

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 16, 2024

9:00 A.M.

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CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 10063

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APPEARANCES

BOARD MEMBERS:

Theresa Taylor, President

David Miller, Vice President

Malia Cohen, represented by Deborah Gallegos

Fiona Ma, represented by Frank Ruffino

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, Interim 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

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PROCEEDINGS

1  
2 PRESIDENT TAYLOR: Good morning, everyone.  
3 Calling the Board of Administration meeting to order. And  
4 with that, let's start with roll call.

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: Frank Ruffino for Fiona  
13 Ma?

14 ACTING BOARD MEMBER RUFFINO: Present.

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: Okay. Thank you. With that,  
6 I'm going to hand it over to Ms. Middleton and she's going  
7 to lead us in the Pledge of Allegiance.

8 BOARD MEMBER MIDDLETON: Please stand if you can.  
9 Please join me.

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

12 PRESIDENT TAYLOR: Thank you very much, Ms.  
13 Middleton.

14 And with that, I'm going to go into my morning  
15 report. We've had a really short couple of days here  
16 this -- for this month's meetings, so I thought I'd sort  
17 of just preview what we're going to do for the next couple  
18 of meetings

19 BOARD CLERK ANDERSON: Ms. Taylor. Ms. Taylor,  
20 you do need to do the open attestation for Yvonne.

21 PRESIDENT TAYLOR: Oh, I'm not used to doing  
22 this. Sorry about that.

23 So okay, for open session, Board members, because  
24 we're not all present in the same room and Board members  
25 are participating from remote locations that are not

1 accessible to the public, Bagley-Keene requires the remote  
2 Board members to make certain disclosures about any other  
3 persons present with them during the open session.  
4 Accordingly, the Board members participating remotely must  
5 each attest either that, one, they're alone, or two, if  
6 there are one or more persons present with them who are at  
7 least 18 years old, the nature of the Board member's  
8 relationship to each person at this time. I will ask  
9 Yvonne Walker to attest accordingly.

10 BOARD MEMBER WALKER: I attest that I am alone  
11 this morning.

12 PRESIDENT TAYLOR: Thank you very much, Ms.  
13 Walker.

14 Okay. Now, I'll move forward. Sorry about that.  
15 So we're going to give what's in store as we near the end  
16 of fiscal year. So our Board will have one closed session  
17 meeting on May 13th to review our health rates proposed  
18 for 2025. Those will come back to the Board for  
19 consideration and final adoption in June. As we have done  
20 in the past, our health team will hold special stakeholder  
21 meetings to brief everyone on the rates before any action  
22 is taken in open session. This occurs Thur -- Tuesday,  
23 June 11th.

24 Our Investment Committee will meet the day  
25 before. And one of the items on the agenda is the

1 presentation on implementation of our Labor Principles and  
2 how we will be holding our investment managers accountable  
3 to the principles. I'm looking forward to that update. I  
4 hope everyone else is. I'm sure our room will be full.  
5 And for planning purposes, our July off-site is scheduled  
6 for July 15th through the 17th at the Monterey Portola  
7 Hotel. And it will be the same location as last year for  
8 those of you who were there.

9           And that concludes my report, so I'm going to  
10 hand it over to Ms. Frost for her CEO report.

11           CHIEF EXECUTIVE OFFICER FROST: Yeah. Good  
12 morning, President Taylor and Board members. Six and a  
13 half years ago, a large group of global institutional  
14 investors decided to do something pretty bold. Those  
15 investors launched a Coalition committed to a set of  
16 shared principles in the fight against climate change. As  
17 we know, CalPERS was a catalyst in creating that  
18 coalition.

19           The mission was straightforward, identify 100  
20 companies with some of the highest greenhouse gas  
21 emissions and urge those companies to do better. Urge  
22 that they make their boards of directors accountable for  
23 climb risk. Urge that they take steps to reduce  
24 greenhouse gas emissions across all of their business  
25 practices, and urge them to be more transparent with

1 investors like CalPERS, who need clear, consistent  
2 information to assess and price the risks related to  
3 climate change.

4 In 2018, the list of companies grew. Today, the  
5 coalition is known as Climate Action 100+. By the end of  
6 last year, engagements were underway with 167 companies  
7 across the world. Make no mistake, the effort has  
8 produced real results. Three quarters of the companies  
9 identified have committed to net zero emissions by 2050 or  
10 sooner for Scope 1 and Scope 2 emissions, and almost all  
11 of the companies now have board committee oversight of  
12 climate change risks as well as opportunities.

