

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

WEDNESDAY, FEBRUARY 21, 2024

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 Deborah Gallegos

Fiona Ma, represented by Patrick Henning

Lisa Middleton

Eraina Ortega

Jose Luis Pacheco

Kevin Palkki

Ramón Rubalcava

Yvonne Walker (Remote)

Mullissa Willette

Gail Willis, PhD (Remote)

STAFF:

Marcie Frost, Chief Executive Officer

Dan Bienvenue, Interim Chief Investment Officer

Michael Cohen, Chief Operating Investment Officer

Douglas Hoffner, Chief Operating Officer

Matthew Jacobs, General Counsel

Stephenson Loveson, Chief Information Officer

Kim Malm, Deputy Executive Officer, Customer Services & Support

Donald Moulds, PhD, Chief Health Director

APPEARANCES CONTINUED

STAFF:

Michele Nix, Acting Chief Financial Officer

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

ALSO PRESENT:

William Michael Cunningham, Creative Investment Research

Charlie Dore, Dore Partnership

Richard Hutton, Dore Partnership

Crawford Torell, Dore Partnership

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PROCEEDINGS

1  
2 PRESIDENT TAYLOR: All right. Good morning. I'm  
3 calling the Board of Administration to order. And our  
4 first order of business is roll call, please.

5 BOARD CLERK ANDERSON: Theresa Taylor?

6 PRESIDENT TAYLOR: Here.

7 BOARD CLERK ANDERSON: David Miller?

8 VICE PRESIDENT MILLER: Here.

9 BOARD CLERK ANDERSON: Deborah Gallegos for Malia  
10 Cohen?

11 ACTING BOARD MEMBER GALLEGOS: Here.

12 BOARD CLERK ANDERSON: Patrick Henning for Fiona  
13 Ma?

14 ACTING BOARD MEMBER HENNING: Here.

15 BOARD CLERK ANDERSON: Lisa Middleton?

16 BOARD MEMBER MIDDLETON: Present.

17 BOARD CLERK ANDERSON: Eraina Ortega?

18 BOARD MEMBER ORTEGA: Here.

19 BOARD CLERK ANDERSON: Jose Luis Pacheco?

20 BOARD MEMBER PACHECO: Present.

21 BOARD CLERK ANDERSON: Kevin Palkki?

22 BOARD MEMBER PALKKI: Good morning.

23 BOARD CLERK ANDERSON: Ramón Rubalcava?

24 BOARD MEMBER RUBALCAVA: Present.

25 BOARD CLERK ANDERSON: Yvonne Walker?

1 BOARD MEMBER WALKER: Here.

2 BOARD CLERK ANDERSON: Mullissa Willette?

3 BOARD MEMBER WILLETTE: Here.

4 BOARD CLERK ANDERSON: Dr. Gail Willis?

5 PRESIDENT TAYLOR: All right. Thank you,  
6 everybody.

7 So good morning, Board members. Because we were  
8 not all present in the room at the same time and Board  
9 members are participating from remote locations that are  
10 not accessible to the public -- sorry about that -- the  
11 Bagley-Keene Act requires that remote Board members make  
12 certain disclosures about any other persons present with  
13 them during open session. Accordingly, the Board members  
14 participating remotely must each either attest that when  
15 they are alone or, two, if there are one or more persons  
16 present with them who are at least 18 years old, the  
17 nature of the Board member's relationship to each person.

18 At this time I will ask Yvonne Walker to attest  
19 accordingly.

20 BOARD MEMBER WALKER: I am not alone. My nurse  
21 is in here with me, but they cannot see or hear anything.

22 PRESIDENT TAYLOR: All right. Thank you.

23 BOARD MEMBER WALKER: So I attest.

24 PRESIDENT TAYLOR: Thank you.

25 All right. So next on the agenda is the Pledge

1 of Allegiance. And I haven't asked anybody, so I will  
2 lead us in the Pledge of Allegiance.

3 (Thereupon the Pledge of Allegiance was  
4 recited in unison.)

5 PRESIDENT TAYLOR: All right. Thank you. It's  
6 been a while since I've been there anyway.

7 All right. We're moving on to the next item,  
8 which is my report. And I want to welcome everybody.  
9 Good morning. I hope everyone's enjoying the rain. We  
10 were just discussing that in the back.

11 I want to congratulate my colleagues who have  
12 been elected to serve as chairs and vice chairs of our  
13 committees that met yesterday. So congratulations to all  
14 of you. And we all look forward to working with you  
15 throughout the year.

16 As many of you know, February is Black History  
17 Month. It's an annual celebration of achievements by  
18 African Americans and a time for recognizing the central  
19 role of blacks in our history. Our country has celebrated  
20 Black History Month since 1926. The originators, the  
21 Association for the Study of African American Life and  
22 History, sets the theme each year with a goal of further  
23 exploration, education, awareness and action around issues  
24 important to Black Americans. And this year's theme is  
25 African Americans and the Arts, which explores the key



1 influence African Americans have had on visual arts, music  
2 and movements. Celebrating the artistic contributions of  
3 our African Americans puts into the national spotlight the  
4 richness of the past and present with an eye towards what  
5 the rest of the 21st Century will bring.

6 Our neighbor, the Crocker Museum, is featuring  
7 exhibitions of black artists this month -- this month, and  
8 if you have a chance, please go visit.

9 And I'm going to put you guys on the spot here.  
10 But I'd like to now turn the floor over to a couple of my  
11 colleagues on the Board to share their experience at our  
12 recent board education events. So, Kevin, hold on; let me  
13 get you, push your button.

14 Go ahead.

15 BOARD MEMBER PALKKI: Yeah. No, I really just  
16 wanted to share my thanks to Kim Malm and her team and all  
17 the presenters really that put on a wonderful event in  
18 Riverside this past couple weeks ago. We -- it's in my  
19 backyard. But it was nice to see so many people attend.  
20 And I'm hoping that that sort of continues into the next  
21 ones we do; and the more we can share sort of the  
22 information, the better.

23 So thank you.

24 PRESIDENT TAYLOR: Thank you, guys, for the  
25 event.

1 Mr. Rubalcava. Hold on, push your button for me.

2 Thank you.

3 BOARD MEMBER RUBALCAVA: Thank you, Madam  
4 President. I have a little cold, so be I'll be brief.

5 It was in my backyard. But now we're further  
6 away than my colleague.

7 I do want to also thank Ms. Malm and her team,  
8 and also David Rubio because he was very helpful in  
9 setting me up with some introductions to different  
10 programs and stuff.

11 So I'll be quiet, because I want to save my  
12 voice. And, Madam President, the Vice Chair, Kevin  
13 Palkki, will be reading the meeting summary for that  
14 committee.

