisa Middleton?

15          BOARD MEMBER MIDDLETON: Present.

16          BOARD CLERK TRAN: Eraina Ortega?

17          BOARD MEMBER ORTEGA: Here.

18          BOARD CLERK TRAN: Jose Luis Pacheco?

19          BOARD MEMBER PACHECO: Present.

20          BOARD CLERK TRAN: Kevin Palkki?

21          BOARD MEMBER PALKKI: Good morning.

22          BOARD CLERK TRAN: Ramón Rubalcava?

23          BOARD MEMBER RUBALCAVA: Here.

24          BOARD CLERK TRAN: Yvonne Walker?

25          Mullissa Willette?

1 BOARD MEMBER WILLETTE: Here.

2 BOARD CLERK TRAN: Dr. Gail Willis?

3 PRESIDENT TAYLOR: For some reason the mics  
4 aren't going on. Something is going on here.

5 Thank you. I appreciate it.

6 Our next order of business is the Pledge of  
7 Allegiance. I have asked Mr. Palkki to lead us in the  
8 pledge.

9 (Thereupon the Pledge of Allegiance was  
10 recited in unison.)

11 PRESIDENT TAYLOR: Thank you, Mr. Palkki. I  
12 appreciate it.

13 BOARD MEMBER PALKKI: Thank you.

14 PRESIDENT TAYLOR: So good morning. Good Tuesday  
15 morning, everybody. I wanted to welcome everybody. Hope  
16 everybody had a great holiday this last weekend and  
17 it's -- I was going to say I hope you're enjoying this  
18 spring weather, but it was kind of cold this morning and I  
19 think it rained a little bit. So we're -- our spring is a  
20 little slow coming.

21 So as a friendly reminder the Board will not be  
22 holding any public meetings in May. We have one closed  
23 session related to health care negotiations. We will  
24 resume our full meetings June 20th through the 22nd,  
25 following Juneteenth which falls on a Monday and is a

1 federally recognized holiday.

2           Tomorrow, a subcommittee of the Board will  
3 interview and select the finalists as the Board's  
4 Investment consultants for the following categories, our  
5 general pension investment consultant, our private equity  
6 consultant, our real estate consultant, our private debt  
7 consultant and our infrastructure consultant. One  
8 finalist -- once finalists are selected, CalPERS will  
9 enter into negotiations to execute contracts that begin on  
10 July 1st.

11           Some of you know that outside my duties as a  
12 CalPERS President and a Board member. I'm a -- I am not a  
13 manager at the Franchise Tax Board. I'm a Principal  
14 Compliance Rep at the Franchise Tax Board. So here's a  
15 friendly reminder that your taxes are due today, which  
16 actually the Franchise Tax Board, let me be clear, has  
17 given an extension till October 15th. So they aren't due  
18 today. You're good if you wait till October. I wouldn't  
19 do that if I were you working at the Franchise Tax Board,  
20 but you do have till October 15th.

21           And with that, I'll say congratulations to  
22 another win from the Kings. Go Kings.

23           (Applause).

24           PRESIDENT TAYLOR: I'm going to pass it over to  
25 our CEO. Marcie, go ahead.

1 CHIEF EXECUTIVE OFFICER FROST: All right. Thank  
2 you, President Taylor. And good morning, everyone. I'm  
3 actually going to spend a little bit of time this morning  
4 doing an operational update related to some recruiting  
5 that we have going on now, and then an update on a recent  
6 meeting that I had as a member of Inclusive Capitalism.

7 So first of all, we know that the labor market is  
8 pretty tight here in California and frankly around the  
9 country. Like other states and private organizations,  
10 this does pose a few challenges to our recruitment  
11 efforts. And in response, we had a group of employees get  
12 together and come up with a great idea. It's an approach  
13 that we're calling Rapid Recruitment Events. It's an  
14 effort to both broaden our outreach, but also  
15 significantly shorten our traditional hiring timelines,  
16 which is one of the problems we're trying to solve. You  
17 know, every time we come up with a great idea, we always  
18 want to ask the question, well, what problem is it that  
19 we're trying to solve.

20 And I think what we found is as we were extending  
21 offers to candidates, because our recruitment processes  
22 were extending into weeks, if not maybe months, those  
23 candidates had been selected for other positions. So  
24 Rapid Recruitment to us means hiring on very large scale  
25 in a way that makes the process quicker, and easier for

1 candidates to apply, and for hiring teams to extend those  
2 offers to their top candidates. Our Chief of HR calls is,  
3 you know, giving the promise ring early, so they know that  
4 we're interested in them, while we work through the  
5 process of selection.

6           It's also a solution, I think, that has really  
7 reenergized the organization and increased collaboration.  
8 You know, coming out -- we're a year into returning to the  
9 office. That sense of collaboration, that connection,  
10 getting away from some of the routines that we really all  
11 started by working two years remotely and developing those  
12 new processes and new routines with one another. And this  
13 just helped to kick-start some of that work together.

14           There are three phases to the program. The first  
15 phase launched last month to fill vacancies within our  
16 Human Resources Division. And then once filled, those new  
17 hires will assist with recruitment phases that would  
18 follow. The outreach campaign has taken full advantage of  
19 our social media channels and our internal and external  
20 websites. And for the HR team, they had 12 vacancies they  
21 were trying to fill. We received 625 applications for  
22 those positions.

23           Working with a hundred team leaders and team  
24 members across the organization, which is really our  
25 largest recruitment effort yet, interviews were conducted

1 over the last two weeks with all 625 applicants. Quite an  
2 undertaking. Interview panelists included alumni from the  
3 six-month Emerging Leader Program we have here at CalPERS  
4 for our own team members interested in promoting into  
5 leadership positions, along with other personnel that  
6 represent the next generation of leaders here at CalPERS.

7 Team members report that a comradery building,  
8 we're all in this together kind of experience came out of  
9 it, one where everyone is invested in the best possible  
10 outcomes and really invested in hiring that next set of  
11 talent for CalPERS. Not only is that great for our team  
12 culture, but it also helps improve the collaboration  
13 amongst our divisions, which has really historically been  
14 an underscoring area in our employee engagement survey.

15 The recruitment brought some great candidates to  
16 our attention. We had more than enough people to fill the  
17 vacancies and have additionally identifies dozens of other  
18 candidates to invite back for other roles based on their  
19 interview scores, their experience, or their education.