13 CalPERS believes in the goals and the work of  
14 Climate Action 100+ more than ever. We provided  
15 leadership at its beginning and as the organization enters  
16 into its second phase of work, we are again raising our  
17 hand to serve among its leaders. I'm pleased to announce  
18 that this week CalPERS Chief Operating Investment Officer  
19 Michael Cohen will become the new Chair of the Climate  
20 Action 100+ steering committee. So let's do a  
21 congratulations to Michael.

22 (Applause).

23 CHIEF EXECUTIVE OFFICER FROST: He's sitting  
24 right behind me.

25 So investor partners fill the position on a

1 rotating basis. And we are always happy to do our part.  
2 And I want to take a moment to thank and congratulate  
3 François Humbert, the outgoing Chair of the steering  
4 committee for his work and his leadership. Michael  
5 Cohen's participation on the steering committee begins  
6 later this week and when he becomes Chair in May, it will  
7 mark the second time that CalPERS has held this leadership  
8 role since 2017. His service to the organization comes at  
9 a crucial time.

10 Not only are we fighting an existential race  
11 against the clock, but we are also sadly fighting, in some  
12 corners, a creeping sense of complacency, but this is not  
13 a time to be complacent. Our success so far is not  
14 enough. The cause of combating climate change will not  
15 just move forward on its own.

16 In recent weeks, some influential investors have  
17 decided that they no longer want to be part of a global  
18 coalition. Why? We can't say we really know for sure.  
19 Perhaps it's the constant bombardment of misinformation or  
20 political pressure that has given these investors pause  
21 about staying the course and finishing the work. As our  
22 Investment team share with the Board last month, we  
23 listened to the institutions that recently chose a  
24 different path. We can't speak to their decisions,  
25 because we see things differently. What we can speak to

1 is the amazing strength in numbers and total assets under  
2 management that helps the voice of Climate Action 100+ be  
3 heard by companies worldwide.

4           It's not always easy to carry on and to keep up  
5 the fight, but we believe it's the right thing to do for  
6 our members, their families and their retirement security.  
7 We know that we have a fiduciary duty to our members and  
8 we believe a fundamental part of that duty is to be  
9 relentless in examining risk, to be relentless in our  
10 search for new investing opportunities, and to be  
11 relentless in using our voice to protect shareholder value  
12 over the long term.

13           As Chair of the Climate Action 100+ Steering  
14 Committee, Michael Cohen will help lead the coalition at a  
15 pivotal moment. Let's not forget what we know about the  
16 risk that climate change poses to CalPERS's members.  
17 Climate risk can lead to instability for investors, lower  
18 returns and higher volatility. These are serious dangers  
19 to a long-term investor, especially one like CalPERS where  
20 we have a duty to provide excuse me many decades of  
21 retirement benefits to our members.

22           Having partners in this fight, the principle  
23 behind Climate Action 100+ isn't just about efficiency.  
24 It's also about effectiveness and it's about demanding  
25 consistent information to make good investment decisions.

1 Take, for example, the multi-year effort to establish a  
2 net zero benchmark for companies. That was updated and  
3 improved upon just last year. This is the kind of  
4 information that helps strengthen our hand during  
5 engagement with these companies and combined with the size  
6 of our fund, it's what makes engagement work.

7 And briefly, I want to address what does not  
8 work. And what doesn't work is a powerful global company  
9 that seeks to punish shareholders for speaking out. I  
10 want to draw your attention to a very troubling decision  
11 by Exxon, one that's received some attention to take some  
12 of its shareholders to court for submitting shareholder  
13 resolutions related to climate change. The company has  
14 chosen to keep pushing for legal action even after the  
15 shareholders withdrew their proposal.

16 The long-term repercussions of silencing  
17 shareholders really should concern everyone. So let me be  
18 clear, CalPERS will not be silenced. We will not be  
19 silenced when doing what's right to provide long-term  
20 investment returns for our members and we will not be  
21 silenced in our call for more information and more ways to  
22 assess the risks of climate change.

23 Climate Action 100+ is one way we use our voice.  
24 We welcome our colleague Michael Cohen's new role in the  
25 coalition, which will amplify our voice in the weeks and

1 months to come. So President Taylor, that does conclude  
2 my remarks. Thank you. I'm happy to take questions if  
3 there are any.

4 PRESIDENT TAYLOR: Thank you, Ms. Frost. I want  
5 you to know that I don't want to speak for the whole  
6 Board, but I fully support your comments. We cannot just  
7 sit back while organizations and companies like Exxon take  
8 it outside of the normal realm and challenge our ability  
9 to even have proxy voting as shareholders. So I really  
10 very much support that and thank you for those comments.  
11 That was awesome.

12 CHIEF EXECUTIVE OFFICER FROST: Thank you.

13 PRESIDENT TAYLOR: All right. I'm seeing no  
14 other comments on that, so we're going to move ahead on  
15 our action consent items.

16 Move approval?

17 VICE PRESIDENT MILLER: Move approval.

18 BOARD MEMBER PACHECO: (Hand raised).

19 BOARD MEMBER MIDDLETON: Second.

20 PRESIDENT TAYLOR: We're moving approval on our  
21 action consent items and I have a -- from Ms. Middleton  
22 second with Mr. Pacheco.

23 All those in favor and we need a roll call vote,  
24 because have someone online.

25 BOARD CLERK ANDERSON: David Miller?

1 VICE PRESIDENT MILLER: Aye.  
2 BOARD CLERK ANDERSON: Deborah Gallegos?  
3 ACTING BOARD MEMBER GALLEGOS: Aye.  
4 BOARD CLERK ANDERSON: Frank Ruffino?  
5 ACTING BOARD MEMBER RUFFINO: Aye.  
6 BOARD CLERK ANDERSON: Lisa Middleton?  
7 BOARD MEMBER MIDDLETON: Aye.  
8 BOARD CLERK ANDERSON: Eraina Ortega?  
9 BOARD MEMBER ORTEGA: Aye.  
10 BOARD CLERK ANDERSON: Jose Luis Pacheco?  
11 BOARD MEMBER PACHECO: Aye.  
12 BOARD CLERK ANDERSON: Kevin Palkki?  
13 BOARD MEMBER PALKKI: Aye.  
14 BOARD CLERK ANDERSON: Ramón Rubalcava?  
15 BOARD MEMBER RUBALCAVA: Aye.  
16 BOARD CLERK ANDERSON: Yvonne Walker?  
17 BOARD MEMBER WALKER: Aye.  
18 BOARD CLERK ANDERSON: Mullissa Willette?  
19 BOARD MEMBER WILLETTE: Yes.  
20 BOARD CLERK ANDERSON: Dr. Gail Willis?  
21 PRESIDENT TAYLOR: All right. Thank you very  
22 much.

23 Moving on to information consent items. Unless I  
24 hear otherwise, nothing got pulled, so we're going to move  
25 on to our committee reports. And with that, I am going to

1 move -- we had no Investment Committee. I'm going to move  
2 on to Ms. Middleton and Finance and Administration  
3 Committee, please.

4 BOARD MEMBER MIDDLETON: Waiting for the -- there  
5 we go.

6 PRESIDENT TAYLOR: You are on.

7 BOARD MEMBER MIDDLETON: Now, I'm on. The  
8 Finance and Administration Committee met on April 15,  
9 2024.

10 The Committee recommends and I move the Board  
11 approve the following.

12 Agenda Item 3c, approve the April 2024  
13 semi-annual prospective report of solicitations,  
14 contracts, purchase orders, and Letters of Engagement.

