



Board of Administration

Agenda Item 9d

November 18, 2020

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.

Background

The Board Governance Policy states that the Committee Delegations will be reviewed annually and updated as needed. Throughout the year the committees reviewed and considered changes to each of the Committee Delegations. This item presents the Committee Delegations, with proposed revisions formatted in redline, to the Board for approval.

Analysis

Each of the Committee Delegations feature non-substantive revisions that reflect the Board's direction to revise Board policies and documents into plain English. The more-specific proposed revisions for each of the Committee Delegations are as follows:

- Finance and Administration Committee (Attachment 1)
 - Clarifies the committee's role as approver of the CalPERS Budget Policy;
 - Clarifies the committee's role as approver of budget change proposal submittals for the Old Age and Survivor's Insurance Fund; and
 - Clarifies the committee's role in overseeing liquidity management.
- Risk and Audit Committee (Attachment 2)
 - Clarifies the committee's role with respect to enterprise risk appetite and tolerances, and key risk management activities;
 - Delegates to the committee responsibility to oversee enterprise risk appetite and tolerances (excluding investment risk);

- Investment Committee (Attachment 3)
 - Per the Board's previous decision, revises to reflect the committee's status as a committee of the whole; and
 - Any other changes the committee recommends (the committee is reviewing this delegation contemporaneously with this item).
- Board Governance Committee (Attachment 4)
 - No additional changes.
- Pension and Health Benefits Committee (Attachment 5)
 - No additional changes.
- Performance, Compensation and Talent Management Committee (Attachment 6)
 - No additional changes.

Budget and Fiscal Impacts

N/A

Benefits and Risks

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

Attachments

Attachment 1 – Delegation Resolution for the Finance and Administration Committee

Attachment 2 – Delegation Resolution for the Risk and Audit Committee

Attachment 3 – Delegation Resolution for the Investment Committee

Attachment 4 – Delegation Resolution for the Board Governance Committee

Attachment 5 – Delegation Resolution for the Pension and Health Benefits Committee

Attachment 6 – Delegation Resolution for the Performance, Compensation and Talent Management Committee

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