15 PRESIDENT TAYLOR: Okay. Thank you very much. I  
16 am so sorry that you feel bad.

17 All right. So I wanted to congratulate Kim and  
18 her team. They always do such a great job for our CBEEs.  
19 As Kim described yesterday, these are really, really  
20 popular. And how many -- were there over a thousand  
21 folks?

22 There we go.

23 CHIEF EXECUTIVE OFFICER FROST: About 1,400  
24 between the two days.

25 PRESIDENT TAYLOR: Wow. So congratulations on a

1 successful event. We appreciate that work.

2 (Applause).

3 PRESIDENT TAYLOR: So again, thank you, guys, for  
4 sharing.

5 Finally, as an update to our search for a Chief  
6 Investment Officer, the Board will be conducting  
7 interviews with our CEO on February 28th. We hope to have  
8 a candidate in place by the end of March.

9 And now I'm going to turn it over to Ms. Frost  
10 for her report.

11 CHIEF EXECUTIVE OFFICER FROST: Good morning,  
12 President Taylor. And again, congratulations - you've  
13 heard this a couple of times - to our 2024 committee  
14 chairs and vice chairs.

15 I'll start my remarks today with the stakeholder  
16 forum, and just acknowledge that it was an event that I  
17 think our stakeholders felt they were a part and had rated  
18 it pretty highly. It does continue to be an important  
19 touchpoint for the stakeholders and the rest of CalPERS  
20 including all of you.

21 We were pleased to have a variety of members and  
22 stakeholders represented, whether they joined us  
23 physically or whether they were in the room. In total, we  
24 were engaged with over 500 people throughout the day. And  
25 about 60 of those joined us in person.

1           We did start off with a networking session that  
2 rated very highly in the post-event survey; followed by  
3 presentations that shared important information and  
4 context about where we stand at CalPERS. Over 90 percent  
5 of survey respondents reported that they found the  
6 information to be useful and are likely to come back for  
7 stakeholder forums in the future.

8           Many of the additional comments shared  
9 appreciation for being able to connect with the teams, and  
10 with the Board in particular. And not surprisingly I  
11 heard the same from many of you.

12           Connecting one-on-one and receiving direct  
13 feedback from those we serve is essential to doing our  
14 jobs well.

15           I'd also like to thank all of those who joined  
16 us, and to remind everyone that the forum is available for  
17 viewing on our CalPERS YouTube channel.

18           And since we did mention that Riverside CBEE, it  
19 is an important part of the lineup that we have here in  
20 educating our members and getting our members ready for  
21 retirement. So we did talk about 1400 in person. It's  
22 the largest CBEE we've had since we came back post-COVID,  
23 although I know we're still amidst COVID.

24           But this really does reinforce the importance of  
25 connecting with people in person.

1           However, we do continue to offer the virtual  
2 options because we continue to get feedback that some  
3 individuals are not able to attend these events in person,  
4 and would like to keep that option available. So on April  
5 10th and 11th we will have the in-person and then -- oh,  
6 excuse me, that'll be the virtual one, with another  
7 in-person CBEE planned for Southern California in the late  
8 spring. And we'll get you those dates as soon as we have  
9 them.

10           They are free and very easy for members to  
11 register for us. So we highly, highly encourage  
12 participation.

13           I have one last event relate -- that is a  
14 save-the-date announcement for our annual CalPERS  
15 Education Forum. It will be held October 28th through the  
16 30th in San Diego at the Town and Country Resort. It  
17 marks the 25th year of this important gathering. I know  
18 that a lot of our employer partners like to get this date  
19 on their calendars and plan accordingly. Registration  
20 will open in early June.

21           Now to touch on our annual employee engagement  
22 survey. This is an important part of the human capital  
23 work that we do here at CalPERS. It's a valuable tool  
24 that we use to assess the culture, and really to  
25 understand what's working well in the organization and the

1 areas that we need to continue to improve upon.

2           Based on 2023 research from Gardner, engaged  
3 employees are 31 percent more likely to stay at their  
4 organization and go above and beyond in their work.  
5 They're also 15 percent more willing to continue to the  
6 company's goals. After adding 150 new team members  
7 through our graphic recruitment event last year, we were  
8 very much looking forward to seeing what the results would  
9 bring. We conducted the survey last fall and received the  
10 results from our third-party vendor Perceptyx last month.  
11 And here are a few things of what we learned.

12           Three percent more team members took the survey  
13 than in 2022. That's just over 1800 of our 2800 employee  
14 population. We saw increased scores across all categories  
15 compared to the 2022 survey. The most notable increases  
16 related to having career opportunities at CalPERS:  
17 Feeling valued and recognizing and rewarding outstanding  
18 performance.

19           One of the key takeaways of the survey compared  
20 to last year is the improvement in the net promoter score.  
21 And the net promoter score is to what extent or how likely  
22 would you be as an employee at CalPERS to refer a friend  
23 or a family member to work at CalPERS. That score  
24 continued to increase. And it is one of the areas that I  
25 closely monitor. We want employees who are working

1 already at CalPERS to refer other people to work here.

2 What they say about this organization is paramount.

3 We realized another improvement that we're

4 especially proud of: an increase in the number of

5 responses to self-identifying demographic questions.

6 These are optional. Questions the team can respond to.

7 And I'm pleased to report that after three years of

8 including them in a survey, the data continues to grow.

9 We saw positive trends compared to last year with several  
10 identity groups.

11 As far as areas for improvement, there are some

12 recurring themes -- recurring themes from the last two

13 years. First, more than half the team believes we can

14 improve communications between divisions and the hand-off

15 of work between divisions.

16 Secondly, team members want to be more

17 appropriately involved in the decisions that affect their

18 work and also feel that sufficient effort should be made

19 to seek their opinions.

20 And then last, while we saw great improvement and

21 value in team member contributions, we still have an

22 opportunity to grow in that area as well.

23 The next step is for leaders across the

24 organization to share the results of this survey with

25 their own teams. We will also conduct focus groups to get

1 a deeper understanding of some of the survey results.  
2 Numbers are an indicator that what we give you isn't  
3 necessarily the cause of what's causing that score to be a  
4 little bit lower than what we would like to see. So what  
5 has worked I think very well for us over the last few  
6 years is to conduct those focus groups, get the context  
7 and really understand the expectations of our team on how  
8 if we're scoring this we'll say on a 1 to 5 scale, we're  
9 scoring this on a 3. What would it look like to be a 4,  
10 what would it look like if this was working on a 5 level,  
11 a superior level? And then taking all of that feedback  
12 from the focus groups and then creating those action  
13 plans.

14           We know this approach does work. We did launch a  
15 recognition campaign last year in response to some focus  
16 group feedback, and we saw a 53 percent increase in the  
17 use of the employee recognition tools.