15 PRESIDENT TAYLOR: On -- ordered by Committee.  
16 All those -- any discussion on the motion?

17 Hearing none, all those in favor, we need a roll  
18 call vote, please.

19 BOARD CLERK ANDERSON: David Miller?

20 VICE PRESIDENT MILLER: Aye.

21 BOARD CLERK ANDERSON: Deborah Gallegos?

22 ACTING BOARD MEMBER GALLEGOS: Aye.

23 BOARD CLERK ANDERSON: Frank Ruffino?

24 ACTING BOARD MEMBER RUFFINO: Aye.

25 BOARD CLERK ANDERSON: Lisa Middleton?

1 BOARD MEMBER MIDDLETON: Aye.

2 BOARD CLERK ANDERSON: Eraina Ortega?

3 BOARD MEMBER ORTEGA: Aye.

4 BOARD CLERK ANDERSON: Jose Luis Pacheco?

5 BOARD MEMBER PACHECO: Aye.

6 BOARD CLERK ANDERSON: Kevin Palkki?

7 BOARD MEMBER PALKKI: Aye.

8 BOARD CLERK ANDERSON: Ramón Rubalcava?

9 BOARD MEMBER RUBALCAVA: Aye.

10 BOARD CLERK ANDERSON: Yvonne Walker?

11 BOARD MEMBER WALKER: Aye.

12 BOARD CLERK ANDERSON: Mullissa Willette?

13 BOARD MEMBER WILLETTE: Aye.

14 BOARD CLERK ANDERSON: Dr. Gail Willis?

15 PRESIDENT TAYLOR: All right. Thank you. Motion  
16 carries. Go ahead, Ms. Middleton.

17 BOARD MEMBER MIDDLETON: Agenda Item 3d, approve  
18 the 1959 Survivor Benefit Program actuarial valuation  
19 report as of June 30, 2023 and adopt the employer and  
20 employee monthly premiums for fiscal year 24-25.

21 PRESIDENT TAYLOR: All right. On motion by  
22 Committee. Is there any discussion on the motion?

23 Hearing none, can we please have a vote -- roll  
24 call vote.

25 BOARD CLERK ANDERSON: David Miller?

1 VICE PRESIDENT MILLER: Aye.  
2 BOARD CLERK ANDERSON: Deborah Gallegos?  
3 ACTING BOARD MEMBER GALLEGOS: Aye.  
4 BOARD CLERK ANDERSON: Frank Ruffino?  
5 ACTING BOARD MEMBER RUFFINO: Aye.  
6 BOARD CLERK ANDERSON: Lisa Middleton?  
7 BOARD MEMBER MIDDLETON: Aye.  
8 BOARD CLERK ANDERSON: Eraina Ortega?  
9 BOARD MEMBER ORTEGA: Aye.  
10 BOARD CLERK ANDERSON: Jose Luis Pacheco?  
11 BOARD MEMBER PACHECO: Aye.  
12 BOARD CLERK ANDERSON: Kevin Palkki?  
13 BOARD MEMBER PALKKI: Aye.  
14 BOARD CLERK ANDERSON: Ramón Rubalcava?  
15 BOARD MEMBER RUBALCAVA: Aye.  
16 BOARD CLERK ANDERSON: Yvonne Walker?  
17 BOARD MEMBER WALKER: Aye.  
18 BOARD CLERK ANDERSON: Mullissa Willette?  
19 BOARD MEMBER WILLETTE: Aye.  
20 BOARD CLERK ANDERSON: Dr. Gail Willis?  
21 BOARD MEMBER WILLIS: Aye.  
22 PRESIDENT TAYLOR: Oh, thank you.  
23 BOARD CLERK ANDERSON: She does need to do --  
24 BOARD MEMBER WILLIS: Aye  
25 PRESIDENT TAYLOR: I need to do that attestation,

1 don't I?

2 Okay. Motion carries.

3 Hold on, Lisa.

4 BOARD MEMBER MIDDLETON: Sure.

5 PRESIDENT TAYLOR: One second.

6 So Gail, because your -- (clears throat) --  
7 excuse me -- participating remotely, Bagley-Keene requires  
8 that remote Board member make certain disclosures about  
9 anybody else present with the. Accordingly, you must  
10 attest either that, one, you are alone, or if there are  
11 one or more persons present with you that are at least 18  
12 years old, the nature of the Board member's relationship  
13 to the person.

14 So, Ms. Willis, can you please attest to one or  
15 the other?

16 BOARD MEMBER WILLIS: I attest that I am alone.  
17 Thank you.

18 PRESIDENT TAYLOR: Thank you very much.

19 CHIEF EXECUTIVE OFFICER FROST: And excuse me  
20 President Taylor and Chair Middleton, Matt just reminded  
21 me that you could do these as one motion.

22 BOARD MEMBER MIDDLETON: I was going to ask that.  
23 All right. If there is no objection, then I'll read  
24 they'll all and do them as one motion.

25 Thank you.

1           PRESIDENT TAYLOR: You can finish the rest if  
2 there's more --

3           BOARD MEMBER MIDDLETON: Okay. Thank you.

4           PRESIDENT TAYLOR: -- and do it that way. We  
5 already --

6           BOARD MEMBER MIDDLETON: There are quite a few.

7           PRESIDENT TAYLOR: Okay. Thank you.

8           BOARD MEMBER MIDDLETON: Agenda Item 3, approve  
9 the current Finance and Administration Committee  
10 delegation resolution with no proposed changes.

