# CalPERS

## Board Governance Committee
# Agenda Item 7b

**August 20, 2019**

**Item Name**: Recommendations of Workstream 2: Roles and Responsibilities

- Proposed Change to Rules and Guidelines for the Conduct of Meetings (Robert's Rules/Rosenberg's Rules)

- Redraft Board Policies and Documents into plain English

**Program**: Board Governance

**Item Type**: Action

## Recommendation

The board member leads for Workstream 2 (Roles and Responsibilities) recommend that the Board Governance Committee approve the following:

*Rules and Guidelines*

(1) Adopt Rosenberg's Rules of Order as the parliamentary authority for meetings of the Board and its committees and (2) ask management to bring back proposed revisions to the Rules and Guidelines for the Conduct of Meetings and to the Board Governance Policy to conform them to that change.

*Policies in Plain English*

Ask management to redraft board policies and documents into plain English.

## Executive Summary

*Rules and Guidelines*

This agenda item provides the Committee with an opportunity to review its current meeting procedures and consider replacing Robert's Rules of Order with Rosenberg's Rules of Order as the Board's parliamentary authority.

*Policies in Plain English*

This agenda item also provides the Committee with an opportunity to approve the redrafting of board policies, delegations, and documents into clear terms for easier understanding and clarification on the roles and responsibilities of the board its committees and consultants.

Simplification of these items will clarify the distinctions in duties and authority between the board and management.

**Strategic Plan**

This agenda item supports the 2017-2022 Strategic Plan to reduce complexity across the enterprise and the objective to streamline operations to gain efficiencies, improve productivity, and reduce costs.

This agenda item also supports the 2017-2022 Strategic Plan goal "Fund Sustainability". The outcomes of the Board Workstream Self-Evaluation and recommendations put forward by Board members and reviewed by the NACD should strengthen fund governance.

**Background**

At the January 2019 Board Offsite, Anne Simpson, CalPERS Director of Board Governance and Strategy, and Cari Dominguez, the faculty member leading the 2018 Board Self-Evaluation for the National Association of Corporate Directors (NACD), presented the findings of the Board Self-Evaluation completed in the fall of 2018. Subsequently the CalPERS Board President established five workstreams to follow-up on the findings: Board Curriculum; Roles and Responsibilities; Meeting Materials; Code of Conduct; and Insight Tool Prototype. In March 2019, the Board received an update on the workstreams and their progress. In June 2019, the Board received an additional update on workstream progress and approved the identified recommendations to be moved forward for discussion. In July 2019, the Board had a first review and 4-hour discussion on the recommendations being put forward by 4 of the 5 workstreams. Also, the board received a prototype viewing of the Insight program that was created based on feedback from the 5th workstream's beta tests.

*Proposed Changes to Rules and Guidelines*

The Board's Governance Policy[1] currently charges the Board President with "controlling the process of Board deliberations pursuant to rules adopted by the Board" and "[e]nsuring timely, fair, orderly, thorough but efficient deliberations, including enforcement of Robert's Rules of Order." (See pages 12-13) Similarly, the Governance Policy charges committee chairs with "[e]nsuring timely, fair, orderly, thorough but efficient deliberations, and enforcing the Board's rules of order." (See page 14)

In 2001 the Board adopted Rules and Guidelines for the Conduct of Meetings ("Rules and Guidelines") to govern Board and committee meetings. The Rules and Guidelines were last amended in 2007 (Attachment 1) and refer to Robert's Rules of Order as the parliamentary authority under which the Board and its committees are to operate. Robert's Rules was first published by Henry M. Robert in 1876 and have evolved through numerous editions. It was designed for use by deliberative assemblies ranging in size from a 13-member board to legislative bodies and even mass meetings of political parties.

At the Board Governance Committee's June 2019 meeting several Board members expressed interest in reviewing Rosenberg's Rules of Order (Attachment 2) and considering whether to

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[1] Available at https://www.calpers.ca.gov/docs/board-governance-policy.pdf.

utilize them in place of Robert's Rules. This discussion continued at the Board's July offsite as part of Workstream 2. Rosenberg's Rules were developed by Yolo County Superior Court Judge David Rosenberg and aimed specifically at smaller bodies, such as the five-member boards commonly found in local government. It has been endorsed by the League of California Cities and adopted by numerous local government agencies.

*Policies in Plain English*

CalPERS has extensive and complex documents setting out policies and procedures, some of which have not been revised for some years. Reducing complexity is an enterprise wide goal and bringing clarity to board documents will contribute to this.

## Analysis

*Proposed Changes to Rules and Guidelines*

Utilizing rules of order helps ensure that meetings are carried out in an orderly and decorous manner. They comport with a basic notion of democratic governance, that the majority of a body entrusted with certain duties and responsibilities should ultimately prevail in decision making, while at the same time respecting the right of the minority to express its views and participate in that decision making. Rules of order have particular utility in meetings of a public agency, as they help set expectations for how meetings will proceed and contribute to the understanding and participation of Board members, management, and stake holders.

At just seven pages, Rosenberg's Rules considerably simplify and distill the 716 pages of parliamentary procedure contained in the current edition of Robert's Rules. As just one example, Robert's Rules contains 86 motions with differing rules and levels of precedence; Rosenberg's Rules whittles that down to a much more manageable 18.

Should the Committee prefer Rosenberg's Rules to Robert's Rules, management recommends that the Committee ask management to revise both the Board's Rules and Guidelines and the Board Governance Policy to effectuate this change and bring back redlined versions for the Committee's consideration and potential adoption. Management's preliminary analysis is that the Rules and Guidelines are already largely harmonious with Rosenberg's Rules.

## Budget and Fiscal Impacts

N/A

## Benefits and Risks

*Proposed Changes to Rules and Guidelines*

The benefit of replacing Robert's Rules with Rosenberg's Rules is to greatly improve the learning curve required for both Board members when it comes to chairing and participating in meetings. Judge Rosenberg captured this benefit aptly in the introduction to his Rules: "Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate." The risk in replacing Robert's Rules with Rosenberg's Rules, if there is one, is the

loss of the additional confidence and certainty that comes with the larger breadth and history developed as Robert's Rules have been applied in practice over 143 years. By comparison, Rosenberg's Rules are relatively new.

*Policies in Plain English*

Implementing this workstream recommendation would help further delineate the responsibilities of the board, its committees, consultants and CalPERS' management.

**Attachments**

Attachment 1 – Board of Administration's Rules and Guidelines for the Conduct of Meetings

Attachment 2 – Rosenberg's Rules of Order

Attachment 3 – Workstream 2 7b August 2019 - PowerPoint

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