20 Phase 2 will be focused on our Customer  
21 Experience Division for open positions in the Contact  
22 Center. And then one new introduction to Phase 2 is the  
23 use of a scoring too -- tool, excuse me, built to  
24 recognize issues related to diversity, equity, and  
25 inclusion, or DEI. This tool will help reduce potentially

1 biased language in the way that we announce the actual  
2 jobs, and the bulletins, the duty statements, as well as  
3 the interview questions. So far, we have nearly 200  
4 app -- 200 applications on file for those 24 vacancies in  
5 the Contact Center.

6 That will be followed by Phase 3, which we'll  
7 recruit for positions across the rest of the enterprise.  
8 That would include our Information Technology team. It  
9 would include the Investment Office, Accounting, and more.  
10 This phase of the project will look more like a on-campus  
11 event, drawing candidates to interview in-person as well  
12 as virtually.

13 With broad outreach comes a variety and high  
14 number of candidates. So the team is looking at how we  
15 assess and select candidates while effectively managing  
16 sizable candidate pools. One tool that has been effective  
17 from the start is the use of a new interest survey  
18 included in the job bulletin. It gives applicants the  
19 chance to identify which area of a Division's work they  
20 are most interested in. The interest survey will continue  
21 to be used with each implementation phase to help hiring  
22 managers better understand where a candidates knowledge,  
23 their skills, and abilities are best suited.

24 To further ensure equity in our recruiting and  
25 hiring processes, all panelists were required to attend a

1 special DEI training to help prevent unconscious bias in  
2 recruiting and interviewing. As you know, CalPERS is  
3 deeply committed to DEI principles that embrace the unique  
4 contributions of everyone who works here and everyone we  
5 serve.

6 And the CalPERS members we serve, as we know, are  
7 part of one of the most diverse states in the nation, so  
8 it only makes sense that we do everything that we can to  
9 have an equally representative pool of candidates and  
10 employees as we build our future CalPERS teams.

11 Going after a diverse pool of talent also extends  
12 to the work we're doing with our Emerging Manager  
13 Initiative. That's an effort that we launched back in  
14 January in concert with our partners to TPG and Grosvenor.  
15 Not long after Nicole Musicco came on board as our CIO  
16 last year, she began talking about the great work being  
17 done by a growing -- (clears throat) -- excuse me, growing  
18 body of smaller investment managers and entrepreneurs,  
19 professionals who have different experience and who were  
20 outperforming their peers in the private markets. CalPERS  
21 does see opportunities in their skill sets and strategies  
22 they're using to deliver returns that will ultimately  
23 benefit all of our members.

24 We also believe strongly in our leadership role  
25 to help advance equity in the financial industry through

1 our Emerging and Diverse Manager Program. It is one step  
2 forward to cultivate new talent. And that is the primary  
3 purpose behind our upcoming event called Catalyst,  
4 California's Diverse Investment Manager Forum. That does  
5 take place in the Bay Area on June 26th through the 28th  
6 in collaboration with CalSTRS. We believe that Catalyst  
7 will be a game-changing event to match rising talent with  
8 capital allocators who can help scale their efforts.

9 I've mentioned the event to you in a previous  
10 report, but I also wanted to share a quick update.  
11 Catalyst will feature a few general sessions with industry  
12 leading speakers -- excuse me -- and a  
13 roll-up-your-sleeves kind of format, which will be  
14 one-on-one meetings that we'll have with some of the  
15 managers with the allocators who will be in the room. The  
16 event is aptly named Catalyst, for the momentum building  
17 action it's really meant to inspire.

18 The invitation to allocators have gone out and  
19 the registration for managers is scheduled to open soon.  
20 Look forward to the keeping you updated as things  
21 progress. And I know many of you are out traveling in the  
22 manager circles and hope you will pass on the invitation  
23 to those who you're interacting with.

24 Our commitment to leadership in the DEI space  
25 also enables us to support organizations making a

1 difference in underrepresented communities, such as the  
2 Sacramento Chapter of the Latinas in Tech, or technology.  
3 We are proud to support them by hosting an on-campus panel  
4 discussion next Wednesday, April 26th, that will feature  
5 two of our own IT managers Suzette Loggins and Luz  
6 Alcazar. Geared toward Latinas and women in general, the  
7 event is designed to discuss how the -- how to overcome  
8 the challenges of getting into an information technology  
9 career and also highlight opportunities that are available  
10 here at CalPERS. As I mentioned, we are also recruiting  
11 for vacancies in our IT Department.

12           Latinas in Tech is a non-profit organization  
13 founded in 2014 in Silicon Valley. There's a great need  
14 for groups like this to provide pathways into the  
15 industry. According to a 2021 article, one study found  
16 that while women comprised 28.8 percent of the U.S. tech  
17 workforce, Latinas held only two percent of jobs in STEM  
18 fields.

19           Today, Latinas in Tech has grown to 22 chapters  
20 around the world, with more than 200,000 members. And the  
21 Sacramento chapter is actively involved with local schools  
22 and colleges to encourage the pursuit of IT careers. Our  
23 Chief Information Officer, Stephenson Loveson, will  
24 welcome the chapter to CalPERS and will also kick off the  
25 event.

1           One last important DEI related item and that's an  
2 accolade received by one of our team members in the  
3 Operations Support Services Division for his work with our  
4 outside vendor contracting program. Ramon Rivera, our  
5 small business and disabled veteran business enterprise,  
6 or DVBE advocate, was honored with the Secretary's special  
7 achievement award presented by the Government Operations  
8 Agency at the 23rd annual State Agency Recognition Awards.  
9 This award is given to the individual whose best  
10 practices, innovation, and advocacy efforts have allowed  
11 them to exceed the State's small business and DVBE  
12 contracting goals.

13           Ramon's work helped CalPERS exceed our own goals  
14 with more than 25 percent small business participation in  
15 our procurements and almost six percent of total dollars  
16 spent on contracts and procurements with disabled veteran  
17 businesses.

18           To achieve those results, he proactively reached  
19 out to the business community through trade shows and  
20 other events to broaden our contacts with potential  
21 suppliers. He also streamlined and automated the process  
22 for CalPERS to collect the voluntary statistical data  
23 sheet we use to capture data on supplier diversity. This  
24 increased the community's response rate by 84 percent. In  
25 the last three years, Ramon has received the Advocate of

1 the Year Award for Excellence and Leadership in  
2 Procurement. Ramon is here with us today. If you could  
3 join me in congratulating him on his award and thanking  
4 him for his service to our members.

5 (Applause).

6 CHIEF EXECUTIVE OFFICER FROST: And then a few of  
7 you asked me to talk a bit about the meeting that I  
8 attended related to Inclusive Capitalism, which is a group  
9 that I've been involved with for about five years now.