11           Agenda Item 5a, approve the 2024-25 annual budget  
12 in the amount of 2.47 billion and 2,843 positions.

13           Agenda Item 5b, approve the proposed elected  
14 Board member percentages of time to be spent on Board  
15 related duties based on Board and Committee selections  
16 held in January, February, and March of 2024.

17           Agenda Item 5c, approve the June 30, 2023 Judges'  
18 Retirement System actuarial valuation report and encourage  
19 the Governor and Legislature to adopt an employer  
20 contribution schedule that includes advanced funding of  
21 the Judges' Retirement System.

22           Agenda Item 5d, approve the Judges' Retirement  
23 System II actuarial valuation report as of June 30, 2023  
24 and adopt the employer contribution rate of 23.79 percent  
25 and a member contribution rate of 16.75 percent of salary

1 for members subject to the Public Employees' Pension  
2 Reform Act of 2013, PEPRRA, for the period of July 1, 2024  
3 through June 30, 2025 for the Judges' Retirement System  
4 II.

5 (Coughing).

6 BOARD MEMBER MIDDLETON: Excuse me.

7 Agenda Item 5e, adopt the actuarial determined  
8 employer contribution rates and approve the member  
9 contribution rates for State plans for the period of July  
10 1, 2024 to June 30, 2025.

11 Agenda Item 5f, approve the employer contribution  
12 rate of 27.05 percent for the schools pool. Rate is  
13 applicable for the period of July 1, 2024 to June 30,  
14 2025.

15 Agenda Item 5g, approve the revised Funding Risk  
16 Mitigation Policy.

17 PRESIDENT TAYLOR: Thank you, Ms. Middleton. On  
18 motions -- all motions by the Committee.

19 Is there any comments on the motions, any  
20 questions?

21 All right. Seeing none, role call vote, please.

22 BOARD CLERK ANDERSON: David Miller?

23 VICE PRESIDENT MILLER: Aye.

24 BOARD CLERK ANDERSON: Deborah Gallegos?

25 ACTING BOARD MEMBER GALLEGOS: Aye.

1 BOARD CLERK ANDERSON: Frank Ruffino?

2 ACTING BOARD MEMBER RUFFINO: Aye.

3 BOARD CLERK ANDERSON: Lisa Middleton?

4 BOARD MEMBER MIDDLETON: Aye.

5 BOARD CLERK ANDERSON: Eraina Ortega?

6 BOARD MEMBER ORTEGA: Aye.

7 BOARD CLERK ANDERSON: Jose Luis Pacheco?

8 BOARD MEMBER PACHECO: Aye.

9 BOARD CLERK ANDERSON: Kevin Palkki?

10 BOARD MEMBER PALKKI: Aye.

11 BOARD CLERK ANDERSON: Ramón Rubalcava?

12 BOARD MEMBER RUBALCAVA: Aye.

13 BOARD CLERK ANDERSON: Yvonne Walker?

14 BOARD MEMBER WALKER: Aye.

15 BOARD CLERK ANDERSON: Mullissa Willette?

16 BOARD MEMBER WILLETTE: Aye.

17 BOARD CLERK ANDERSON: Dr. Gail Willis?

18 BOARD MEMBER WILLIS: Aye.

19 PRESIDENT TAYLOR: Thank you. Motion carries.

20 Go ahead, Ms. Middleton.

21 BOARD MEMBER MIDDLETON: Thank you. The  
22 Committee received reports on the following topics:

23 long-term care valuation report, semiannual health plan  
24 financial report.

25 At this time I'd like to share a highlight of

1 what to expect at the September 2024 Finance and  
2 Administration Committee meeting. We will review the  
3 annual actuarial valuation for the Terminated Agency Pool.

4 The next meeting of the Finance and  
5 Administration Committee is scheduled for September 17,  
6 2024.

7 Thank you, Madam President.

8 PRESIDENT TAYLOR: Thank you, Chair Middleton.  
9 That was quite a bit that we accomplished.

10 Moving on to Performance, Compensation and Talent  
11 Management Committee. And for that, I call on Mullissa  
12 Willette. Thank you.

13 BOARD MEMBER WILLETTE: Thank you.

14 The Performance, Compensation and Talent  
15 Management Committee met on April 15th, 2024.

16 The Committee recommends and I move the Board  
17 approve the following:

18 Agenda Item 3c, Review of Performance,  
19 Compensation and Talent Management Committee delegation  
20 and approve the current Performance, Compensation and  
21 Talent Management Committee delegation resolution with no  
22 proposed changes.

