



## Finance and Administration Committee Agenda Item 6c

April 17, 2018

**Item Name:** Proposed Board of Administration Election Regulation and Public Hearing  
(9:00 a.m. TIME CERTAIN)

**Program:** Board of Administration Elections

**Item Type:** Action

### **Recommendation**

Operations Support Services Division (OSSD) recommends the Finance & Administration Committee (FAC) approve the proposed amendment to section § 554.7 of the California Code of Regulations and approval to submit the final rulemaking package to the Office of Administrative Law (OAL).

### **Executive Summary**

The proposed regulation (Attachment 1) was provided to the public during the 45-day comment period.

### **Strategic Plan**

The Agenda Item supports the CalPERS 2017-22 Strategic Plan, which is to strengthen the long-term stability of the pension fund. The proposed changes to the Board election process are intended to decrease the number of invalid votes, and increase voter confidence and participation in the CalPERS Board Elections.

### **Background**

CalPERS election regulations require that voters sign under penalty of perjury that the voter is eligible to vote in the election; otherwise, their vote will not be counted. Prior to the 2017 Member-at-Large election, CalPERS amended the election regulations to move the placement of the voter's signature and perjury statement from the return envelope to the ballot. This change was made primarily to reduce costs associated with the printing of the return envelope, ballot receipt, and validation.

During the 2017 Member-at-Large election, CalPERS received feedback from stakeholders about the placement of the voter's signature and perjury statement on the voting materials. There was also a higher number of votes invalidated due to lack of a voter's signature.

At the January Board offsite meeting, the Board approved the proposed Board election regulatory changes that would require voters to sign the perjury statement on the return envelope instead of the ballot.

## **Analysis**

The initial rulemaking process was filed with OAL and a Notice of Proposed Regulatory Action was published in the California Regulatory Notice Register on February 9, 2018. The 45-day comment period commenced on February 9, 2018, and closed on March 26, 2018. During the comment period CalPERS received two comments and a request for a public hearing.

The public hearing was noticed for today, April 17, 2018 at 9:00 a.m. Interested parties may present testimony and comments received regarding the proposed regulatory action. The FAC and CalPERS team members are not required to respond to public comments during the hearing; however, all public comments will ultimately receive a written response from CalPERS as part of the final rulemaking file.

## **Budget and Fiscal Impacts**

This regulatory change will result in a cost increase to the 2018 State, School, and Public Agency election.

## **Benefits and Risks**

### Benefits

- Decrease the number of invalid votes.
- Increase voter confidence.
- Increase voter participation.

### Risks

- None identified.

## **Attachments**

Attachment 1 – Text of Proposed Regulatory Action  
Attachment 2 – Public Comment – Jose C. Henriquez  
Attachment 3 – Public Comment – J.J. Jelincic

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Operations Support Services Division

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**Douglas Hoffner**  
Deputy Executive Officer  
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