10 So our day opened with a discussion on energy  
11 transition in the context of a continuing debate around  
12 divestment from fossil fuel companies versus engagement  
13 with them. We also discussed the role of investors and  
14 fossil fuel companies in supporting energy security and  
15 affordability by focusing on the just transition while  
16 pursuing the fastest practical movement to clean energy.  
17 And that session was led by the CEO of British Petroleum.

18 We then had a session with the International  
19 Sustainability Standards Board on disclosures and just  
20 transition. And that would include all of the  
21 measurements and the conversation led by their Chair  
22 Emmanuel Faber, who presented the progress of ISSB S1,  
23 which is the general sustainability standard and then also  
24 S2, which is the climate related standard. He stated that  
25 they will be coming public in the coming months and there

1 was a lot of discussion around the inclusion of Scope 3  
2 emissions in that standard.

3           And then council members in the last discussion,  
4 which was the one that I had an opportunity to facilitate,  
5 we conferred on the need as business leaders to be a bit  
6 more courageous in publicly advocating for the value  
7 creation that comes with accounting for climate, climate  
8 risks, and inequality risks at a time of increased  
9 polarization, and you know, really here in the -- more of  
10 the context of the United States, where do we see, you  
11 know, maybe value proposition in the Inflation Reduction  
12 Act. I've asked Nicole Musicco to provide a panel, or at  
13 least a panelist, at your July off-site to give you an  
14 idea of where we might be thinking opportunities would  
15 present themselves through the IRA.

16           And then I'd like to end my report with the  
17 quarterly investment performance or the investment  
18 performance as of March 31st. Our preliminary numbers  
19 show the fiscal year-to-date return is 3.3, the five-year  
20 projected return is 5.7, the 10-year projected return is  
21 6.9, and the 20-year projected return is 7.5. And that  
22 does conclude my report and I'm happy to take questions  
23 President Taylor.

24           PRESIDENT TAYLOR: All right. Thank you very  
25 much, Ms. Frost. That was very informative. I appreciate

1 the detail on the new rapid recruitment. That's very cool  
2 and new for the State of California for sure.

3 I'm not seeing any questions at this point, so  
4 hold on a second.

5 I'm going -- oh, that's right. Jose Luis first  
6 and then I have to give everybody a minute because this  
7 isn't working. So wait, let me see if I can even call on  
8 him.

9 COMMITTEE MEMBER PACHECO: I can wait.

10 PRESIDENT TAYLOR: Yeah, lets way. Yeah, so go  
11 ahead and turn it off.

12 CHIEF EXECUTIVE OFFICER FROST: I think we're all  
13 looking forward to the upgrades to the auditorium.

14 PRESIDENT TAYLOR: When does that happen?

15 CHIEF EXECUTIVE OFFICER FROST: Dallas.

16 It's -- it was in the budget item that you saw  
17 yesterday.

18 PRESIDENT TAYLOR: I know, I saw.

19 CHIEF EXECUTIVE OFFICER FROST: Ms. Taylor, would  
20 you like to note for the record Ms. Walker?

21 PRESIDENT TAYLOR: Yes, I will.

22 CHIEF EXECUTIVE OFFICER FROST: Okay.

23 PRESIDENT TAYLOR: When we have a -- oh I'm on.  
24 There we go. All right. For the record, Ms. Walker is in  
25 attendance.

1           And we are on our action consent items. Having  
2 heard nobody wanting to pull anything, what's the pleasure  
3 of the Board.

4           VICE PRESIDENT MILLER: Move approval.

5           BOARD MEMBER PACHECO: (Hand raised).

6           PRESIDENT TAYLOR: Moved by Mr. Miller, seconded  
7 by Mr. Pacheco. We need to take a roll call vote, because  
8 we have somebody on.

9           BOARD CLERK TRAN: David Miller?

10          VICE PRESIDENT MILLER: Aye.

11          BOARD CLERK TRAN: Lynn Paquin?

12          ACTING BOARD MEMBER PAQUIN: Aye.

13          BOARD CLERK TRAN: Frank Ruffino?

14          ACTING BOARD MEMBER RUFFINO: Aye.

15          BOARD CLERK TRAN: Lisa Middleton?

16          BOARD MEMBER MIDDLETON: Aye.

17          BOARD CLERK TRAN: Eraina Ortega?

18          BOARD MEMBER ORTEGA: Aye.

19          BOARD CLERK TRAN: Jose Luis Pacheco?

20          BOARD MEMBER PACHECO: Aye.

21          BOARD CLERK TRAN: Kevin Palkki?

22          BOARD MEMBER PALKKI: Aye.

23          BOARD CLERK TRAN: Ramón Rubalcava?

24          BOARD MEMBER RUBALCAVA: Aye.

25          BOARD CLERK TRAN: Yvonne Walker?

1 BOARD MEMBER WALKER: Aye.

2 BOARD CLERK TRAN: Mullissa Willette?

3 BOARD MEMBER WILLETTE: Aye.

4 PRESIDENT TAYLOR: All right. Thank you. Motion  
5 carries.

6 Our next matter is Item 6, information consent  
7 items. Again, I have not heard anybody asked to have  
8 anybody pulled.

9 So we are going to move on to Item 7, Committee  
10 Reports. And our first committee report is Mr. Miller --  
11 you want to push your button, David. Mr. Miller.

12 VICE PRESIDENT MILLER: I don't think it's --

13 PRESIDENT TAYLOR: Oh, it's -- I have Finance and  
14 Administration is Lisa. Sorry about that.

15 Ms. Middleton, there you go.

16 BOARD MEMBER MIDDLETON: Thank you.

17 PRESIDENT TAYLOR: Yep. Hold on a second. It's  
18 still not working.

19 There it is. Okay, go ahead.

20 BOARD MEMBER MIDDLETON: All right. Thank you.  
21 The Finance and Administration Committee met on April 17,  
22 2023.

23 The Committee recommends and I move the Board  
24 approve the following. And first let me note that Agenda  
25 Item 5e was pulled as the petitioner rescinded their

1 request, so no action was taken on Agenda Item 5e,  
2 stakeholder's petition to adopt ranked-choice voting.

3 The following items were -- we are asking for  
4 approval.

5 Agenda Item 3c, approve the April 2023  
6 prospective report of solicitations, contracts purchase  
7 orders, and letters of engagement.

8 Agenda Item 3d, approve the 1959 Survivor Benefit  
9 Program actuarial valuation report as of June 30, 2022 and  
10 adopt the employer and employee monthly premiums for  
11 fiscal year 2023-24.

12 Agenda Item 5a, approve the 2023-24 annual budget  
13 in the amount of 2.428 billion and 2,843 positions.

14 Agenda Item 5b, approve the proposed elected  
15 Board member percentages of time to be spent on Board  
16 related duties based on Board and Committee selections  
17 held in January, February, and March of 2023.

18 Agenda Item 5c, adopt the actuarial determined  
19 employer contribution rates and approve the member  
20 contribution rates for the period of July 1, 2023 to June  
21 30, 2024.

22 Item 5d, approve the employer contribution rate  
23 of 26.68 percent of payroll for the schools pool. This  
24 rate is applicable for the period of July 1, 2023 to June  
25 30, 2024.

1           Lastly, Agenda Item 5f, approve Option A, the  
2 status quo, to continue with online, telephone, IVR, and  
3 mail-in ballot options for all elections.

4           The Committee so moves.

5           PRESIDENT TAYLOR: Okay. On all motions from  
6 Committee.

7           Pleasure of the Board?

8           Any discussion?

9           VICE PRESIDENT MILLER: Move approval.

10          PRESIDENT TAYLOR: Move approval.

11          All right. Any discussion on any of these?

12          I actually need to -- Item 5c, I think it might  
13 have -- that might be the State and it's not named.

14          BOARD MEMBER MIDDLETON: That is the State. Yes,  
15 thank you.

16          PRESIDENT TAYLOR: Okay. So we need to change  
17 that, so that it says the State.

18          BOARD MEMBER MIDDLETON: So let the record  
19 reflect that Item 5c is the State employer contribution  
20 rates.

21          PRESIDENT TAYLOR: Okay. All right. Can I have  
22 a roll call vote on this, please?

23          BOARD CLERK TRAN: David Miller?

24          VICE PRESIDENT MILLER: Aye.

25          BOARD CLERK TRAN: Lynn Paquin?

1 ACTING BOARD MEMBER PAQUIN: Aye.

2 BOARD CLERK TRAN: Frank Ruffino?

3 ACTING BOARD MEMBER RUFFINO: Aye.

4 BOARD CLERK TRAN: Lisa Middleton?

5 BOARD MEMBER MIDDLETON: Aye.

6 BOARD CLERK TRAN: Eraina Ortega?

7 BOARD MEMBER ORTEGA: Aye.

8 BOARD CLERK TRAN: Jose Luis Pacheco?

9 BOARD MEMBER PACHECO: Aye.

10 BOARD CLERK TRAN: Kevin Palkki?

11 BOARD MEMBER PALKKI: Aye.

12 BOARD CLERK TRAN: Ramón Rubalcava?

13 BOARD MEMBER RUBALCAVA: Aye.

14 BOARD CLERK TRAN: Yvonne Walker?

15 BOARD MEMBER WALKER: Aye.

16 BOARD CLERK TRAN: Mullissa Willette?

17 BOARD MEMBER WILLETTE: Aye.

18 BOARD MEMBER MIDDLETON: The Committee also  
19 received a report on the long-term care valuation.

20 The Chair directed staff to: bring back the  
21 effect that PEPRAs has had on costs, PEPRAs versus classic  
22 costs for State, schools, and public agencies; meet with  
23 stakeholders for an open dialogue about election  
24 processes, including ways to increase participation and  
25 different methods of voting such as ranked choice voting.

1 Additionally, use stakeholder surveys to gather  
2 information on election processes, research costs, and  
3 benefits of various options and bring back recommendations  
4 to the Committee for consideration.

5 At this time, I'd like to share a highlight of  
6 what to expect at the June 2023 Finance and Administration  
7 Committee hearing, where we will receive the semi-annual  
8 health plan financial report.

9 The next meeting of the Finance and  
10 Administration Committee is scheduled for June 21, 2023.

11 Thank you, Madam Chair.

12 PRESIDENT TAYLOR: All right. Thank you.

13 Next up Committee is PCTM. Mr. Pacheco, go  
14 ahead.

15 BOARD MEMBER PACHECO: Thank you, Madam  
16 President.

17 The Performance, and Compensation and Talent  
18 Management Committee met on April 17, 2023.

19 The Committee recommends and I move the Board  
20 approve the following:

21 Agenda Item 5a, compensation review and  
22 recommendation for statutory positions. Beginning on July  
23 1st of 2023, approve the proposed base salary and  
24 incentive ranges proposed by the Global Governance  
25 Advisors in Alternative number 2 for all executive and

1 investment management classifications, except the Chief  
2 Health Director classification. For the Chief Health  
3 Director classification, approve the base salary range and  
4 remove annual incentive eligibility as proposed by Global  
5 Governance Advisors in Alternative number 1.

6 PRESIDENT TAYLOR: Okay. On motion by Committee.  
7 Is there any discussion?

8 (Sneeze).

9 PRESIDENT TAYLOR: Bless you.

10 Seeing no discussion. All those in favor?

11 Oh, I have to do a roll call vote. I apologize.

12 Go ahead.

13 BOARD CLERK TRAN: David Miller?

14 VICE PRESIDENT MILLER: Aye.

15 BOARD CLERK TRAN: Lynn Paquin?

16 ACTING BOARD MEMBER PAQUIN: Aye.

17 BOARD CLERK TRAN: Frank Ruffino?

18 ACTING BOARD MEMBER RUFFINO: Aye.

19 GRAND JURY FOREMAN: Lisa Middleton?

20 BOARD MEMBER MIDDLETON: Aye.

21 BOARD CLERK TRAN: Eraina Ortega?

22 BOARD MEMBER ORTEGA: No.

23 BOARD CLERK TRAN: Jose Luis Pacheco?

24 BOARD MEMBER PACHECO: Aye.

25 BOARD CLERK TRAN: Kevin Palkki?

1 BOARD MEMBER PALKKI: Aye.

2 BOARD CLERK TRAN: Ramón Rubalcava?

3 BOARD MEMBER RUBALCAVA: Aye.

4 BOARD CLERK TRAN: Yvonne Walker?

5 BOARD MEMBER WALKER: Aye.

6 BOARD CLERK TRAN: Mullissa Willette?

7 BOARD MEMBER WILLETTE: Aye.

8 PRESIDENT TAYLOR: Thank you.

9 Motion carries. Go ahead.

10 Oh, I don't have your thing. I need you to push  
11 your button. I don't have your button.

12 Go ahead, Ms. Middleton.

13 BOARD MEMBER MIDDLETON: Sorry. My apologies. I  
14 mention to vote no.

15 PRESIDENT TAYLOR: Can we change that vote to no,  
16 please. Thank you very much.

17 All right. Go ahead, Mr. Pacheco.

18 BOARD MEMBER PACHECO: Thank you, Madam  
19 President.

20 The Committee received reports on the following  
21 topics: The annual review of the 2023-2024 incentive  
22 matrix.