18           In summarizing the survey, I consider all the  
19 feedback each year as a real gift to the organization. It  
20 does provide us with that opportunity to grow and  
21 strengthen the culture.

22           While there is always room for improvement, we  
23 can be proud that we did see improvement across all survey  
24 categories compared to 2022.

25           And then one last thing before I close. I would



1 like to mention the State Employee Food Drive that ran  
2 from November 9th through January 8th. This is the annual  
3 food drive among State agencies that includes food and  
4 monetary donations, in addition to volunteer service hours  
5 at local food banks. Overall the statewide campaign  
6 resulted in more than 11,000 pounds of food donated,  
7 \$89,000 in monetary donations, and nearly 700 hours  
8 volunteered with non-profit organizations. CalPERS is the  
9 top agency in monetary donations, raising more than  
10 \$19,000 of the 89. We also had the highest participation  
11 in the Run to Feed the Hungry Thanksgiving Day Race with  
12 82 of our team members participating.

13 Year after year, I am really grateful work with a  
14 generous team that cares about our community. And I'd  
15 like to thank Suzie. I think Suzi Ishikawa is in our  
16 audience from our stakeholder relations team - for serving  
17 as our food drive coordinator this year.

18 That does conclude my report. And back to you,  
19 President Taylor.

20 PRESIDENT TAYLOR: Do I have any questions from  
21 the Board?

22 Okay. Thank you very much, Ms. Frost.

23 Moving on, we are on action consent items.

24 What's the pleasure of the Board?

25 VICE PRESIDENT MILLER: So moved.

1 BOARD MEMBER PACHECO: I'll second.

2 PRESIDENT TAYLOR: Okay. Moved by Mr. Miller,  
3 seconded by Mr. Pacheco.

4 All those in favor -- and we have to do a roll  
5 call vote, please.

6 BOARD CLERK ANDERSON: David Miller?

7 VICE PRESIDENT MILLER: Aye.

8 BOARD CLERK ANDERSON: Deborah Gallegos?

9 ACTING BOARD MEMBER GALLEGOS: Aye.

10 BOARD CLERK ANDERSON: Patrick Henning?

11 ACTING BOARD MEMBER HENNING: Aye

12 BOARD CLERK ANDERSON: Lisa Middleton?

13 BOARD MEMBER MIDDLETON: Aye.

14 BOARD CLERK ANDERSON: Eraina Ortega?

15 BOARD MEMBER ORTEGA: Aye.

16 BOARD CLERK ANDERSON: Jose Luis Pacheco?

17 BOARD MEMBER PACHECO: Aye.

18 BOARD CLERK ANDERSON: Kevin Palkki?

19 BOARD MEMBER PALKKI: Aye.

20 BOARD CLERK ANDERSON: Ramón Rubalcava?

21 BOARD MEMBER RUBALCAVA: Aye.

22 BOARD CLERK ANDERSON: Yvonne Walker?

23 PRESIDENT TAYLOR: Can't hear you, Yvonne.

24 BOARD MEMBER WALKER: Aye.

25 PRESIDENT TAYLOR: Thank you.

1 BOARD CLERK ANDERSON: Mullissa Willette?

2 BOARD MEMBER WILLETTE: Aye.

3 BOARD CLERK ANDERSON: Dr. Gail Willis?

4 PRESIDENT TAYLOR: Did we get Mullissa? Okay.

5 All right. Motion carries. Thank you very much.

6 I have not received any requests to remove  
7 anything from the information consent items, so we're  
8 going to move on to the committee reports.

9 And let's move -- let's start with Pension and  
10 Health Committee Benefits Report. And with that, Mr.  
11 Palkki can you -- thank you.

12 Go ahead.

13 BOARD MEMBER PALKKI: Thank you, President.

14 The Pension and Health Benefits Committee met on  
15 February 20th, 2024. The Committee held an election for  
16 the Pension and Benefits committee Chair and Vice Chair.  
17 Ramón Rubalcava was elected Chair and Kevin Palkki was  
18 elected Vice Chair.

19 The Committee received reports on the following  
20 topics:

21 The Committee received a presentation by and a  
22 discussion with Greg Adams, Chief Executive Officer of the  
23 Kaiser Foundation Health Plan.

24 The Committee received public comments regarding  
25 alternative dental plans, appreciation for access to

1 retiree warrants on line, and risk adjustments.

2           At this time I'd like to share some highlights of  
3 what to expect at the March PHBC meeting. The Committee  
4 will approve the proposed amendments to regulation  
5 definition and reporting of full-time employment, receive  
6 the health open enrollment results, receive a report on  
7 retired members' cost of living, and be presented with  
8 another health plan spotlight.

9           The next meeting of the PHBC is scheduled for  
10 March 19, 2024, in Sacramento, California.

11           PRESIDENT TAYLOR: Thank you very much,  
12 Mr. Palkki.

13           Our next is Finance Administration. For that let  
14 me call on Ms. Middleton.

15           BOARD MEMBER MIDDLETON: All right. Thank you.

16           The Finance and Administration Committee met on  
17 February 20, 2024. The Committee held an election for  
18 Finance and Administration Committee Chair and Vice Chair.  
19 Lisa Middleton was elected chair and David Miller was  
20 elected vice chair.

21           The Committee recommends, and I move, the Board  
22 approve the following:

23           Agenda item 4E, approve the June 30, 2023,  
24 Legislators' Retirement System Actuarial Valuation report,  
25 adopt the employer contribution amount of \$75,085 for the

1 period of July 1, 2024, through June 30, 2025, for the  
2 Legislators' Retirement System.

3 PRESIDENT TAYLOR: On motion by Committee. All  
4 those in -- oh, we have to do roll call vote. But all  
5 those in favor:

6 BOARD CLERK ANDERSON: David Miller?

7 VICE PRESIDENT MILLER: Aye.

8 BOARD CLERK ANDERSON: Deborah Gallegos?

9 ACTING BOARD MEMBER GALLEGOS: Aye.

10 BOARD CLERK ANDERSON: Patrick Henning?

11 ACTING BOARD MEMBER HENNING: Aye.

12 BOARD CLERK ANDERSON: Lisa Middleton?

13 BOARD MEMBER MIDDLETON: Aye.

14 BOARD CLERK ANDERSON: Eraina Ortega?

15 BOARD MEMBER ORTEGA: Aye.

16 BOARD CLERK ANDERSON: Jose Luis Pacheco?

17 BOARD MEMBER PACHECO: Aye.

18 BOARD CLERK ANDERSON: Kevin Palkki?

19 BOARD MEMBER PALKKI: Aye.

20 BOARD CLERK ANDERSON: Ramón Rubalcava?

21 BOARD MEMBER RUBALCAVA: Aye.

22 BOARD CLERK ANDERSON: Yvonne Walker?

23 BOARD MEMBER WALKER: Aye.

24 BOARD CLERK ANDERSON: Mullissa Willette?

25 BOARD MEMBER WILLETTE: Yes.

1 BOARD CLERK ANDERSON: Dr. Gail Willis?

2 PRESIDENT TAYLOR: She's not here yet.

3 Okay. Motion carries.

4 Thank you.

5 Go ahead, Ms. Middleton.

6 BOARD MEMBER MIDDLETON: Thank you.

7 The Committee received an overview of the Funding  
8 Risk Mitigation Policy.

9 The Chair directed staff to bring back the  
10 Judges' Retirement System Actuarial Valuation and the  
11 Judges' Retirement System II Actuarial Valuation reports  
12 to the April FAC meeting as an action item.

