

**STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

DELEGATION RESOLUTION

Subject: Chief Executive Officer

Delegation No.: EXEC-17-01

Pursuant to Government Code section 20099, the California Public Employees' Retirement System¹ (CalPERS) Board of Administration (Board) delegates to the Chief Executive Officer (CEO) the authority to act finally with respect to any and all matters outlined below:

The CEO's actions under this delegation shall be conducted in compliance with applicable laws, regulations and statutes.

General

1. Conduct and oversee the successful implementation of the Board's policies, programs, strategic plan, and enterprise business plan objectives and initiatives within the resources and fiscal limits set by the Board.
2. Conduct, approve and oversee the administration and management of all functions within CalPERS, including without limitation all actuarial, audit, financial, investment, and legal functions, with independence and in conformance with professional standards, and in conformance with the direction of the Board.
3. Conduct, approve and oversee the administration and business continuity of all units and functions within CalPERS and the operation of CalPERS headquarters' facility, including provision for sufficient information technology, facilities, and equipment to support CalPERS business and operational needs, operating within the resources, delegations of authority, and fiscal limits set by the Board.
4. Approve building, tenant, and owner improvements that were not anticipated during the annual or mid-year adjustment Building Account budget process and are deemed necessary by the CEO.
5. Except where the Board has required the CEO to act personally, re-delegate, as appropriate in the CEO's judgment, any authority delegated to the CEO under this delegation. To the extent the CEO has delegated authority to act finally, such final authority may be further delegated to staff.
6. Report to the Board, on at least a monthly basis, all significant action the CEO has taken under this delegation of authority.

¹ The "System" consists 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, and the Supplemental Contributions Program.

Staff Resources and Organizational Structure

7. Set the internal organizational structure of CalPERS staff, in a manner that is consistent with this delegation of authority and applicable Board policy.
8. Approve all personnel decisions, including hiring, disciplining, and terminating, for all employees listed in Government Code section 20098 and those in Career Executive Assignments. The Board and the CEO share responsibility for hiring, evaluating (including base salary and incentive compensation), and terminating the Chief Investment Officer (CIO). The Board retains veto authority over CEO decisions for hiring, evaluating (including base salary and incentive compensation), and terminating the Chief Financial Officer, Chief Actuary, and General Counsel.
9. Set the compensation of employees listed in Government Code section 20098 and those in Career Executive Assignments consistent with the Board's established compensation policies and procedures. The Board retains the authority for setting the compensation structure and approving the annual incentive plan for the CEO. The Board and the CEO share responsibility to set the compensation structure and approve the annual incentive plan for the CIO.
10. Approve all personnel decisions concerning all other CalPERS staff.

Additional Specific Authority

11. Consistent with the procurement policies adopted by the Board, including the Contract Activity Reporting Policy, approve the procurement of services from all contractors, vendors, consultants, and advisors, except that the Board reserves the authority to approve the procurement of services for the following:
 - The Board's independent auditor;
 - The Board's independent actuary;
 - The Board's outside fiduciary counsel;
 - Executive search firm(s), when the search is for positions for which the Board has retained a primary role in selection;
 - The Board's executive compensation consultant(s);
 - The Board's investment consultants;
 - The Board's Long-Term Care Administrator;
 - Providers of health benefit plans; and
 - Providers of administrative services related to the Board's self-funded health plans (including without limitation network administration, medical policy development, utilization management, and pharmacy benefit management).
12. Set and oversee public agency contract negotiation, management and termination, including calculation of termination liability for public agencies, consistent with Board policy, except that the Board reserves the authority to approve the termination of public agencies.

13. Set and oversee actuarial valuations and employer contribution rates for public agencies and State and school employers, consistent with Board policy.
14. Approve the initiation and settlement of litigation, including administrative appeals and adjudicatory matters, except that the Board retains the authority to approve the initiation and settlement of litigation involving material sums or having a substantial impact on the strategic goals or program operations of CalPERS.
15. Set and oversee the administration and investment of the retirement fund, consistent with Board policy.
16. Represent the System and communicate the Board's policies and positions before outside parties and organizations (including without limitation the media, other governmental entities and officials, employer and employee organizations, and contractors).

Emergency Situations

17. In emergency situations, the CEO shall have the authority to act on matters not expressly within this delegation, provided:
 - The action is, in the CEO's judgment, necessary to protect the System, its employees, the Fund, or System assets, from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a noticed meeting of the Board or its committees; and
 - The CEO promptly reports to the Board the emergency action taken, and the reasons why the CEO determined action was immediately necessary.

I hereby certify this XXst day of XXX the Board of Administration of the California Public Employees' Retirement System made and adopted the foregoing Resolution.

This Delegation Resolution is effective XXX.

Dated: _____

ROB FECKNER
President, Board of Administration
California Public Employees' Retirement System

I understand and accept this delegation of authority.

Dated: _____

MARCIE FROST
Chief Executive Officer
California Public Employees' Retirement System