



Finance and Administration Committee Agenda Item 7a

April 19, 2016

Item Name: Annual Review of Board Member Employer Reimbursements

Program: Administration

Item Type: Action

Recommendation

Approval of the proposed elected Board Member percentages of time to be spent on Board related duties based on Board and committee selections held in February, March, and April 2016. The percentages approved in April will be effective as of the committee selection date(s).

Executive Summary

The Board of Administration's Policy for the Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members requires the recommended percentage up to 100 percent of the elected Board Member's time that will be required of the Board Member to fulfill his or her duties for approval by the Finance & Administration Committee.

Strategic Plan

Not Applicable.

Background

Government Code 20092, as amended January 1, 2014, allows the reimbursement of elected Board Member's salary and benefits paid based on the Board approved percentage.

The costs associated with employer reimbursements are based on the percentage of time the elected Board Member spends on his or her duties as a member of the CalPERS Board of Administration. The percentage is based on the elected Board Member's leave time from their regular work schedule to fulfill his or her responsibilities to the system. Reimbursement to the elected Board Member's employer is processed on a quarterly basis based on the approved percentage of time.

To improve transparency and accountability, an annual summary is provided (Table 1) of employer reimbursed salary and benefits by Board Member, as requested by the employer, for the Fiscal Year 2014/15. The annual summary provides a sound framework that correlates reimbursed costs based on approved percentages to specific activities, the streamlined approval and processing of reimbursement requests from employers, in combination with the Board oversight role.

Included in Table 1, is the summary of employer reimbursed salary and benefits by Board Member, as requested by the employer, for the Fiscal Year 2014/15.

Table 1

Board Member	Salary and Benefits Reimbursed FY 2014/15
Michael Bilbrey	\$17,818
George Diehr ¹	\$37,196
Rob Feckner	\$88,885
JJ Jelincic	\$172,435
Priya Mathur	\$154,265
Theresa Taylor ¹	\$27,988

¹Denotes reimbursement for less than a full fiscal year. Mr. Diehr's employer reimbursements were for 4 months and Ms. Taylor's were for 6 months.

Analysis

Included in Table 2, are the proposed percentages of time, as requested by the individual Board Members.

Table 2

Board Member	Additional Role(s) as a CalPERS Board Member	Current Approved Percentage of Time	Proposed Percentage of Time²	Effective Date
Michael Bilbrey	<ul style="list-style-type: none"> - Chair: Performance, Compensation, & Talent Management Committee - Vice Chair: Pension & Health Benefits Committee - Member Board Governance Committee - Member Investment Committee 	67%	70%	2/17/16
Rob Feckner	<ul style="list-style-type: none"> - President: Board of Administration - Member Board Governance Committee - Member Pension & Health Benefits Committee - Member Investment Committee 	100%	100%	2/16/16
JJ Jelincic	<ul style="list-style-type: none"> - Vice Chair: Risk & Audit Committee - Member Board Governance Committee - Member Finance & Administration Committee - Member Investment Committee 	100%	100%	3/17/16

Board Member	Additional Role(s) as a CalPERS Board Member	Current Approved Percentage of Time	Proposed Percentage of Time ²	Effective Date
Priya Mathur	<ul style="list-style-type: none"> - Chair: Pension & Health Benefits Committee - Vice Chair: Performance, Compensation, & Talent Management Committee - Chair Ad Hoc Committee or Subcommittee - Member Risk & Audit Committee - Member Investment Committee 	87%	90%	3/17/16
Theresa Taylor	<ul style="list-style-type: none"> - Member Pension & Health Benefits Committee - Member Risk & Audit Committee - Member Performance, Compensation, & Talent Management Committee - Member Investment Committee 	61%	61%	3/17/16

²Proposed percentage of time is based on information to date.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

If recommendations are not approved, there is a risk that elected Board Member’s employers may not be reimbursed for the amount equal to the salary and benefits paid to the elected Board Member in fulfilling his or her responsibilities to CalPERS in accordance with the Policy for Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members.

Attachments

Attachment 1 – Fiscal Year Baseline Hours Required For CalPERS Board Duties

KRISTIN MONTGOMERY
Controller

CHERYL EASON
Chief Financial Officer

