

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
PERFORMANCE, COMPENSATION &
TALENT MANAGEMENT COMMITTEE

ROBERT F. CARLSON AUDITORIUM
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

TUESDAY, MARCH 19, 2019
11:25 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

COMMITTEE MEMBERS:

Ms. Theresa Taylor, Chairperson

Ms. Dana Hollinger, Vice Chairperson

Mr. Rob Feckner

Ms. Fiona Ma, represented by Mr. Matthew Saha

Ms. Eraina Ortega, represented by Ms. Adria Jenkins-Jones

Ms. Mona Pasquil Rogers

Mr. Bill Slaton

BOARD MEMBERS:

Ms. Margaret Brown

Mr. Henry Jones, President

Mr. David Miller

Mr. Ramon Rubalcava

Ms. Betty Yee, represented by Ms. Lynn Paquin

STAFF:

Ms. Marcie Frost, Chief Executive Officer

Mr. Doug Hoffner, Deputy Executive Officer

Mr. Matthew Jacobs, General Counsel

Ms. Tina Campbell, Chief, Human Resources Division

Ms. Jerrolyn Queral, Committee Secretary

I N D E X

	PAGE
1. Call to Order and Roll Call	1
2. Approval of the March 19, 2019 Performance, Compensation & Talent Management Committee Timed Agenda	2
3. Executive Report - Doug Hoffner	2
4. Action Consent Items - Doug Hoffner	3
a. Approval of the February 20, 2019 Performance, Compensation & Talent Management Committee Meeting Minutes	
5. Information Consent Items - Doug Hoffner	4
a. Annual Calendar Review	
b. Draft Agenda for the May 14, 2019 Performance, Compensation & Talent Management Committee Meeting	
6. Action Agenda Items	
a. Salary and Incentive Ranges for the Chief Health Director Position - Tina Campbell	4
7. Information Agenda Items	
a. Summary of Committee Direction - Doug Hoffner	8
b. Public Comment	8
Adjournment	8
Reporter's Certificate	9

P R O C E E D I N G S

CHAIRPERSON TAYLOR: Okay. I'm going to call the Performance, Compensation and Talent Management Committee to order. I was going to try to wait for the agendas, but everybody is so quite, and it looks like everybody is ready, so first order of business is call -- roll call, please.

COMMITTEE SECRETARY QUERAL: Theresa Taylor?

CHAIRPERSON TAYLOR: Here.

COMMITTEE SECRETARY QUERAL: Dana Hollinger?

VICE CHAIRPERSON HOLLINGER: Here.

COMMITTEE SECRETARY QUERAL: Rob Feckner?

COMMITTEE MEMBER FECKNER: Morning.

COMMITTEE SECRETARY QUERAL: Matthew Saha for Fiona Ma?

ACTING COMMITTEE MEMBER SAHA: Here.

COMMITTEE SECRETARY QUERAL: Adria Jenkins-Jones for Eraina Ortega?

ACTING COMMITTEE MEMBER JENKINS-JONES: Here.

COMMITTEE SECRETARY QUERAL: Mona Pasquil Rogers?

COMMITTEE MEMBER PASQUIL ROGERS: Here.

COMMITTEE SECRETARY QUERAL: And Bill Slaton?

COMMITTEE MEMBER SLATON: Here.

CHAIRPERSON TAYLOR: Great. Than you.

Our next order of business is approval of the

1 March 10th, 2010 Performance, Compensation and Talent
2 Management Committee meeting agenda. What's the --

3 VICE CHAIRPERSON HOLLINGER: Move to approve.

4 CHAIRPERSON TAYLOR: Thank you.

5 COMMITTEE MEMBER FECKNER: Second.

6 CHAIRPERSON TAYLOR: Okay. It's been moved by
7 Dana Hollinger, and seconded by Rob Feckner.

8 All those in favor say aye?

9 (Ayes.)

10 CHAIRPERSON TAYLOR: All those opposed?

11 Okay. Motion carries.

12 And We're going to move on to the Executive
13 Report, Mr. Hoffner.

14 DEPUTY EXECUTIVE OFFICER HOFFNER: Thank you.
15 Doug Hoffner, CalPERS team member. We have one item
16 before you today. It's a look at the -- setting the
17 salary compensation base range for the Chief Health
18 Director position, which was recently established in
19 Government Code 20098 effective January 1, 2019.

20 I would like to highlight as well on Agenda Item
21 6a, there is an error in the date that's on the agenda
22 item on that first page. So it should reflect today's
23 date of March 19th, 2019, not the December date that's
24 listed there.

25 CHAIRPERSON TAYLOR: All right. Great.

1 DEPUTY EXECUTIVE OFFICER HOFFNER: I also wanted
2 to thank both the Department of Human Resources and the
3 State Personnel Board, Diana Dooley, who's been assisting
4 us in this process, who's not here this week, has done a
5 lot of work with both the Department and the Board. And I
6 just want to acknowledge the great work that I think we
7 were able to accomplish in moving this to this point. And
8 I just want to say thank you to them for that.

9 I'll quickly highlight what will be coming in the
10 next May meeting. We'll be bringing back the
11 implementation items related to the incentive comp ranges
12 that were approved last month for the Investment Office
13 positions.