23 PRESIDENT TAYLOR: On motion by Committee.

24 Are there -- is there any discussion?

25 All right. Hearing no discussion, roll call

1 vote, please?

2 BOARD CLERK ANDERSON: David Miller?

3 VICE PRESIDENT MILLER: Aye.

4 BOARD CLERK ANDERSON: Deborah Gallegos?

5 ACTING BOARD MEMBER GALLEGOS: Aye.

6 BOARD CLERK ANDERSON: Frank Ruffino?

7 ACTING BOARD MEMBER RUFFINO: Aye.

8 BOARD CLERK ANDERSON: Lisa Middleton?

9 BOARD MEMBER MIDDLETON: Aye.

10 BOARD CLERK ANDERSON: Eraina Ortega?

11 BOARD MEMBER ORTEGA: Aye.

12 BOARD CLERK ANDERSON: Jose Luis Pacheco?

13 BOARD MEMBER PACHECO: Aye.

14 BOARD CLERK ANDERSON: Kevin Palkki?

15 BOARD MEMBER PALKKI: Aye.

16 BOARD CLERK ANDERSON: Ramón Rubalcava?

17 BOARD MEMBER RUBALCAVA: Aye.

18 BOARD CLERK ANDERSON: Yvonne Walker?

19 BOARD MEMBER WALKER: Aye.

20 BOARD CLERK ANDERSON: Mullissa Willette?

21 BOARD MEMBER WILLETTE: Aye.

22 BOARD CLERK ANDERSON: Dr. Gail Willis?

23 BOARD MEMBER WILLIS: Aye.

24 PRESIDENT TAYLOR: All right. Motion carries.

25 Go ahead Ms. Willette.

1 BOARD MEMBER WILLETTE: The Committee received a  
2 report on the annual 2024-25 incentive metrics. The  
3 Committee also heard public comment.

4 At this time, I would like to share the highlight  
5 of what to expect at the June Performance, Compensation  
6 and Talent Management Committee meeting. The Committee  
7 will review the 2024-25 incentive metrics and the  
8 2024-2025 incentive plan of the Chief Executive Officer.

9 The next meeting of the Performance, Compensation  
10 and Talent Management Committee will be scheduled for June  
11 11th, 2024 in Sacramento.

12 PRESIDENT TAYLOR: Thank you, Ms. Willette.

13 Our next action item on the agenda is proposed  
14 decisions of administrative law judges. And for that --  
15 thank you -- I will call on Mr. Miller.

16 Whoops. Hold on.

17 There you go.

18 VICE PRESIDENT MILLER: I move to adopt the  
19 proposed decisions at Agenda Items 8a1 through 5 as the  
20 Board's own decisions in their entirety and to deny the  
21 petitions at Agenda Items 8b1 through 3.

22 PRESIDENT TAYLOR: All right. Any discussion on  
23 those motions?

24 VICE PRESIDENT MILLER: I think we need a second  
25 for that, don't we?

1 PRESIDENT TAYLOR: Oh, yeah, we do.

2 BOARD MEMBER PACHECO: I'll second.

3 PRESIDENT TAYLOR: Second by Mr. -- motion by Mr.  
4 Miller, seconded by Mr. Pacheco.

5 Any discussion?

6 Seeing none, please let's do a roll call vote.

7 BOARD CLERK ANDERSON: David Miller?

8 VICE PRESIDENT MILLER: Aye.

9 BOARD CLERK ANDERSON: Deborah Gallegos?

10 ACTING BOARD MEMBER GALLEGOS: Aye.

11 BOARD CLERK ANDERSON: Frank Ruffino?

12 ACTING BOARD MEMBER RUFFINO: Aye.

13 BOARD CLERK ANDERSON: Lisa Middleton?

14 BOARD MEMBER MIDDLETON: Aye.

15 BOARD CLERK ANDERSON: Eraina Ortega?

16 BOARD MEMBER ORTEGA: Aye.

17 BOARD CLERK ANDERSON: Jose Luis Pacheco?

18 BOARD MEMBER PACHECO: Aye.

19 BOARD CLERK ANDERSON: Kevin Palkki?

20 BOARD MEMBER PALKKI: Aye.

21 BOARD CLERK ANDERSON: Ramón Rubalcava?

22 BOARD MEMBER RUBALCAVA: Aye.

23 BOARD CLERK ANDERSON: Yvonne Walker?

24 BOARD MEMBER WALKER: Aye.

25 BOARD CLERK ANDERSON: Mullissa Willette?

1 BOARD MEMBER WILLETTE: Yes.

2 BOARD CLERK ANDERSON: Dr. Gail Willis?

3 BOARD MEMBER WILLIS: Aye.

4 PRESIDENT TAYLOR: All right. Thank you. Motion  
5 carries. And that's -- is everything I take it for our  
6 proposed decisions. We are moving in to information  
7 agenda items. And that's our State and federal  
8 Legislative update. So, Mr. Brown, please go ahead.