13 Bring back the Funding Risk Mitigation Policy  
14 removing the automatic change to the discount rate and add  
15 a triggered board decision if we exceed our assumed rate  
16 by 2 percent.

17 The Committee heard public comment on the Funding  
18 Risk Mitigation Policy.

19 At this time, I would like to share a highlight  
20 of what to expect at the April 2024 Finance and  
21 Administration Committee meeting.

22 April 2024-25 Annual Budget Proposal.

23 Annual Review of Board Member Employer  
24 Reimbursements.

25 State and School Valuation Employer/Employee

1 Contribution Rates.

2 Long-term Care Valuation Report.

3 The next meeting of the Finance and  
4 Administration Committee is scheduled for April 15, 2024.

5 Thank you, Madam President.

6 PRESIDENT TAYLOR: Thank you, Ms. Middleton.

7 Our next report, Ms. Willette.

8 BOARD MEMBER WILLETTE: Thank you.

9 The Performance, Compensation & Talent Management  
10 Committee met on February 20th, 2024. The Committee held  
11 an election of the Performance, Compensation & Talent  
12 Management Committee Chair and Vice Chair. I, Mullissa  
13 Willette, was elected Chair and Kevin Palkki was elected  
14 Vice Chair.

15 A highlight of what to expect at the April 2024  
16 Performance, Compensation & Talent Management Committee  
17 meeting is the receipt of a report of Fiscal Year 2024-25  
18 incentive metrics for executive and investment management  
19 positions.

20 The next meeting of the Performance, Compensation  
21 & Talent Management Committee is scheduled for April 15,  
22 2024, in Sacramento, California. Thank you.

23 PRESIDENT TAYLOR: Thank you, Ms. Willette.

24 Our next report is Mr. Miller with Risk & Audit.

25 VICE PRESIDENT MILLER: The Risk & Audit

1 Committee met on February 20th, 2024. The Committee held  
2 an election for the Risk & Audit Committee Chair and Vice  
3 Chair. David Miller was elected chair and Lisa Middleton  
4 was elected vice chair of the Committee.

5 There were no action items.

6 The Committee received reports on the following  
7 topics:

8 An update on the 2023-2024 Enterprise Compliance  
9 and Risk Management Mid-Year Plan.

10 The Third-Party Valuation and Certification of  
11 the 2022 CalPERS Annual Valuations of the Judges, Judges  
12 II, Legislators, and 59 Survivor Pension Plans.

13 There were no public comments.

14 At this time, I would like to share some  
15 highlights of what to expect at the June 11th, 2024 Risk &  
16 Audit Committee meeting:

17 The 2023 through '24 Annual Compliance Report.

18 Financial Actuarial Review of CalPERS Actuarial  
19 Process.

20 The 2024 through '25 Enterprise Compliance and  
21 Risk Management Plans.

22 The next meeting of the Risk & Audit Committee is  
23 scheduled for June 11th, 2024, in Sacramento, California.

24 Back to you, President Taylor.

25 PRESIDENT TAYLOR: Thank you, Mr. Miller.



1           At this point, we're moving on to Action Agenda  
2 Item Number 8 on the agenda. And for that I will send  
3 that over to Mr. Miller.

4           VICE PRESIDENT MILLER: I move to adopt the  
5 proposed decisions of the Agenda items 8a1 through 4 as  
6 the Board's own decisions with the minor modifications  
7 argued by staff to Agenda Items 8a1.

8           PRESIDENT TAYLOR: So we need a roll call vote.  
9 All those in favor?

10           Please call the roll.

11           BOARD CLERK ORTEGA: David Miller?

12           VICE PRESIDENT MILLER: Aye.

13           BOARD CLERK ANDERSON: Deborah Gallegos?

14           ACTING BOARD MEMBER GALLEGOS: Aye.

15           BOARD CLERK ANDERSON: Patrick Henning?

16           ACTING BOARD MEMBER HENNING: Aye.

17           BOARD CLERK ANDERSON: Lisa Middleton?

18           BOARD MEMBER MIDDLETON: Aye.

19           BOARD CLERK ANDERSON: Eraina Ortega?

20           BOARD MEMBER ORTEGA: Aye.

21           BOARD CLERK ANDERSON: Jose Luis Pacheco?

22           BOARD MEMBER PACHECO: Aye.

23           BOARD CLERK ANDERSON: Kevin Palkki?

24           BOARD MEMBER PALKKI: Aye.

25           BOARD CLERK ANDERSON: Ramón Rubalcava?

1 BOARD MEMBER RUBALCAVA: Aye.

2 BOARD CLERK ANDERSON: Yvonne Walker?

3 BOARD MEMBER WALKER: Aye.

4 BOARD CLERK ANDERSON: Mullissa Willette?

5 BOARD MEMBER WILLETTE: Yes.

6 BOARD CLERK ANDERSON: Dr. Gail Willis?

7 PRESIDENT TAYLOR: We're still without Gail.

8 Okay.

9 All right. Motion carries.

10 Thank you very much.

11 We are now on Agenda Item 9, which is State and  
12 Federal Legislation Update.

13 Mr. Brown, I was looking in the audience for you  
14 there.

15 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: All  
16 right. Good morning, Madam President and Board members.  
17 Danny Brown, CalPERS team member.

18 Starting with the State legislative update. The  
19 Legislature reconvened on January 3rd to begin its work  
20 for 2024. As the second year of a two-year session,  
21 January 31st was the deadline for two-year bills to pass  
22 their house of origin. As you'll note in our written  
23 report, a number of the two-year bills that we were  
24 tracking failed to meet this deadline.

25 In January the Legislature also began to

1 introduce new bills and the Governor released his budget  
2 proposal on January 10th.

3           Regarding the Governor's January 10th budget, the  
4 top-lined item from CalPERS was the proposed supplemental  
5 payment at \$885,000,000 for State employee as unfunded  
6 liabilities.

7           We will continue to monitor this and any new  
8 proposals that may come up during the budget processes as  
9 it moves along.