14 And with that, that concludes my report, Madam
15 Chair.

16 CHAIRPERSON TAYLOR: All right. Thank you.

17 So our next order of business is action consent
18 items, approval of the meeting minutes for February of
19 2019.

20 COMMITTEE MEMBER SLATON: Move it.

21 CHAIRPERSON TAYLOR: I'm sorry was that moved by
22 Mr. Slaton?

23 COMMITTEE MEMBER SLATON: (Nods head.)

24 VICE CHAIRPERSON HOLLINGER: Second.

25 CHAIRPERSON TAYLOR: Second by Ms. Hollinger.

1 All those in favor of approval say aye?

2 (Ayes.)

3 CHAIRPERSON TAYLOR: All those opposed?

4 Motion carries.

5 Information consent items, I had no requests to
6 take anything off.

7 We're going to move on to our one item, action
8 agenda item for salary and incentive ranges for the Chief
9 Health Director position. And I will move -- is that Tina
10 Campbell?

11 HUMAN RESOURCES DIVISION CHIEF CAMPBELL: (Nods
12 head.)

13 CHAIRPERSON TAYLOR: Ms. Campbell.

14 HUMAN RESOURCES DIVISION CHIEF CAMPBELL: Hi.
15 Good morning, members of the Committee. Tina Campbell,
16 CalPERS team.

17 As you may recall, new legislation took effect on
18 January 1st, 2019 to add a Chief Health Director position
19 to the list of positions that the CalPERS Board of
20 Administration has compensation setting authority over.

21 This amendment to Government Code section 20098
22 is intended to help address historical challenges CalPERS
23 has faced in recruiting and retaining a Chief Health
24 Director due to the specialized knowledge, skills, and
25 experience needed, as well as lower salary range compared

1 to other public employers and private sector companies.

2 It is essential that CalPERS is able to compete
3 for talent with other public employers, pension systems,
4 nonprofit employers, and private industry. The ability to
5 fill this position with a highly qualified candidate will
6 support CalPERS ability to successfully provide health
7 benefits to our members and full -- fulfill our fiduciary
8 duties.

9 The purpose of today's agenda item is to provide
10 the Committee with relevant compensation data to set the
11 base pay and incentive ranges for the Chief Health
12 Director position. To obtain relevant compensation data
13 for the CHD position in a cost effective and prudent
14 manner, CalPERS team members conducted research to
15 identify potentially comparable positions and relevant
16 compensation data points.

17 After reviewing several position description for
18 health program management positions and public
19 institutions within the State, team members identified the
20 Chief Deputy Executive Director program at Covered
21 California to be the most closely aligned, based on
22 breadth of responsibility, influence, and essential
23 duties.

24 The position at Covered California is responsible
25 for oversight of plan management, outreach and sales,

1 marketing, service center, and policy areas, which aligns
2 closely with the CHD position at CalPERS.

3 The proposed salary and incentive ranges are
4 based on close alignment with Covered California position,
5 and consideration for other CalPERS deputy level executive
6 positions covered by the Board's salary-setting authority.

7 The mid-point of the proposed salary range aligns
8 with Covered California's position with the minimum and
9 maximum adjusted to a wider span. This methodology is
10 consistent with other positions covered under Government
11 Code section 20098, for which the Board has recently
12 reevaluated salaries. The recommended incentive ranges
13 also aligns with those covered peer positions.

14 Currently the classification proposal is pending
15 CalHR approval. Once the classification proposal has been
16 proved by CalHR, it will move on to the State Personnel
17 Board for action.

18 At this time, I'd also like to take this
19 opportunity to thank both CalHR and SPB's teams for
20 working with us on this proposal.

21 At the time of writing of the agenda item, it was
22 anticipated that the CHD classification proposal would be
23 heard at the State Personnel Board's April meeting.
24 However, at this time, we are continuing to work with our
25 Partners at CalHR and SPB, and anticipate the earliest it

1 will be able to move forward will be May 2019.

2 The Board's primary executive compensation
3 consultant, Grant Thornton, LLP has provided an opinion
4 letter on the compensation recommendations, which can be
5 found in attachment 1.

6 Thank you, Ms. Chair. This concludes my report,
7 and I'm happy to answer any questions.

8 CHAIRPERSON TAYLOR: All right. I do not see
9 any questions from the Committee. So I can entertain a
10 motion, please.

11 COMMITTEE MEMBER SLATON: Move.

12 VICE CHAIRPERSON HOLLINGER: Second.

13 CHAIRPERSON TAYLOR: It was moved by Bill Slaton,
14 and seconded by Dana Hollinger to approve a salary and
15 incentive range for the newly established Chief Health
16 Director position.

17 All those in favor say aye?

18 (Ayes.)

19 CHAIRPERSON TAYLOR: All those opposed?

20 Hearing none.

21 The motion carries.

22 So I'm going to -- I think that's it. I don't
23 have any further information.

24 Doug, do you have anything for us?

25 DEPUTY EXECUTIVE OFFICER HOFFNER: No, I do not.

1 Thank you.

2 CHAIRPERSON TAYLOR: And I don't think we had any
3 summary of direction, right?

4 Any public comments?

5 Going, going, gone.

6 All right. So this Committee is adjourned.

7 (Thereupon the California Public Employees'
8 Retirement System, Board of Administration,
9 Performance, Compensation, & Talent Management
10 Committee meeting adjourned at 11:32 a.m.)

C E R T I F I C A T E O F R E P O R T E R


I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration, Performance, Compensation & Talent Management Committee meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California;

That the said proceedings was taken before me, in shorthand writing, and was thereafter transcribed, under my direction, by computer-assisted transcription.

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of March, 2019.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063