23 The Chair directed staff to bring back the  
24 updated incentive compensation policy reflecting approved  
25 base salary and incentive ranges to the June Committee

1 meeting.

2           The Committee heard comments on the following  
3 topic: Compensation recommendations for executive and  
4 investment management positions.

5           At this time, I would like to share some  
6 highlights of what to expect at the June Performance,  
7 Compensation and Talent Management Committee meeting. The  
8 Committee will review the following items: the 2023-2024  
9 incentive plan for the Chief Executive Officer, the  
10 2023-2024 incentive matrix recommendations for executive  
11 and investment management positions, and revisions to the  
12 Board's Compensation Policy for executive and investment  
13 management positions.

14           The next meeting of the Performance, Compensation  
15 and Talent Management Committee is scheduled for June  
16 21st, 2023 in Sacramento, California.

17           Thank you so much.

18           PRESIDENT TAYLOR: Thank you, Mr. Pacheco.

19           That is our conclusion of 7d, but I have public  
20 comment. Mr. Jelincic. You have three minutes.

21           MR. JELINCIC: J.J. Jelincic, beneficiary and  
22 speaker of uncomfortable truths.

23           I wanted to comment before you voted on 5a, but  
24 it wasn't going to make any difference anyhow. As Al  
25 Darby of RPEA had pointed out, you do not hire executive

1 staff from or lose them to banks and insurance companies.  
2 The sole purpose of having them in the so-called peer  
3 group is to raise the target payments. You should ask  
4 yourselves how inflating costs is consistent with your  
5 fiduciary duties. Please reconsider your choices.

6 Thank you.

7 PRESIDENT TAYLOR: Thank you, Mr. Jelincic.

8 All right. With that, our next item is our  
9 action agenda items 8. And for that, I'm going to -- can  
10 you push your button for me? Whoops -- call on Vice  
11 President Miller.

12 Mr. Miller, go ahead.

13 VICE PRESIDENT MILLER: Yep.

14 Agenda Items 8a1 through 8a7, we recommend that  
15 the Board adopt the PDs at agenda items 8a1 through 7 with  
16 the minor modifications argued by staff. If the Board  
17 accept our recommendations the following language may be  
18 used for the Board motion.

19 Oh, okay. So here's the motion.

20 I move to adopt the proposed decisions at Agenda  
21 Items 8a1 through 7 as the Board's own decisions with the  
22 minor modifications argued by staff to Agenda Items 8a1  
23 through 4, 6, and 7.

24 PRESIDENT TAYLOR: All right. So all those in  
25 favor, I need a roll call vote.

1 BOARD CLERK TRAN: David Miller?

2 VICE PRESIDENT MILLER: Aye.

3 BOARD CLERK TRAN: Lynn Paquin?

4 ACTING BOARD MEMBER PAQUIN: Aye.

5 BOARD CLERK TRAN: Frank Ruffino?

6 ACTING BOARD MEMBER RUFFINO: Aye.

7 BOARD CLERK TRAN: Lisa Middleton?

8 BOARD MEMBER MIDDLETON: Aye.

9 BOARD CLERK TRAN: Eraina Ortega?

10 BOARD MEMBER ORTEGA: Aye.

11 BOARD CLERK TRAN: Jose Luis Pacheco?

12 BOARD MEMBER PACHECO: Aye.

13 BOARD CLERK TRAN: Kevin Palkki?

14 BOARD MEMBER PALKKI: Aye.

15 BOARD CLERK TRAN: Ramón Rubalcava?

16 BOARD MEMBER RUBALCAVA: Aye.

17 BOARD CLERK TRAN: Yvonne Walker?

18 BOARD MEMBER WALKER: Aye.

19 BOARD CLERK TRAN: Mullissa Willette?

20 BOARD MEMBER WILLETTE: Aye.

21 PRESIDENT TAYLOR: All right. Motion carries.

22 Mr. Miller, anything else?

23 VICE PRESIDENT MILLER: Okay. The next motion

24 relates to Items 8b1 and 8b2. I move to deny the

25 petitions at Agenda Items 8b1 and 8b2.

1           PRESIDENT TAYLOR: On the motion, all those in  
2 favor, roll call vote, please.

3           BOARD CLERK TRAN: David Miller?

4           VICE PRESIDENT MILLER: Aye.

5           BOARD CLERK TRAN: Lynn Paquin?

6           ACTING BOARD MEMBER PAQUIN: Aye.

7           BOARD CLERK TRAN: Frank Ruffino?

8           ACTING BOARD MEMBER RUFFINO: Aye.

9           BOARD CLERK TRAN: Lisa Middleton?

10          BOARD MEMBER MIDDLETON: Aye.

11          BOARD CLERK TRAN: Eraina Ortega?

12          BOARD MEMBER ORTEGA: Aye.

13          BOARD CLERK TRAN: Jose Luis Pacheco?

14          BOARD MEMBER PACHECO: Aye.

15          BOARD CLERK TRAN: Kevin Palkki?

16          BOARD MEMBER PALKKI: Aye.

17          BOARD CLERK TRAN: Ramón Rubalcava?

18          BOARD MEMBER RUBALCAVA: Aye.

19          BOARD CLERK TRAN: Yvonne Walker?

20          BOARD MEMBER WALKER: Aye.

21          BOARD CLERK TRAN: Mullissa Willette?

22          BOARD MEMBER WILLETTE: Aye.

23          PRESIDENT TAYLOR: All right. Motion carries.

24 Thank you, Mr. Miller.

25          With that, we are moving on to 9a, State

1 Legislation Update. Mr. Brown. And before we're done,  
2 Mr. Brown I have a -- not a favor, but I have a request  
3 for you.

4 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Well,  
5 good morning, Madam President and Board members. Danny  
6 Brown, CalPERS team member. The State legislature is  
7 right in the middle of their first big deadline. They  
8 have to get through the new bills in the first policy  
9 Committee by the end of the month. I would like to just  
10 highlight three bills of interest.

11 First, the Retirement Policy Omnibus Bill, SB  
12 85 -- 885 is set for its first hearing tomorrow in Senate  
13 labor. As a reminder, this bill has three provisions  
14 related to CalPERS. First, it allows the Controller's  
15 office to make fund-to-fund transfers between a  
16 contracting agency's CEPPT account and the PERF. It will  
17 set the interest rate at 10 percent for delinquent  
18 contracting agency payments rather than the greater of 10  
19 percent or the prior year's investment return. And then  
20 finally, it allows JRS II members to name a beneficiary  
21 for the return of remaining contributions after the member  
22 dies, if the member does not have a surviving spouse, and  
23 this is an option that is already available in the other  
24 CalPERS plans.

25 Next, SB 252 is the fossil fuel divestment bill.

1 That bill did get out of Senate labor last week four to  
2 one vote. It's set to be heard this afternoon in the  
3 Senate Judiciary Committee. We've been working -- or  
4 meeting with all the offices of these two committees,  
5 along with CalSTRS. But, you know, both of -- these bills  
6 passed out of both of these committees last year. Most of  
7 the members are returning and so we expect them to vote  
8 again this year.

9           We will continue to work on the bill with our  
10 stakeholders and partners on trying to stop this in its  
11 current form, but it's likely our best chance will be when  
12 it gets over to the Assembly side.

13           And then finally, SB 637, a bill that would  
14 prohibit the State agencies from doing business with any  
15 financial institution that does business with a firearm or  
16 ammunition company. This is -- I wouldn't necessarily  
17 consider this a divestment bill, but it could have an  
18 impact on banks that we may contract with or deposit money  
19 with. The author has made this a two-year bill, but it is  
20 something that we will, you know, dig into later this year  
21 to see what kind of impact it could have on us. Right  
22 now, there's just -- unfortunately, there's no good list  
23 of which banks this bill may impact, but we'll continue to  
24 look at that.

25           Moving on to the federal side, Congress is back

1 from its spring recess and is beginning to -- in earnest  
2 to hold budget and policy hearings with mark-ups on scores  
3 of health and financial services bills anticipated later  
4 this month. Today, however, the House Financial Services  
5 Committee welcomes SEC Chair Gary Gensler back to testify  
6 for the first time in two years. You may remember I  
7 mentioned at the beginning of the year that ESG would be a  
8 topic of House Republican oversight, so we should consider  
9 this the first of those hearings.

10 We expect Chair Gensler to be fielding tough  
11 questions on its rulemaking agenda and specifically on  
12 climate risk disclosure usual.

13 Finally, since the last update, we have submitted  
14 two comment letters. At the end of March, we joined with  
15 a group of other State public pension plans in writing the  
16 SEC on their proposal to revise various ask -- aspects --  
17 sorry about that -- of Regulation National Market System.  
18 The group's comments focused on supporting two specific  
19 changes dealing with access fees and rebates along with  
20 minimum pricing increments.

21 And then last week, we wrote to CMS in general  
22 support of its Medicare drug pricing negotiation program.  
23 The main purpose of our letter though was to provide them  
24 with the top 30 most expensive Part D drugs for CalPERS  
25 Medicare population post rebates, in the hope that this

1 will help CMS as they continue to refine its process for  
2 the negotiation of the top 10 Part D drugs for 2026. The  
3 SEC letter can be found on our website and the CMS letter  
4 should be there soon.

5 And with that, that ends my update. Happy to  
6 answer any questions.

7 PRESIDENT TAYLOR: Thank you, Mr. Brown. So  
8 first, I want to -- I just want to make sure in the State  
9 of California, we're not behaving like the red states. So  
10 I don't know -- I don't see us taking -- I don't see a  
11 need for us to take a position on SB 637, but I think it's  
12 a little bit -- I don't know if we want to work with the  
13 author. It seems a little bit difficult for us to -- I  
14 would imagine every bank probably does business somehow or  
15 another with a Walmart, or a Dick's Sporting Goods, or  
16 whomever that --

17 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Yeah,  
18 we'll definitely work with them as they, you know, bring  
19 the bill back next year. But it is focused on  
20 manufacturers of firearms and ammunition, so it wouldn't  
21 necessarily be -- as far as I know, the bill is written  
22 out, it wouldn't be like the retailers, but still it's  
23 unclear, you know, which banks may be impacted.

24 CHAIRPERSON TAYLOR: Yeah.

25 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: And I

1 know we do business with at least, you know, three or four  
2 banks.

3 PRESIDENT TAYLOR: Yeah. And as I understand it,  
4 the states that have used that banking process to pull out  
5 of -- for climate change and stuff have lost money. I  
6 don't want to see us losing money over this, but that --  
7 that's just commentary.

8 What I actually would like to ask is if you could  
9 work with Matt Jacobs, run some legislation, because we  
10 were looking at the PERL to get voter lists when we --  
11 we've got a year to do this. I don't know if that will be  
12 enough time, so that we can update voter lists as people  
13 are running their elections, et cetera. So I know that  
14 that information can't be had based on the current PERL.  
15 So if you don't mind, I appreciate it.

16 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Sure.  
17 I will take that direction

18 PRESIDENT TAYLOR: All right. Thank you very  
19 much.

20 Mr. Pacheco.

21 BOARD MEMBER PACHECO: Yes. Thank you. Thank  
22 you, Madam President. And thank you, Mr. Brown, for your  
23 report here. So I just have a couple of questions. The  
24 first one is on AB 739, the suspension for the required  
25 contribution in PEPRA. I know we're still monitoring

1 that. And I'm just curious about the -- how that -- how  
2 that came about? I'm just wondering if that's something  
3 I -- if you can just elaborate a little bit more on that.

4 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Well,  
5 I think it really is what I would call a -- we would refer  
6 to as a spot bill or what we'd say a movable spot bill, so  
7 it's something that could be heard and moved, but it's not  
8 really what the author's intention is to actually do this  
9 bill. It's to move something along and use it for  
10 something else down the road.

11 BOARD MEMBER PACHECO: That's what I figured.

12 And then the last item that I just want to talk  
13 about is the SB 300, the public employees retirement  
14 fiscal impact the -- from the Legislative Analyst's  
15 Office. What is -- I mean, what's that about then? I'm  
16 just curious. I just -- it's just some report that we're  
17 going to be -- they want us to generate, if it passes?

18 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: It's  
19 actually a report by the Legislative Analyst's Office. So  
20 I think they're looking at an independent agency per se to  
21 do a cost analysis on any bill that amends the PERL. I  
22 mean, we are already required to do that. Our actuaries  
23 do a cost analysis on any benefit improvement. So this  
24 would be a layer on top of that or it could be, you know,  
25 any bill that amends the PERL, that now this -- that the

1 Legislative Analyst's Office would require to issue a  
2 report to the Leg. -- to that Committee before they can  
3 hear the bill.

