STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

DELEGATION RESOLUTION

Subject: Finance and Administration Committee Delegation No: FA-13-01

WHEREAS, (1) In accordance with Government Code sections 20120, 9353, 75005, 75505, 21661, 21670, 21759, 22200, 22201, 22794, 22940, 22960.35 and 22970.30, the Board of Administration of the California Public Employees' Retirement System (the "Board") is charged with the administration and management of the Public Employees' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Public Employees' Long-term Care Act, the Public Employees' Deferred Compensation Program, the Replacement Benefit Plan, the Old Age and Survivors' Insurance Program, the Public Employees' Medical and Hospital Care Act, the Annuitants' Health Care Coverage Fund, the State Peace Officers' and Firefighters' Defined Contribution Plan and the Supplemental Contributions Program (collectively, the "System").

WHEREAS, (2) In accordance with Government Code sections 20171, 9354.1, 75105, 75607, 21664, 21677, 21759, 22601, 22910, 22911, 22940, 22960.46 and 22970.41, the Board is also charged with the exclusive control of the administration and investment of the Public Employees' Retirement Fund, the Legislators' Retirement Fund, the Judges' Retirement Fund, the Judges' Retirement System II Fund, the Public Employees' Long-term Care Fund, the Public Employees' Deferred Compensation Fund, the Replacement Benefit Custodial Fund, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, the Public Employees' Health Care Fund, the Annuitants' Health Care Coverage Fund, the State Peace Officers' and Firefighters' Defined Contribution Plan Fund, and the Supplemental Contribution Program Fund (collectively, "the Fund").

WHEREAS, (3) In accordance with Government Code section 20099, the Board is authorized to appoint a committee of one or more of its members to perform any act within the power of the Board itself to perform, and may through express delegation authorize any such committee to act finally.

RESOLVED, (A) That, pursuant to the foregoing, the Board hereby authorizes and ratifies the annual appointment by the Board President of a Finance and Administration Committee (the "Committee") to be comprised of not less than seven members of the Board.

RESOLVED, (B) Except as otherwise provided within this Resolution, the Finance and Administration Committee is authorized to:

(1) Set overall organization strategy, oversee strategic planning process, and approve strategic plans and corresponding performance measurements.

(2) Approve business plans and oversee business planning process.

(3) Approve enterprise-wide budgets and resource allocations and oversee budget process.

(4) Oversee financial soundness of the overall CalPERS system, including annual review of unfunded liability, overall pension soundness and sustainability, health programs, the Long Term Care Fund, and any other programs offered.

(5) Approve significant accounting principles and policies, including but not limited to, the implementation of Governmental Accounting Standards Board (GASB) statements and standards.

(6) Approve financial reports and oversee controls over financial reporting and processes, including the preparation of the Annual Financial Statements.

(7) Oversee cash management to ensure sufficient cash is available to pay benefits and operating expenses.

(8) Oversee interaction of cash management and fund liquidity management processes.

(9) Oversee organizational operations and cost effectiveness.

(10) Oversee business continuity and disaster recovery processes~~.~~

(11) Approve contracting policies and oversee effective management of service provider contracts.

(12) Conduct the selection of the Board's federal representative and recommend the finalist to the Board.

(13) Set the benchmarks and triggers for information that comes to the Committee for review, as well as approve performance metrics to be reported to the Committee.

(14) Approve positions on legislation affecting finance and administration.

(15) Adopt regulations affecting finance and administration.

(16) Approve and oversee the Board Election process.

(17) Approve actuarial policies and methods and actuarial assumptions (including discount rate) for the Pension Benefits Program.

(18) Approve actuarial valuations, reserve levels, and employer rate setting for the Pension Benefits Program.

(19) Oversee the funding risk through an asset liability management framework to guide investment strategy and actuarial policies for the Pension Benefits Program.

(20) Conduct the selection of the Board's independent actuary and recommend the finalist to the Board.

(21) Oversee management of risks related to the duties delegated to this Committee.

RESOLVED, (C) That the authority granted under this Resolution is subject to the following conditions:

(1) The Committee must discharge its duties "solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system." In exercising this responsibility, the Committee shall place the interests of system members and beneficiaries above all other interests. (Cal. Const. art. XVI sec. 17(b).)

(2) The Committee must discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an

enterprise of a like character and with like aims. (Cal. Const. art. XVI, sec. 17(c).)

RESOLVED, (D) That, notwithstanding any other provision within this Resolution, all acts of the Finance and Administration Committee shall be reported to the Board, at its next regular meeting, and shall be subject to review and ratification or reversal by the Board.

RESOLVED, (E) That this Resolution shall be effective immediately upon adoption, and supersedes all previous delegations of authority to this, or any predecessor, committee.

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I hereby certify that on the 18th day of March 2014, the Board of Administration of the California Public Employees' Retirement System, made and adopted the foregoing Resolution.

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ROB FECKNER
BOARD PRESIDENT
CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM