

April 20, 2016

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 Finance and Administration Committee met on April 19, 2016.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

- AGENDA ITEM 5a – 2016-17 Annual Budget Proposal (Second Reading)

Approve the Fiscal Year (FY) 2016-17 Annual Budget Proposal as a Second Reading in the amount of \$1,788,000,000 and 2,872 positions, with an additional \$500,000 budget for the review of the System's existing divestment initiatives, including tobacco; and,

Approve the transmittal of this agenda item to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2015, and to the Legislative Analyst's Office, Government Operations Agency, and the Office of the Legislative Counsel.

- AGENDA ITEM 6a – Treasury Management Policy Review (Second Reading)

Approve the Treasury Management Policy with the proposed changes.

- AGENDA ITEM 7a – Annual Review of the Board Member Employer Reimbursements

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

- AGENDA ITEM 8a – State Actuarial Valuation and Employer Contribution Rates

Approve staff recommendation that the Board adopt the employer contribution rates for the period July 1, 2016 to June 30, 2017.

- AGENDA ITEM 8b – Schools Actuarial Valuation and Employer Contribution Rates

Approve staff recommendation that the Board adopt the employer contribution rate of 13.888 and maintain current employee contribution rates for period of July 1, 2016 through June 30, 2017 for the Schools Pool.

- AGENDA ITEM 8c – Review of the Actuarial Cost Methods Policy and Amortization Policy (Second Reading)

Approve the adoption of staff's consolidation of the Actuarial Cost Method and Actuarial Amortization policies.

The Committee received reports on the following topics:

- Review of the Actuarial Assumption Policy (First Reading),
- Semi-Annual Self-Funded Health Plans Report, and
- Final Update on Stakeholder Assessment Project.

The Committee heard public comment from the following:

- Neal Johnson, SEIU

At this time I would like to share some highlights of what to expect at the September Finance and Administration Committee meeting:

- The second reading of the Actuarial Assumption Policy,
- Review of Actuarial Valuation for the Terminated Agency Pool,
- Annual Diversity Report,
- Annual Customer Service Cost Effectiveness Measurement (CEM) Update, and
- The closeout report of the CalPERS 2015-17 Business Plan

The next meeting of the Finance and Administration Committee is scheduled for September 20, 2016, in Sacramento, California.