4 BOARD MEMBER PACHECO: So -- and -- but we  
5 provide -- I mean, it's my understanding do provide an  
6 analysis of that -- of those information to the -- to the  
7 legislative process, am I correct?

8 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:

9 Correct. We're required by statute to provide a  
10 cost analysis to the fiscal committees.

11 BOARD MEMBER PACHECO: So I'm confused then why  
12 would this --

13 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Yeah,  
14 I --

15 BOARD MEMBER PACHECO: -- why would this be a --  
16 it seems to be redundant.

17 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: I  
18 would agree, but I think it's -- I think you just have to  
19 look at, you know, where it's coming from and maybe they  
20 feel like there needs to be someone other than CalPERS  
21 providing that information.

22 BOARD MEMBER PACHECO: Okay. Very good then.  
23 Thank you so much.

24 PRESIDENT TAYLOR: All right. Mr. Ruffino.

25 ACTING BOARD MEMBER RUFFINO: Yeah. Thank you,

1 Madam Chair. Mr. Brown, thank you for your report. And  
2 forgive me, I did not catch your third bill. You said SB  
3 885, SB 252. And the third one was?

4 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: SB  
5 637.

6 ACTING BOARD MEMBER RUFFINO: Got it. Thank you.  
7 Thank you, sir.

8 PRESIDENT TAYLOR: That's the firearms one that I  
9 was talking about.

10 Seeing no other questions from the Board, Mr.  
11 Brown. I think that's it. I do have public comment --  
12 well, let me do your summary of Board direction, which I  
13 think you already did, but go ahead.

14 CHIEF EXECUTIVE OFFICER FROST: Thanks, Ms.  
15 Taylor. Yes, noted, the one recent, bringing back draft  
16 legislation to allow CalPERS to disclose members who have  
17 voted in CalPERS elections.

18 PRESIDENT TAYLOR: Yes, voter member lists.  
19 Thank you.

20 And with that, I have two public comments.

21 Mr. Jelincic.

22 MR. JELINCIC: J.J. Jelincic, beneficiary.

23 Through 19 -- through 2021, CalPERS  
24 adjusted risk -- risk adjusted HMOs based on the health  
25 characteristics of the population. That risk adjusted

1 mitigated adverse selection. Beginning in 2022, CalPERS  
2 adjusted HMOs based on what the insurance company paid  
3 out. This mitigates adverse selection, high costs, and  
4 bad rate negotiations with providers. This will not lead  
5 to sharper pencils. If you subsidize members who pick  
6 high-cost, high-premium plans, and punish members who pick  
7 plans with strong cost containment and lower premiums, you  
8 encourage bad behavior. Over time, this will push up  
9 total medical costs.

10 I live in Hayward. And that city and the  
11 employees pay CalPERS almost 6,000 a month more than the  
12 HMOs -- for the HMOs than CalPERS pays the insurance  
13 companies on their behalf. Riverside County is hit with  
14 just under 7,000 a month in surcharges. Madera County and  
15 its employee pay over \$22,000 per month more for the  
16 premiums than the negotiated rates. Oakland gets hit with  
17 a \$219,000 a month surcharge. El Cajon pays an extra  
18 518,000 a month. But it's not all bad, Palm Springs gets  
19 a subsidy.

20 I acknowledge that the rate adjustments impact  
21 only the basic plans. However, policies that encourage  
22 higher medical costs will eventually affect all of us. I  
23 urge you to review and reconsider how you risk adjust  
24 HMOs. Insurance companies should not be protected from  
25 their own failure to control costs.

1 Thank you.

2 PRESIDENT TAYLOR: Thank you, Mr. Jelincic.

3 My next public comment I believe is on the phone.

4 STAKEHOLDER RELATIONS ASSISTANT DIVISION CHIEF

5 TEYKAERTS: Good morning, Madam President. We do have one  
6 caller on the phone. First up, we have Earlene Stevenson.  
7 Go ahead Earlene.

8 MS. STEVENSON: Good morning. How are you guys  
9 doing?

10 PRESIDENT TAYLOR: Good.

11 MS. STEVENSON: Am I being heard? Good morning?

12 PRESIDENT TAYLOR: Yes, ma'am. Go ahead.

13 MS. STEVENSON: Hello.

14 Okay. Thank you. I have a layman question and  
15 I'm just a retiree. I wanted someone to explain to me the  
16 COLA process. Although I do understand the CPI, I just  
17 look at inflation basically being less in -- less in 2021  
18 than it was in 2022. However a majority of the people got  
19 more in '21 than in '22, other than the people that  
20 retired in the year '81 or early, which they get an eight  
21 percent. I just want someone to make it make sense to me,  
22 is that we don't have a standard COLA like three percent  
23 for everyone, four percent for everyone, to keep it  
24 simple, because I see that some people only got four  
25 percent within the last two years when inflation went up

1 14 -- over 14.5 percent. I just want someone to say, hey,  
2 this is what it is, because it doesn't even appear to be  
3 contractual. When I look at that, I go not the same  
4 people still as last year were allocated the same  
5 amounts -- or same percentages, so what are we basing the  
6 CPI? How are we doing the COLA and why are we not  
7 standardized? Why we just don't give out one percent  
8 across the board?

9 PRESIDENT TAYLOR: Okay. Thank you. So I will  
10 have Mr. Teykaerts grab your number and contact  
11 information, and we'll have someone contact you and get  
12 back to you with that, is that all right?

13 MS. STEVENSON: Yeah. Okay. More something  
14 similar to the -- yeah, something similar to the  
15 government. They give out one percent across the board.

16 PRESIDENT TAYLOR: Okay. I appreciate it.

17 MS. STEVENSON: Talk to you soon.

18 PRESIDENT TAYLOR: Thank you. All right.  
19 Anymore?

20 MS. STEVENSON: Thank you very much. Appreciate  
21 it. Bye-bye.

22 PRESIDENT TAYLOR: All right. No more phone  
23 calls I'm seeing. So then public comment is over. So at  
24 this point -- oh, I have two. Mr. Ruffino was first. I'm  
25 sorry.

1           ACTING BOARD MEMBER RUFFINO: That's okay. Thank  
2 you. Madam President, I'd like to ask for a point of  
3 personal privilege, if I may?

