



## Board of Administration Committee

# Agenda Item 10c

---

**March 17, 2020**

**Item Name:** CalPERS 2021 Board Self-Assessment

**Program:** Board Governance and Sustainability

**Item Type:** Information

### **Executive Summary**

This agenda item presents the background for the CalPERS Board Self-Assessment process, implementation of past findings, and an overview of the 2021 Board Self-Assessment and timeline.

### **Strategic Plan**

This agenda item supports the 2017-2022 Strategic Plan goal “Fund Sustainability”. The outcomes of the Board Workstream Evaluation and recommendations put forward by board members and reviewed by the NACD help strengthen fund governance.

### **Background**

The CalPERS Board Governance Policy requires that the board assess its performance every two years. The most recent board assessment was carried out between July 2018 and January 2019. Facilitated through the National Association of Corporate Directors (NACD), board members completed three surveys: Board Self-Evaluation, Board Attributes Evaluation, and Committee Evaluation.

Following discussion of the findings, CalPERS’ board president appointed board members (“workstream leads”) to work with management to scope out the associated goals, priorities, and timelines for each workstream and report back to the Board Governance Committee. Over the next year, several items were brought forward for board review and approval. In April 2020, the board voted to postpone the 2020 Board Self-Assessment until 2021, to allow for continuing implementation. As the reforms have now been completed the 2021 Board Self-Assessment will begin.

## **Analysis**

As fiduciaries for the largest public pension fund in the United States and the fourth largest in the world, it is imperative that CalPERS board members have the knowledge, skills, and expertise necessary to govern effectively and thereby improve performance. The 2021 Board Self-Assessment will help to enhance the board's decision making and oversight.

## **Budget and Fiscal Impacts**

The Board Services Unit budgeted approximately \$80,000 for the 2020 Board Self-Assessment. Due to the postponement, the money remained in the budget for the 2021 self-assessment.

## **Benefits and Risks**

The benefit of Board self-assessment process is to identify opportunities for improving governance and thereby performance. The benefit of facilitating the assessment through the National Association of Corporate Directors, is to ensure the CalPERS Board can access independent expertise in order to reflect best practices for governance. The risk of not conducting a self-evaluation is the lost opportunity to improve Board processes and functioning as a governing body.

## **Attachments**

Attachment 1 – CalPERS 2021 Board Self-Assessment - PPT

---

Anne Simpson  
Managing Investment Director,  
Board Governance and Sustainability

---

Matthew Jacobs  
General Counsel

---

Marcie Frost  
Chief Executive Officer