9 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Good  
10 morning, Madam President, Board members. Danny Brown,  
11 CalPERS team member.

12 This is the State and federal legislative update.  
13 On the State side, the Legislature reconvened on April 1st  
14 from spring recess. And first policy committee hearings  
15 are in full swing. They have until April 26th to hear all  
16 fiscal related bills and get them out of the first house.  
17 Pretty quickly after that, bills must be pass out of  
18 appropriations by May 17th.

19 I'll just highlight one bill. It's our  
20 co-sponsored omnibus bill, AB 2770. This bill was heard  
21 in Assembly Public Employment and Retirement Committee on  
22 April 3rd and passed out on consent. The Bill will be  
23 heard tomorrow in Assembly Appropriations Committee. This  
24 bill includes several technical and clarifying amendments  
25 to the Judges' Retirement II law related to the

1 implementation of Assembly Bill 2443 from 2022.

2           Since we are still early in the second year of  
3 the Legislative session, we expect bills to continue to  
4 get amended as they move through their policy and fiscal  
5 committees. We will continue to monitor and assess those  
6 amendments and add any bills to our tracking list as  
7 appropriate.

8           On the federal side, both the House and Senate  
9 have recently returned from a two-week spring recess.  
10 Before they left on break, the House and Senate did pass  
11 all of the 2024 appropriations bills. Unfortunately, the  
12 appropriation package did not include any of the  
13 bipartisan health care provisions that we had written to  
14 Congress about. We do expect though there will be another  
15 opportunity after the election when there is some other  
16 must pass health care legislation.

17           In the short-term, Congress will continue to  
18 focus on foreign aid packages and now funding to rebuild  
19 the Francis Scott Key Bridge. Committees of interest are  
20 meeting. Most of their hearings though are going to be  
21 focused on legislation that may happen in 2025. So a lot  
22 of informational type of hearings going on.

23           Moving on to the regulatory side, as you probably  
24 all heard earlier this month, the SEC issued a stay of its  
25 recent final rule on climate related disclosures for

1 investors saying the Commission has determined to exercise  
2 its discretion to stay the final rules pending the  
3 completion of judicial review of the consolidated Eighth  
4 Circuit petitions. This stay does eliminate any urgency  
5 the Eighth Circuit may have had to issue a decision. So  
6 this could be a long drawn-out process. We will closely  
7 monitor this along with our federal representative K&L  
8 Gates and weigh in as appropriate.

9           And then finally, last month, we submitted a  
10 letter to EPA supporting their proposed rule to impose and  
11 collect fees for excess methane waste emissions on covered  
12 oil and gas facilities. This action is aligned with our  
13 legislative priority of mitigating the long-term risks to  
14 our portfolio for climate change and is consistent with  
15 our sustainable investment the 2030 Strategic Plan. The  
16 letter can be found on our external website.

17           And that are my remarks. Happy to answer any  
18 questions.

19           PRESIDENT TAYLOR: All right. Any -- Mr.  
20 Ruffino. Hold on.

21           ACTING BOARD MEMBER RUFFINO: Thank you, Madam  
22 President and good morning, Danny. Just a quick question  
23 on SB 1379. Even though that's Senator Dodd's bill that  
24 was introduced. And even though I noticed that CalPERS  
25 position is says N/A, not applicable, I'm having a hard

1 time understanding if this is a -- I know it would change  
2 the retirement annuitant rule and/or even conflict with  
3 PEPRA. So I'm not sure -- first of all, I'm not sure  
4 exactly the intent. And I'm wondering if you could  
5 comment on it. I'm not sure if it got heard. I think it  
6 got postponed, right?