4           PRESIDENT TAYLOR: Absolutely. Go ahead.

5           ACTING BOARD MEMBER RUFFINO: Thank you. Just  
6 wanted to -- on behalf of the Treasurer, wanted to commend  
7 a member -- CalPERS staff -- staff team member Luis Lemus  
8 I hope I'm pronouncing your name right, Luis, for his  
9 prompt and professional assistance to one of our  
10 constituents who was transitioning to Medicare Part B in  
11 CalPERS. And you made a difference to that particular  
12 constituent. Thank you for your -- for your assistance.

13           Also, the Madam Treasurer would like to join  
14 CalPERS and her colleagues in congratulating Kim Malm and  
15 also to thank her for her prompt professional assistance  
16 to the State Treasurer's office with various constituents  
17 issue. Thank you for your help.

18           And finally, the Treasurer also wants to join  
19 CalPERS in congratulating Mr. Ramon -- I didn't catch your  
20 last name -- on your DVBE achievement. That's great news  
21 for us and for the DVBE community.

22           And with that, thank you, Madam Chair.

23           PRESIDENT TAYLOR: Thank you, Mr. Ruffino.

24           Ms. Walker.

25           BOARD MEMBER WALKER: Thank you. So I was at a

1 meeting last week and I had a conversation with Mr.  
2 Jelincic. And I had asked him about the COLA and he  
3 reminded me that about a couple of years ago, maybe a year  
4 ago, CalPERS had a good explanation for the COLA up on the  
5 website. And so I was -- if it's not still there, if we  
6 could get it put back up, because it had a very good  
7 explanation.

8 PRESIDENT TAYLOR: All right. Thank you. Good  
9 points.

10 CHIEF EXECUTIVE OFFICER FROST: It's still up  
11 there.

12 PRESIDENT TAYLOR: It is still up, is that what  
13 you're saying?

14 CHIEF EXECUTIVE OFFICER FROST: Um-hmm.

15 PRESIDENT TAYLOR: Okay. Thank you very much,  
16 but we'll check and make sure. And I have something else  
17 coming before -- public comment. Oh, we have one more  
18 public comment on the phone. Go -- is it -- Mr.  
19 Teykaerts, go ahead?

20 STAKEHOLDER RELATIONS ASSISTANT DIVISION CHIEF  
21 TEYKAERTS: Yes, Madam President. We have one more call.  
22 This is Mark Chekal. Go ahead, Mark.

23 MR. CHEKAL: Hi. My name is Mark Chekal. And  
24 I'm calling on my own time. I'm a 25-year CalPERS member  
25 and a legislative employee.

1 I'm calling on about Optum. I wasn't in a severe  
2 car accident in early January and -- broken sternum,  
3 concussion, broken teeth, fingers. And I got a  
4 prescription for vicodin from my primary care doctor and  
5 Optum -- I went to CVS. They said they couldn't fill it  
6 that Optum wouldn't pay for it, and I had to pay cash,  
7 which was almost \$90.

8 I -- my doctor wrote three appeals at Optum's  
9 request and denied every time. So I ended up being out  
10 that money. I happen to be friends with -- a former  
11 co-worker of mine who works for you all. He connected me  
12 with your staff who told me that this was federal law,  
13 that I wasn't allowed to get this drug originally. It  
14 turns out she was wrong and it's about your contract --  
15 that's your contract between CalPERS and Optum around the  
16 use of opioid drugs.

17 And my doctor who I've seen for almost 25 years  
18 myself is just beside himself about the paperwork and  
19 still getting denied. And rather than me recovering from  
20 my terrible accident for which I had (inaudible) for, I'm  
21 fighting with Optum and CalPERS. So I wanted to say that  
22 you all need to fix this contract. This is your contract  
23 and you need to make it simpler for doctors about how they  
24 prescribe opioid drugs when people need it. In addition,  
25 I'm having a problem with CalPERS with coordination of

1 benefits. I happen to have two health plans and I've been  
2 told by you all that they should coordinate in terms of  
3 prescription drug coverage. And Optum says they can't do  
4 it and the same with CVS. So I really would like to urge  
5 you guys to put some attention into your contracts and  
6 prescription drugs, because I'm very much not happy. And  
7 I shouldn't be out of pocket so much money, because of  
8 some contract you have. Thank you so much. I appreciate  
9 your time.

10 PRESIDENT TAYLOR: Thank you very much for  
11 calling in. We appreciate that. We had a long discussion  
12 a couple of years ago about opioids. And I'm not sure  
13 what this contract issue is, but I remember very clearly  
14 making sure with our health department that we were not  
15 throwing the baby out with the bath water. If someone is  
16 in an accident, like we're hearing about, and their  
17 physician is asking them to have some opioids, I'm not  
18 sure why they wouldn't be covered at all. So if we could  
19 get back to this gentleman, that would be something very  
20 helpful, as well as coordination of benefits. That seems  
21 like a problem.

22 So hopefully, Mr. Teykaerts, if you can get his  
23 information. I don't know if he heard.

24 STAKEHOLDER RELATIONS ASSISTANT DIVISION CHIEF  
25 TEYKAERTS: Yes, we have it.

1           PRESIDENT TAYLOR: Okay. Great. I appreciate  
2 it.

3           With that, I think we are ready to recess our  
4 meeting and move into closed session for items 1 through  
5 3. This will include the following litigation matter,  
6 Wedding et al. versus CalPERS. (Clears throat). Excuse  
7 me. We will also receive the General Counsel's update on  
8 pending litigation. And after the closed session, the  
9 Board will reconvene in open session.

10           So right now, we are recessing into closed  
11 session. Thank you very much for attending. We will see  
12 you in June.

13           (Off record: 9:52 a.m.)

14           (Thereupon the meeting recessed  
15 into closed session.)

16           (Thereupon the meeting reconvened  
17 open session.)

18           (On record: 10:22 a.m.)

19           PRESIDENT TAYLOR: All right. Good morning.  
20 Welcome back to open session. There was nothing to  
21 report. There were no votes taken in closed session, so  
22 that adjourns this month's Board of Administration and  
23 Committee meetings.

24           Thanks for joining us everyone and we will see  
25 everybody back in June. Those of us on the Board,

1 however, will have a short meeting in May via Zoom.

2 Thank you very much.

3 Meeting adjourned.

4 (Thereupon, the California Public Employees'  
5 Retirement System, Board of Administration  
6 meeting open session adjourned at 10:23 a.m.)

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CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration open session meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of April, 2023.

JAMES F. PETERS, CSR  
Certified Shorthand Reporter  
License No. 10063