

## V. BOARD MEMBER COMPETENCIES

CalPERS is the largest public pension fund in the United States. It administers retirement benefits for more than 1.6 million state and local government employees, retirees, and their families and health benefits for more than 1.3 million enrollees. Members of the CalPERS Board of Administration should possess the knowledge and expertise to oversee the management and administration of this system.

Board members are expected to develop the following competencies and skills to be effective CalPERS Board members:

### Governance Competencies:

- An understanding of the role and expectations of Board members;
- An understanding of the Board committees and their purposes;
- A thorough understanding of the CalPERS Board Governance Policy and other Board policies;
- A broad understanding of fiduciary responsibilities and duties, ~~conflicts of interest and ethics~~;
- An understanding of the CalPERS organizational structure and the roles of executive staff and key service providers, including Board consultants, external auditors and attorneys, investment managers and the custodian;
- A working knowledge of the Open Meeting Act and the Public Records Act;
- An understanding of the role of CalPERS as a state agency ~~and its mission and purpose~~, as well as applicable principles of public administration and public policymaking;
- An understanding of best practices for and current trends regarding pension governance;

### Strategic Competencies:

- An understanding of the ~~healthcare~~ health benefits program structure and delivery;
- An understanding of the ~~,~~ pension benefit structure and administration;
- An understanding of ~~, and~~ investment markets, investment asset classes and CalPERS investment processes;
- An understanding of financial statements, balance sheets, budgets, audit reports, and legal opinions;
- A general understanding of economic principles;
- An understanding of the actuarial valuation, assumptions and methodologies and asset/liability management processes;
- An understanding of risk management and oversight;

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- An understanding of the strategic planning process, the CalPERS Strategic Plan, and corresponding performance measures;

Communication Competencies:

- An understanding of how CalPERS communicates with the media;
- The ability to use current forms of electronic communication tools; and
- The ability to express opinions and ask questions in a constructive manner that encourages critical thinking and analysis and improves decision making.

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