

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
MINUTES OF MEETING  
OPEN SESSION  
Wednesday, March 15, 2023**

The Board of Administration met on Wednesday, March 15, 2023, in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:00 a.m. and the following members were present:

Theresa Taylor, President  
David Miller, Vice President  
Lynn Paquin for Malia Cohen  
Frank Ruffino for Fiona Ma  
Lisa Middleton  
Eraina Ortega  
Jose Luis Pacheco  
Kevin Palkki  
Ramon Rubalcava  
Yvonne Walker  
Mullissa Willette

Board of Administration Members excused: Dr. Gail Willis

**AGENDA ITEM 3 – PRESIDENT’S REPORT**

President Taylor acknowledged Women’s History Month.

**AGENDA ITEM 4 – EXECUTIVE REPORT**

a. Chief Executive Officer’s Report

Ms. Frost welcomed Peter Cashion to the team as CalPERS head of Sustainable Investments.

Ms. Frost thanked James Andrus for his service.

Ms. Frost reported on the following:

- CalPERS ESG efforts and informing our members
- CalPERS Upcoming Diverse Investment Manager Forum, now known as “Catalyst”

**AGENDA ITEM 5 – CONSENT ITEMS**

**Action Consent Items**

- a. Approval of the February 14, 2023 Board of Administration Meeting Minutes
- b. Board Travel Approvals

- c. Approval of the March 15, 2023, Board of Administration Timed Agenda

On **MOTION** by Jose Luis Pacheco, **SECONDED** by Kevin Palkki, and **CARRIED**, with a roll call vote, the Board approved Action Consent Item 5a-5c.

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
David Miller			X
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor	X		

**AGENDA ITEM 6 – CONSENT ITEMS**

**Information Consent Items:**

- a. Board Meeting Calendar
- b. Draft Agenda for the April 18, 2023, Board of Administration Meeting
- c. General Counsel’s Report
- d. Communications and Stakeholder Relations

**AGENDA ITEM 7 – COMMITTEE REPORTS AND ACTIONS**

- a. Investment Committee

Jose Luis Pacheco presented the Committee Summary report to the Board. The Committee met on March 13, 2023.

The Committee elected David Miller as Chair and Theresa Taylor as Vice Chair.

Additional information may be found in the March 13, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Investment Committee is scheduled for June 20, 2023 in Sacramento, California.

- b. Pension and Health Benefits Committee

Ramon Rubalcava, Chair, Pension and Health Benefits committee presented the Committee Summary report to the Board. The Committee met on March 14, 2023.

The Committee elected Ramon Rubalcava as Chair and Jose Luis Pacheco as Vice Chair.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the following Agenda items:

- Approve staff’s recommendation to submit the final rule making file to the Office of Administrative Law to amend Section 599.500, subdivision (o) of the PEMHCA Regulations to clarify a dependent’s eligibility in a Parent-Child Relationships (PCR). (PHBC Item 6a)
- Approve negotiating a possible extension of the Pharmacy Benefit Manager contract with OptumRx for one additional year to run January 1, 2025, through December 31, 2025. (PHBC Item 6b)
- Approve staff’s recommendation of the HMO Solicitation Intent to Award, as described in the presentation, to include the following carriers in the 2024-28 HMO product offerings: Anthem, Blue Shield, Health Net, Kaiser Permanente, Sharp, UnitedHealthcare, and Western Health Advantage. (PHBC Item 6c)
- Approve the following health plan proposals for the 2024 plan year:
  - 1) For Anthem Blue Cross, benefit changes for its Medicare Advantage plan:
    - a. Coverage for Personal Emergency Response System (PERS) devices.
    - b. Coverage for in-home support services.
  - 2) Adjust UnitedHealthcare (UHC) Medicare Advantage Edge Emergency Department copay to \$50. (PHBC Item 6d)

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
David Miller			X
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor	X		

Additional information may be found in the March 14, 2023, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for May, 2023 in Sacramento, California.

c. Finance and Administration Committee

The Committee did not meet.

The next meeting of the Finance and Administration Committee is scheduled for April 2023 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

The Committee did not meet.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for April 2023 in Sacramento, California.

e. Risk and Audit Committee

The Committee did not meet.

The next meeting of the Risk and Audit Committee is scheduled for June 2023 in Sacramento, California.

f. Board Governance Committee

The Committee did not meet.

The next meeting of the Board Governance Committee is tentatively scheduled for June 2023 in Sacramento.

**AGENDA ITEM 8a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES**

On **MOTION** by Mullissa Willette, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with a roll call vote, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 8a1 through 8a8 as the Board’s own decisions with the following minor modifications argued by staff to Agenda Items 8a1 and 8a5 through 8a7.

<b>Name</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
David Miller			X
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor	X		

**AGENDA ITEM 8b – PETITIONS FOR RECONSIDERATION**

On **MOTION** by Mullissa Willette, **SECONDED** by Lisa Middleton, and **CARRIED**, with a roll call vote, the Board moved to deny the petitions at Agenda items 8b1 through 8b3.

