



Finance and Administration Committee

Agenda Item 6c

September 15, 2020

Item Name: Proposed Board Election Regulations

Program: Board of Administration Elections

Item Type: Action

Recommendation

The Operations Support Services Division (OSSD) recommends the Finance and Administration Committee (FAC) approve the proposed amendment to Sections 554.5, 554.6, 554.7, and 554.8 of the California Code of Regulations and approve the submittal of the final rulemaking package to the Office of Administrative Law (OAL).

Executive Summary

The proposed changes to the board election regulations (Attachment 1) were provided to the public on June 12, 2020. During the 45-day public comment period, OSSD received no comments from the public.

The proposed changes to the board election regulations intends to clarify existing board election procedures in the following areas: nomination of candidates, candidate statements, ballot distribution, ballot counting, and runoff elections. In addition, the proposed changes will add four (4) optional questions to the five (5) existing questions that the candidates may answer in their candidate statements.

Strategic Plan

This agenda item supports the CalPERS 2017-22 Strategic Plan by reducing complexity in board election processes.

Background

During the board election off-year, regulatory changes are submitted to OAL to improve the next board election cycle. The proposed changes to the board election regulations were identified as ambiguous, vague, or obsolete during the 2017-2020 board election cycle. The proposed changes are intended to clarify existing procedures. In addition, the board election team was provided feedback from stakeholders, requesting that existing regulations be amended to include an opportunity for candidates to voluntarily provide additional information in their candidate statements; additional information in each candidate's statement would pertain to financial solvency, sexual harassment, conflicts of interest, and protection of confidentiality.

Analysis

At the April 21, 2020 Finance and Administration Committee meeting, it was recommended the CalPERS Board approve the proposed board election regulatory changes. On April 22, 2020, the CalPERS Board approved this recommendation. The rulemaking process was initiated with OAL and a Notice of Proposed Regulatory Action was published in the California Regulatory Notice Register on June 12, 2020. The 45-day comment period commenced on June 12, 2020, and closed on July 27, 2020. CalPERS did not receive any comments during this comment period.

Budget and Fiscal Impacts

There are no budget or fiscal impacts. The proposed regulations clarify existing board election procedures and add optional questions to encourage additional information in the candidate statements.

Benefits and Risks

Benefits

- The technical amendments to the regulations will clarify existing board election procedures.
- The optional questions encourage candidates to provide more relevant information to the voters.

Risks

- The risk to incorporating these proposed regulations is minimal because the proposed regulations clarify existing board election procedures and the four (4) questions are optional (not mandatory) questions for candidates to answer.

Attachments

Attachment 1 – Text of Proposed Regulatory Action

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