10           Moving to the new-bill introduction. The  
11 deadline for new bills was last Friday. There was  
12 approximately 2100 new bills introduced this year. Around  
13 a thousand of them were just in the last few days of the  
14 week. So the team is busy processing those bills and  
15 looking to see which ones may impact our CalPERS programs  
16 and operations, and so we'll have a more comprehensive  
17 list next month on the bills that impact CalPERS.

18           Our team also continues to meet with stakeholders  
19 on the Board election of voter list leg. proposal. Many  
20 of their concerns remain. So we will continue to engage  
21 with them and report back as appropriate.

22           And then finally the Senate Labor Public  
23 Employment and Retirement Committee and the Assembly  
24 Public Employment Retirement Committees are holding a  
25 joint informational hearing on March 13th. They've asked

1 CalPERS and CalSTRS to provide an update on our respective  
2 climate investment initiatives. So we are currently  
3 working with our Public Affairs team and Investment Office  
4 on preparing that presentation.

5           Moving to the Federal update. I will start by  
6 mentioning we sent two letters to Congress last month.  
7 The first letter was sent to the Health, Employment, Labor  
8 and Pensions Subcommittee of the Education and Workforce  
9 Committee, supporting their work to lower health care  
10 costs while increasing access to care and protecting  
11 consumers.

12           The second letter was sent to Congressional  
13 leadership as well as leaders of several committees of  
14 jurisdiction and supported bipartisan legislative efforts  
15 Congress has taken this session to secure greater health  
16 care affordability. And we urge them to include several  
17 important health care costs containment provisions in the  
18 2024 federal budget.

19           Both letters received acknowledgement and  
20 positive responses from lawmakers, and both of these  
21 letters can be found on our external website.

22           Because of these bipartisan health care  
23 provisions, we are watching the budget negotiations with  
24 interest. The short-term measures funding federal  
25 government operations are set to expire on March 1st or

1 March 8th depending on the federal agency. And while  
2 there's reported agreement about top-level numbers, policy  
3 conflicts still seem to be a sticking point. We are  
4 hoping that if they do reach a deal, they will also agree  
5 to include some of these health care provisions in the  
6 budget act.

7 Finally, as we discussed back in January at the  
8 Board Education Day, CalPERS submitted a comment letter to  
9 bank regulators on Basal III proposal rules. We've had  
10 the opportunity meet with several of the bank regulators  
11 and discuss our issues. And while they are limited on the  
12 amount of feedback they can give, we are hopeful that the  
13 final rule will reflect our input.

14 And with that, I'll close my remarks and answer  
15 any questions you may have.

16 PRESIDENT TAYLOR: Does the Board have any  
17 questions on the report?

18 Mr. -- you have to -- oh, there you on. Sorry.

19 BOARD MEMBER PACHECO: That's okay.

20 Yes, thank you, Mr. Brown, for your again  
21 excellent presentation of material.

22 I just want to ask you a question about the HR82,  
23 the Social Security Fairness Act of 2023. I saw there in  
24 the notes that there are more than 300 co-sponsors; and it  
25 makes it eligible to be entered into the consent agenda --

1 or consent calendar. I'm just wondering, is that  
2 something that will eventually move to the floor or -- I'm  
3 just...

4 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: I  
5 think what I hear is no. I even though there's --  
6 everybody wants to do it, there's just not money to do it.  
7 So I don't think there -- it will -- it will be able to  
8 get through the House. I think what typically happens -  
9 it happened last year - is that the Leadership Senate  
10 Committee in order to avoid it from being able to go out  
11 on the House.

12 BOARD MEMBER PACHECO: Oh, I see. So it  
13 didn't -- it didn't go to the -- so it didn't get on the  
14 agenda for the Ways And Means Committee and it just kind  
15 of -- it's kind of stuck, right?

16 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Yeah.

17 BOARD MEMBER PACHECO: Okay. And the other  
18 question I have on -- just a -- you know, just a  
19 monitoring question on S-2007, the transparency --  
20 corporate transparency, is there any update on that or  
21 just we're still --

22 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: No,  
23 we're still kind of in a holding pattern. You know,  
24 we're -- they're -- right now I think the amount of work  
25 that's going to get done is going to be limited in this

1 election year, is two things that have to pass. And the  
2 other things, you know, may or may not, you know, get an  
3 opportunity to write along with those must-have bills.  
4 But I think -- you know, I think it's going to be lim -- I  
5 think we're going to see limited activity this year  
6 because of the election, and just kind of gearing things  
7 up for the following year.

8 BOARD MEMBER PACHECO: And the other -- and the  
9 only other two questions I have - and they're not on the  
10 list, but they were bills that were passed by the  
11 Governor, the SB -- S253 and S261, the SB -- that's right,  
12 SB. And just wondering, I know that there was some -- I  
13 believe there was a lawsuit and so forth and they're  
14 being -- and so where -- we are not on a monitoring  
15 process right now with those, or how --

16 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:

17 Correct. I think the -- I mean there is a  
18 lawsuit. I think the issue right now is the Governor did  
19 not include money in the budget to get those programs up  
20 and running.

21 BOARD MEMBER PACHECO: Okay.

22 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: But  
23 also there -- you know, the Governor wants some tweaks to  
24 the language that -- so I'm sure there's some negotiations  
25 going on between the author and the Governor, you know, to

1 get those changes that he wants and for the author to get  
2 the money that he needs to implement those programs.

3 BOARD MEMBER PACHECO: Very good. Thank --

4 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Yeah.

5 BOARD MEMBER PACHECO: Thank you very much for  
6 your comments.

7 PRESIDENT TAYLOR: Thank you very much. I know  
8 that seems like Greek for our audience. So maybe we could  
9 reference what these bills were, and SB 252 and --

10 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Sure.  
11 These are the who disclosure bills. One of them was  
12 Senator Stern's bill that -- around climate risk  
13 disclosure. And then the Senator Wiener bill has to do  
14 with just the largest 5,000 companies disclosing their  
15 Scope 1, Scope 2 and Scope 3 emissions that they're doing  
16 business in California.

17 PRESIDENT TAYLOR: Okay. Great.

18 Thank you very much for helping with that for our  
19 audience.

20 And with that, I appreciate your time. I don't  
21 see anybody else wanting to ask questions. So thanks,  
22 Mr. Brown.

23 We are now moving into our overview of the civil  
24 service interview process. And with that, I'm going to  
25 turn that over to Ms. Tucker when she gets settled in.



1           Oh, hold on. I do have to do the attestation for  
2 Gail.

3           So, Gail, welcome to the meeting. We are still  
4 in open session. But because we're not all present in the  
5 same room, Board members -- and Board members aren't  
6 participating -- or are participating from remote  
7 locations that are not accessible to the public, the  
8 Bagley-Keene Act requires the remote Board members to make  
9 certain disclosures about anybody else present with them  
10 during the session. So accordingly, the Board members  
11 participating remotely must each either attest that they  
12 are alone or attest if there are one or more persons  
13 present with them who are at least 18 years old the nature  
14 of the Board member's relationship to each person.