7           LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Sure.  
8 It was postponed and it's reset for the 24th, so it's  
9 going to heard, I believe, next week. So it's a -- it's  
10 a bill that's focused on the County of Solano and the City  
11 of Vallejo. And it is a five-year exemption to the 960  
12 hour limit for retired annuitants. And so they're -- the  
13 City of Vallejo is having a difficult time hiring police  
14 officers. Solano County is having to then backfill that  
15 and cover for them. So they're looking for this  
16 exemption, so that they could hire police officers or  
17 sheriff deputies as retired annuitants until the City of  
18 Vallejo can build up their police force. And so it is --  
19 it is a -- you know, an exemption to the 960 rule for  
20 those two entities.

21           Now, they're also asking, in addition to the  
22 safety officers, they're also asking it to cover other  
23 positions such as communication officers, dispatchers,  
24 evidence collectors. So I think that -- you know, that is  
25 the purpose of the bill. I think the -- I think to your

1 point, I think the Committee does have concerns, if you  
2 read their analysis, of, you know, chipping away at PEPRA.  
3 You know, so even though they may have a good reason for  
4 this -- for needing this exemption, they're always  
5 concerned about chipping away at PEPRA, because then  
6 who's -- someone else is going to come along and want  
7 something else.

8           ACTING BOARD MEMBER RUFFINO: And that's specific  
9 only for one county or does it allow any other agencies,  
10 because anybody can make an argument we need, you know --

11           LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Right.  
12 Well, the bill is only for Solano County or the City of  
13 Vallejo. So it's -- right now, it's specific to those two  
14 public agencies.

15           ACTING BOARD MEMBER RUFFINO: Okay. Thank you.  
16 Thank you, Madam President.

17           PRESIDENT TAYLOR: Thank you.

18           Mr. Pacheco.

19           BOARD MEMBER PACHECO: Yes. Thank you. Thank  
20 you, Madam President and thank you, Mr. Brown, for your  
21 presentation. My only question is -- I have is for --  
22 with respect to AB 2200, Assemblyman Ash Kalra, with  
23 respect to the guaranteed health care for all. Are there  
24 any principal co-authors besides Mr. Kalra that are  
25 associated with AB 28 -- 2200, excuse me.

1           LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Yes.  
2 There's quite a few. I don't know them off the top of my  
3 head. I can get those to you, if you're interested, but  
4 yeah, there is quite a few co-authors on the bill.

5           BOARD MEMBER PACHECO: Okay. And it's -- and the  
6 hearing is going to be happening, I guess, very shortly  
7 then. Next week, I believe.

8           LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: April  
9 23rd, yes.

10          BOARD MEMBER PACHECO: And is that -- that will  
11 be its first hearing.

12          LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:  
13 Correct, yes.

14          BOARD MEMBER PACHECO: Thank you so much, sir.

15          LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Sure.

16          PRESIDENT TAYLOR: Thank you.

17          Seeing no other questions -- okay. Seeing no  
18 other questions on -- for you, Danny, I think we'll move  
19 on to summary of Board direction. Ms. Frost.

20          CHIEF EXECUTIVE OFFICER FROST: I didn't record  
21 any Board direction beyond the Committee instructions.

22          PRESIDENT TAYLOR: Okay. And did we have any  
23 public comment?

24          BOARD CLERK ANDERSON: (Shakes head).

25          PRESIDENT TAYLOR: Wow. It is 9:30. We are

1 done.

2           So we'll adjourn the open session right now into  
3 closed session for items 1 through 3 from the closed  
4 session agenda. These will include the following  
5 litigation matters: Wedding at al. versus CalPERS,  
6 CalPERS versus KCPCAL, LLC, and we will also receive the  
7 General Counsel's updated on pending litigation. After  
8 the closed session, the Board will reconvene in open  
9 session to close the Board meeting for the day.

10           Thank you very much everybody for attending our  
11 very short meetings for this month. We will see you in  
12 May -- thank -- oh, no, I'm sorry in June. Thank you very  
13 much.

14           (Off record: 9:29 a.m.)

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

17           (Thereupon the meeting reconvened  
18 open session.)

19           (On record: 10:11 a.m.)

20           PRESIDENT TAYLOR: So welcome back to open  
21 session. This adjourns this month's Board of  
22 Administration meeting. And our next meeting of the Board  
23 of Administration is scheduled for Wednesday, June 12th,  
24 2024. Thank you very much, everybody. Have a nice rest  
25 of your day.

(Thereupon, the California Public Employees'  
Retirement System, Board of Administration  
meeting open session adjourned at 10:11 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, 2024.



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