Name	Yes	No	Abstain
David Miller			X
Lynn Paquin for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor	X		

### AGENDA ITEM 8b – SENATE BILL 252 (GONZALEZ) – DIVESTMENT FROM FOSSIL FUEL COMPANIES

On **MOTION** by Jose Luis Pacheco, **SECONDED** by Mullissa Willette, and **CARRIED**, with a roll call vote, with one no vote and two abstentions, the Board moved to adopt an oppose position on Senate Bill 252 by State Senator Gonzalez.

Name	Yes	No	Abstain
David Miller	X		
Lynn Paquin for Malia Cohen			X
Frank Ruffino for Fiona Ma		X	
Lisa Middleton	X		
Eraina Ortega			X
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Theresa Taylor	X		

### PUBLIC COMMENT

Tim Behrens, representing CSR urged the Board to oppose SB 252.  
 Jerry Fountain, representing CSR urged the Board to oppose SB 252.  
 Johnnie Pina, representing League of California Cities urged the Board to oppose SB 252.  
 Mary McDonnell, representing CSR urged the Board to oppose SB 252.  
 Miriam Eide, representing Fossil Fuel California urged the Board to support SB 252.  
 Kris Murray, representing ACCOC urged the Board to oppose SB 252.  
 Sara Theis, representing Fossil Fuel California urged the Board to support SB 252.  
 Sheila Thorn, CalPERS member urged the Board to support SB 252.  
 Susan Perlson, CalPERS member urged the Board to support SB 252.  
 Rose Yacobe, CalPERS member urged the Board to support SB 252.  
 Francis Mancina, CalPERS member urged the Board to support SB 252.  
 Francesca Wander, CalPERS member urged the Board to support SB 252.

Megan Shumway, CalPERS member urged the Board to support SB 252.

**AGENDA ITEM 9a – STATE AND FEDERAL LEGISLATION UPDATE**

Danny Brown, Chief of Legislative Affairs, provided the State and Federal Legislation update. Dan Crowley, K&L Gates provided the Federal Legislation Update.

**AGENDA ITEM 9b – FEDERAL LEGISLATIVE PRIORITIES**

Danny Brown, Chief of Legislative Affairs, provided the Federal Legislative Priorities update.

**AGENDA ITEM 9c – DIVERSITY, EQUITY & INCLUSION FRAMEWORK SEMI-ANNUAL UPDATE**

Marlene Timberlake D’Adamo provided the Diversity, Equity & Inclusion Framework Semi-Annual Update.

**AGENDA ITEM 9d – SUMMARY OF BOARD DIRECTION**

The Board directed the team to send the DEI Certificate to the Board and bring forward an agenda item on the California Fund Diversity Initiative that is shared between CalPERS, CalSTRS, LACERA, SFERS and OFERS.

**AGENDA ITEM 9e – PUBLIC COMMENT**

No public comment was provided.

The Public meeting adjourned at approximately 1:22 p.m.

The Public meeting recessed into closed session

The Public meeting reconvened into open session at approximately 1:37 p.m.

The Public meeting adjourned at approximately 1:37 p.m.

Prepared by: KARA BUCHANAN  
Committee Secretary

---

MARCIE FROST  
Chief Executive Officer



Board of Administration  
**Agenda Item 5b**  
**REVISED**

---

**March 15, 2023**

**Item Name:** Board Travel Approvals

**Program:** Board of Administration

**Item Type:** Action Consent

**Recommendation**

Approve travel requests as required under the Board of Administration's travel policy.

Over \$500/Out of State/Country Travel Requests Approved by Board President:

Board Member	Date	Destination	Purpose	Estimated Costs
Jose Luis Pacheco	March 22-23, 2023	Hollywood, CA	National Association of Securities Professional Day of Education in Private Equity	\$895

There are Board Member Travel Reports attached.

Attachment 1

---

Theresa Taylor  
President  
Board of Administration



## Investment Committee Meeting Summary

---

**March 15, 2023**

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Investment Committee met on March 13, 2023.

**The Committee received reports on the following topics:**

- Global Real Estate Sustainability Benchmark,
- Proxy Voting and Corporate Engagement Update,
- CalPERS Trust Level Review - Consultant Report,
- CalPERS Trust Level Review,
- Portfolio Strategy Update, and
- Private Debt Investment Update.
- The Chair Directed Staff to:
  - Have an education session with the Committee on the methodology for Executive Compensation Proxy Voting, and consider how to simplify the calculus; and,
  - Consider how to document ESG integration, and specifically Human Capital Management topics, into governance around the Private Equity asset class.

**The Committee heard public comment on the following topics:**

- Climate Change, Proxy Voting, and management of the Total Portfolio.

**At this time, I would like to share some highlights of what to expect at the June Investment Committee meeting:**

- Current Trends in Investing and Sustainability,
- The Investment Office 2022-23 Strategic Initiatives Update,
- The Quarterly Chief Investment Officer Report,
- The Private Equity Investment Update, and
- The Real Estate and Infrastructure Strategy Update.

The next meeting of the Investment Committee is scheduled for June 20, 2023, in Sacramento, California.