15           So, Gail, do attest to either that you're alone  
16 or that -- what the person that's with you, their age and  
17 such?

18           BOARD MEMBER WILLIS: I attest to the fact that I  
19 am alone. Thank you, Theresa.

20           PRESIDENT TAYLOR: Thank you so much.

21           BOARD CLERK ANDERSON: Ms. Taylor, we also do  
22 have a public on the line for 9a.

23           PRESIDENT TAYLOR: Oh. A public comment on line.  
24 Okay.

25           Sorry, I did not get that note.

1           Go ahead.

2           STAFF SERVICES MANAGER I FORRER:   Yes,  
3 Ms. Taylor, we have William Michael Cunningham from  
4 Creative Investment Research to speak on Item 9a.

5           PRESIDENT TAYLOR:   Thank you.

6           Go ahead.

7           STAFF SERVICES MANAGER I FORRER:   Go ahead,  
8 Mr. Cunningham.

9           PRESIDENT TAYLOR:   Yes.

10          Did we lose him?

11          STAFF SERVICES MANAGER I FORRER:   Go ahead,  
12 Mr. Cunningham.

13          WILLIAM MICHAEL CUNNINGHAM:   Okay.  Can you hear  
14 me now?

15          PRESIDENT TAYLOR:   Yes, we can hear you.  Thank  
16 you.

17          WILLIAM MICHAEL CUNNINGHAM:   Very good.

18          My name is William Michael Cunningham.  I'm an  
19 economist based in Washington, D.C. and am in the pool of  
20 the non-fiduciary advisors.  So I'm not under assignment  
21 currently.  I hold a Masters in Economics and an MBA in  
22 Finance, both from the University of Chicago.

23          Now, with respect to SB252, the divestment from  
24 fossil fuel companies, we understand that CalPERS is  
25 opposed to that legislation.  But we would state that --

1 you know, we are pioneering the creation of modern  
2 financial metrics incorporating environmental and societal  
3 cost as a result of carbon emissions into financial  
4 valuations of companies.

5 Consistent with CalPERS fiduciary duty in regard  
6 to fossil fuel divestment, we think you could use a new  
7 set of tools to help you understand the impact on the  
8 valuation of companies of carbon emissions, which we think  
9 is going to be significant in the coming years.

10 Thank you very much.

11 PRESIDENT TAYLOR: Thank you very much.

12 Is there any other public comments on 9a? None?

13 Okay. Thank you.

14 Go ahead, Ms. Tucker.

15 HUMAN RESOURCES DIVISION CHIEF TUCKER: Thank  
16 you, and good morning, Board of Administration.

17 (Thereupon a slide presentation).

18 HUMAN RESOURCES DIVISION CHIEF TUCKER: Michelle  
19 Tucker, CalPERS team member. Today, I'll provide you with  
20 a brief presentation to discuss the process for this round  
21 of the Chief Investment Officer interviews. The CIO is a  
22 civil service position and therefore the recruitment must  
23 follow the merit-based process set forth by the State  
24 Personnel Board and CalHR, which is designed to be fair,  
25 equitable and consistent for all candidates.

1           Next slide. Thank you.

2                                 [SLIDE CHANGE]

3           HUMAN RESOURCES DIVISION CHIEF TUCKER: These  
4 groups are working together to uphold the required  
5 merit-based process to select and appoint a final  
6 candidate.

7           As our CEO, Ms. Frost is the hiring manager and  
8 shares responsibility with the Board for the selection of  
9 our CIO.

10           Human Resources provides support and guidance  
11 throughout the entire recruitment selection and onboarding  
12 process.

13           And, finally, through a partnership's role is to  
14 help identify a pool of highly qualified candidates from  
15 which the Board could eventually make a selection. We  
16 also attend and observe the interviews.

17                                 [SLIDE CHANGE]

18           HUMAN RESOURCES DIVISION CHIEF TUCKER: So all of  
19 the various groups will have different roles in the  
20 process. As the hiring manager, Ms. Frost is also the  
21 interview panel lead. She's responsible for facilitating  
22 the interview process.

23           Ms. Frost and the full board are members of an  
24 interview panel whose key responsibility is to fairly and  
25 consistently assess our finalist to determine who is the

1 most qualified to fill the position.

2 CalPERS' Human Resources oversees, provides  
3 guidance upon, and ensures all merit-based and required  
4 processes are followed appropriately.

5 The role of the executive search firm, Dore  
6 Partnership, was to conduct a broad and diverse search and  
7 identify a pool of the most highly qualified candidates as  
8 well as to support the CEO in selecting those who meet --  
9 who most closely align with the desired qualifications and  
10 should be interviewed. Dore Partnership sourced a large  
11 and diverse pool of highly qualified candidates from which  
12 an initial list was identified to be interviewed. And now  
13 we've narrowed it down to finalists for the second round  
14 of interviews.

15 Throughout this process, Dore has provided  
16 insight on each candidate's ability to successfully fill  
17 the role based on the criteria that the subcommittee set  
18 at the onset of this recruitment.

19 Dore will observe the interview process and  
20 provide any additional insights to support the final  
21 candidate selection.

22 [SLIDE CHANGE]

23 HUMAN RESOURCES DIVISION CHIEF TUCKER: This  
24 slide focuses on key responsibilities of the interview  
25 panel. In fulfilling these responsibilities, you are

1 establishing compliance with a merit-based civil service  
2 process.

3           Confidentiality of course is imperative. So  
4 throughout this process, please maintain complete  
5 confidentiality regarding the process, the candidates,  
6 their responses and the outcomes. You will have allotted  
7 1 hour and 45 minutes for each interview. During that  
8 time, Ms. Frost will tell the candidate about the process.  
9 Then each candidate will provide a presentation and  
10 response to related questions. The balance of the time  
11 will be used to ask each candidate the same structured  
12 questions as well as any follow-up questions the panel may  
13 have. This establishes consistency and gives all  
14 candidates the same opportunity to share information about  
15 the same topics as well as clarify information specific to  
16 their own responses and experiences.

17           Follow-up questions should be to gain clarity or  
18 further understanding and should be relevant to the  
19 candidate's response or their profile.

20           We would avoid entirely new questions which veer  
21 from the conversation and when we ask follow-up questions.  
22 There will be a lot to learn in a short period; and in a  
23 couple of slides I'll talk about how to get the most out  
24 of that time.

25           Finally, please document your notes and

1 observations and assign numerical ratings from the rating  
2 options provided in the template you'll receive before we  
3 conduct the interviews. This will help us maintain  
4 records supporting the decisions. HR will collect and  
5 maintain these records.

