

May 17, 2017

Item Name: Approval of Committee Delegations

Program: Board Governance

Item Type: Action

Recommendation

Approve revisions to the Board of Administration (Board) delegations to the Board's committees (Committee Delegations).

Executive Summary

As part of the annual review of the Committee Delegations, this item presents committee-recommended revisions to the Committee Delegations for the Board's approval.

Strategic Plan

This agenda item supports the CalPERS Strategic Plan goal to cultivate a high-performing, risk-intelligent and innovative organization. Conducting periodic reviews of the Committee Delegations ensures that governance documents are accurate and that each committee is empowered to carry out its respective functions.

Background

The Board Governance Policy states that the Committee Delegations will be reviewed annually and updated as needed. At the February, March, and April meetings, the committees reviewed and considered changes to their respective Committee Delegations. This item presents the Committee Delegations, with proposed revisions formatted in redline, to the Board for approval.

Analysis

The proposed revisions to the Committee Delegations are as follows:

- **Board Governance Committee** (Attachment 1)
 - Remove language from the Committee's delegation conferring the responsibility for approving committee roles including the creation and disbanding of committees.

- **Finance and Administration Committee** (Attachment 2)
 - Add language to the Committee's delegation to reflect the Committee's responsibility for approving the percentage of time spent by elected Board members to fulfill their duties to CalPERS, for the purpose of calculating reimbursement to employers;

- Add language to the Committee's delegation to reflect the Committee's responsibility for approving and overseeing significant discharge from accountability requests; and
- Make other minor edits to clarify the Committee's authority.
- **Investment Committee** (Attachment 3)
 - No additional revisions are proposed to this Committee Delegation.
- **Pension and Health Benefits Committee** (Attachment 4)
 - No additional revisions are proposed to this Committee Delegation.
- **Performance, Compensation and Talent Management Committee** (Attachment 5)
 - No additional revisions are proposed to this Committee Delegation.
- **Risk and Audit Committee** (Attachment 6)
 - Make minor edits to clarify the Committee's authority.

Benefits and Risks

The proposed revisions to the Committee Delegations are consistent with the governance decisions made by the Board. The revisions will increase accountability, clarity of roles and transparency, and ensure that each committee has appropriate authority to maintain strategic oversight of enterprise operations and needs.

Failure to approve the revisions to the Committee Delegations may result in unclear roles, responsibilities and authority among the Board, the committees and staff, and may result in decreased accountability in the conduct of Board business.

Attachments

- Attachment 1 – Delegation Resolution for the Board Governance Committee
- Attachment 2 – Delegation Resolution for the Finance and Administration Committee
- Attachment 3 – Delegation Resolution for the Investment Committee
- Attachment 4 – Delegation Resolution for the Pension and Health Benefits Committee
- Attachment 5 – Delegation Resolution for the Performance, Compensation and Talent Management Committee
- Attachment 6 – Delegation Resolution for the Risk and Audit Committee

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