6 Notes will be needed to be verbatim, but should  
7 concisely capture key information to summarize candidate  
8 responses and highlight key observations gains from their  
9 responses. These should also indicated in your notes that  
10 a candidate may have failed to respond to part of a  
11 question or something else that you deem important. Of  
12 course, notes on interviews should always stick to  
13 responses and observations and avoid statements including  
14 personal judgments.

15 [SLIDE CHANGE]

16 HUMAN RESOURCES DIVISION CHIEF TUCKER: To the  
17 expand a bit more on the ratings I just mentioned, we've  
18 displayed them here along with their description. So  
19 these will be included in the template packet that you'll  
20 receive. To help you identify an appropriate rating you  
21 should refer to the response factors included under each  
22 question. So each question will have response factors.  
23 These can be used as a guide when assessing whether a  
24 candidate provided a response that hit those key points  
25 for the question.

1           And then I think -- next slide

2                               [SLIDE CHANGE]

3           HUMAN RESOURCES DIVISION CHIEF TUCKER: Thank  
4 you.

5           The next two slides detail the interview process.  
6 You'll be provided a detailed schedule in your materials  
7 and you'll see that each interview again is scheduled for  
8 1 hour and 45 minutes. And it's important that we stay  
9 within that time so all candidates are treated equally in  
10 that respect.

11           Before each interview, each candidate will be  
12 provided with one hour to review the questions and prepare  
13 for the interview. Each interview will begin with a brief  
14 introduction to put the candidate at ease. This will last  
15 just a few minutes, allowing maximum time for the  
16 interview.

17           Ms. Frost will then review scripts to provide an  
18 overview of the interview process for the candidate. Then  
19 we'll move to the candidate presentation structured  
20 questions, and then finally there'll be an opportunity for  
21 the candidate to provide any closing information or  
22 statements.

23           At the conclusion of each interview, there will  
24 be a brief -- a debrief period so the panel can have a  
25 short discussion regarding the candidate and capture any





1 [SLIDE CHANGE]

2 HUMAN RESOURCES DIVISION CHIEF TUCKER: During  
3 our board meetings last month you heard a lot about  
4 CalPERS' diversity, equity and inclusion efforts. I've  
5 shared recent talent-management-based DEI efforts  
6 including the importance of understanding unconscious bias  
7 in recruiting and interviewing, and the ongoing training  
8 the HR team at CalPERS is providing to all team leaders  
9 who are hiring. The information was very timely  
10 considering our current recruitment activities to fill the  
11 CIO position. So I'd like to highlight here a few common  
12 biases that can occur during the interview process. By  
13 being aware of these you can mitigate their occurrence as  
14 part of your role in the CIO interview process.

15 So first the affinity bias, which is also called  
16 the like-me bias. The affinity bias can occur when you  
17 determine that you have a commonality with a candidate.  
18 So it could be something like you have the same alma  
19 mater, you have the same membership in an association, you  
20 have a colleague in common, or you have a similar  
21 background. This bias can establish a preference for a  
22 certain candidate.

23 A confirmation bias occurs when you form an early  
24 perception based on something the candidate says or does,  
25 and then as the interview continues you might



1 closing, these are the materials the interview panel and  
2 the candidate received to support a smooth interview  
3 process. The candidate resumes and performance  
4 information may assist in formulating appropriate  
5 follow-up questions. The panel instructions will be  
6 provided to highlight key tips to assist you as a panel  
7 member. And the interview questions and notes documents  
8 with a rating is a critical part of the materials which I  
9 discussed earlier and you'll all receive your own binder  
10 with the materials the day of the interview as well as  
11 these will be uploaded for your use either way. So that  
12 slide does also highlight what the candidate will receive.  
13 So they're given a variety of materials to help them  
14 prepare in that hour of preparation time.

15 So that concludes my presentation. And I'm happy  
16 to answer any questions.

17 PRESIDENT TAYLOR: Does the Board have any  
18 questions for Ms. Tucker?

19 Mr. Pacheco.

20 BOARD MEMBER PACHECO: Yes.

21 Thank you, Ms. Tucker, for your again excellent  
22 presentation. I'd like to just go back to page 4 of 11,  
23 which is the roles.

24 HUMAN RESOURCES DIVISION CHIEF TUCKER: Yep.

25 And with respect to the CalPERS human resource in

1 it. And you mentioned there the oversight and provides  
2 guidance on recruitment and the interview process.

3 So in that process, I know that in the state --  
4 statewide we're utili -- this is a civil servant position,  
5 is that -- my understanding.

6 HUMAN RESOURCES DIVISION CHIEF TUCKER: Correct.

7 BOARD MEMBER PACHECO: Is it?

8 HUMAN RESOURCES DIVISION CHIEF TUCKER: And in  
9 that process we are supposed to follow the CalPERS LEAP  
10 program in terms of disability and I know that statewide  
11 from what my understanding is the parity rates are down  
12 statewide. And I'm just wondering, is that we're also  
13 taking into consideration the disability aspect of it as  
14 well?

15 HUMAN RESOURCES DIVISION CHIEF TUCKER: Yes, I  
16 think I can respond to that. So asked about the LEAP  
17 information, which stands for the limited examination and  
18 appointment process. So this is a process whereby an  
19 employment list can be established for people who have  
20 been certified by the Department of Rehabilitation as  
21 having a permanent disability.

22 And just to tell you, overall CalPERS uses the  
23 LEAP program a lot. We actually hire from the LEAP list  
24 for a number of our positions.

25 For this position, we have not established a

1 separate LEAP list. However, it is a small candidate  
2 pool, that I don't believe there would be any, you know,  
3 distinguishing elements there. But we also offer to all  
4 candidates the ability to ask for accommodation if they  
5 need that in the examination process. So that is another  
6 way that we make sure that we do support any team members  
7 who might have a dis -- or candidates who might have a  
8 disability. So if they need more time or if they need the  
9 materials in a different format, we provide a period of  
10 time where they can ask for that. And then we consult  
11 with our EEO office on any elements that we might need  
12 additional support for.

13 BOARD MEMBER PACHECO: So if that is the case,  
14 then -- and let's say a prospective candidate was to do  
15 that, then they could, you know, inform CalPERS HR and  
16 engage into the interactive process; is that correct?

17 HUMAN RESOURCES DIVISION CHIEF TUCKER: Yes.  
18 Absolutely. And we have that happen in exams, you know,  
19 not infrequently where people might need more time or they  
20 might need additional support. So that's something that  
21 we do and make very available on a regular basis.

22 BOARD MEMBER PACHECO: Very good then.

23 And with respect to -- so is that -- I mean so  
24 we are -- so we have incorporated that into the whole  
25 process?

1 HUMAN RESOURCES DIVISION CHIEF TUCKER: Yes,  
2 absolutely.

3 BOARD MEMBER PACHECO: Okay.

4 HUMAN RESOURCES DIVISION CHIEF TUCKER:  
5 Absolutely.

6 BOARD MEMBER PACHECO. All right. Very good  
7 then.

8 Thank you very much.

9 HUMAN RESOURCES DIVISION CHIEF TUCKER: You're  
10 welcome.

11 PRESIDENT TAYLOR: Any other questions from the  
12 Board?

13 I swear, Lisa, I saw you --

14 BOARD MEMBER MIDDLETON: No.

15 PRESIDENT TAYLOR: Okay. Just checking.

16 So no other questions.

17 That was a very good presentation. I think it's  
18 pretty clear.

19 HUMAN RESOURCES DIVISION CHIEF TUCKER: Okay.

20 PRESIDENT TAYLOR: So thank you very much.

21 HUMAN RESOURCES DIVISION CHIEF TUCKER: My  
22 pleasure. Thank you.

23 CHIEF EXECUTIVE OFFICER FROST: And, President  
24 Taylor, I don't know if you noticed, but we do have the  
25 search firm representatives on call here. So if there are

1 questions for Dore, they're also available to answer.

2 PRESIDENT TAYLOR: Yes, thank you for reminding  
3 me. They're under here. All my papers are here. So I  
4 can't see them.

5 Anybody want to ask the search firm any  
6 questions? They can give you highlights on how they got  
7 to the candidate pool.

8 In fact, Mr. Dore, if you would give us a -- kind  
9 of an update on how you crafted the candidate pool and  
10 what you had to go through to get to the candidates that  
11 we got.

12 CHARLIE DORE: Thank you, President Taylor. I'll  
13 defer to my colleague Crawford Torell to give you a quick  
14 summary and overview and then answer any questions the  
15 Board may have.

16 PRESIDENT TAYLOR: It looks like Crawford's not  
17 in front of her camera.

18 Oh, is she there?

19 CHARLIE DORE: Yeah.

20 PRESIDENT TAYLOR: Oh, well, she's way back.  
21 Never mind.

22 CRAWFORD TORELL: Hello. Can you hear -- can  
23 everybody hear me all right?

24 PRESIDENT TAYLOR: Yes.

25 CRAWFORD TORELL: I'll give a quick overview of



1 some of the data around how we approached the search, how  
2 we got down to the finalists that we'll be interviewing  
3 for the role. We systematically reviewed candidates from  
4 approximately 420 investment-oriented firms, inclusive of  
5 the largest 250 pension plans globally. And then in  
6 parallel, we have engaged with communities of individuals  
7 of diverse backgrounds to ensure that we have encapsulated  
8 as diverse of a candidate slate as possible, which led to  
9 a long list of 140 candidates, which when we were -- we  
10 were looking at that pool, that was representative of some  
11 13 countries and over half of each of the United States,  
12 which was a nice cross-section to see. And 44 percent of  
13 that long list pool of candidates was diverse by gender,  
14 historically underrepresented groups or intersectional.  
15 27 percent gender diverse, 16 percent historically  
16 underrepresented, and 3 percent intersectional.

17 And then we moved down to a kind of preliminary  
18 short list of 12 candidates, of which 33 percent were  
19 diverse. Interestingly 17 percent gender diverse, 17  
20 percent historically underrepresented groups. And then of  
21 the candidates that the subcommittee interviewed, 38  
22 percent diversity, 13 percent gender, 25 percent  
23 historically underrepresented groups. And then the  
24 candidates that the whole board will assess it has 25  
25 percent diversity.

1           So we're -- are that's the flow of our search  
2 process as we whittled it down.

3           PRESIDENT TAYLOR: Perfect. I think you answered  
4 any questions that I may have had.

5           Does anybody have any questions for Dore?

6           I'm not seeing any.

7           BOARD MEMBER PACHECO: I have.

8           PRESIDENT TAYLOR: Oh, go ahead, Mr. Pacheco.  
9 I'm sorry.

10          Go ahead.

11          BOARD MEMBER PACHECO: Yes, thank you for that --  
12 thank you for your presentation.

13          I just want to ask a question regarding the  
14 underrepresented groups. How do you define that?

15          CRAWFORD TORELL: We followed the CalPERS  
16 definition. So that is -- gender diverse is separate, and  
17 then the CalPERS definition of racial diversity and other  
18 diversities is the definition we operated with.

19          HUMAN RESOURCES DIVISION CHIEF TUCKER: I could  
20 chime in a little bit here.

21          And the groups that Crawford is indicating that  
22 CalPERS uses come from various federal and state  
23 requirements for EEO laws and policies, both state and  
24 federal.

25          BOARD MEMBER PACHECO: Thank you very much.

1 Thank you.

2 PRESIDENT TAYLOR: Having no other questions.

3 Thank you, Charlie, Crawford and Richard for  
4 helping us there and staying on line.

5 With that, we are going to move on to 9c, which  
6 is summary of Board direction.

7 Ms. Frost.

8 CHIEF EXECUTIVE OFFICER FROST: I did not record  
9 any direction.

10 PRESIDENT TAYLOR: Me either. Okay.

11 Like to move on then to 9d. Do we have public  
12 comment?

13 BOARD CLERK ANDERSON: (Shakes head).

14 PRESIDENT TAYLOR: Okay. We have no public  
15 comment today.

16 So with that, we'll adjourn the closed -- into  
17 closed session right at this moment for items 1 through 3  
18 from the closed session agenda. This will include the  
19 following litigation matters:

20 Wedding, et al. versus CalPERS, et al.; Los  
21 Angeles County Superior Court case. I'm not going to read  
22 the court case for you.

23 CalPERS versus KCPCAL, LLC; Sacramento County  
24 Superior Court.

25 We will also receive the General Counsel's update

1 on pending litigation. However, after the closed session  
2 the Board will reconvene in open session to report out.

3 With that, the closed session is recessed for  
4 right -- or the open session is recessed, and we will be  
5 moving into closed.

6 Let's take a 10-minute break.

7 Thank you very much.

8 (Off record: 9:52 a.m.)

9 (Thereupon the meeting recessed  
10 into closed session.)

11 (Thereupon the meeting reconvened  
12 open session.)

13 (On record: 10:52 a.m.)

14 PRESIDENT TAYLOR: All right, everybody. We are  
15 back in open session. Welcome back. And I want to thank  
16 everybody for this month's meeting. We look forward to  
17 seeing you -- everyone in March. This adjourns this  
18 month's Board of Administration meeting. So thank you  
19 very much.

20 (Thereupon, the California Public Employees'  
21 Retirement System, Board of Administration  
22 meeting open session adjourned at 10:52 a.m.)  
23  
24  
25

