

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Wednesday, June 15, 2022**

The Board of Administration met on Wednesday, June 15, 2022 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 10:32 a.m. and the following members were present:

Theresa Taylor, President
Rob Feckner, Vice President
Frank Ruffino for Fiona Ma
David Miller
Eraina Ortega
Jose Luis Pacheco
Ramon Rubalcava
Mullissa Willette
Lynn Paquin for Betty Yee

Board of Administration Members excused: Lisa Middleton

AGENDA ITEM 3 – PRESIDENT’S REPORT

President Taylor congratulated Mullissa Willette to the Board.

AGENDA ITEM 4 – EXECUTIVE REPORT

a. Chief Executive Officer’s Report

Ms. Frost reported on the following:

- End of the Fiscal Year
- New Five-Year Strategic Plan
- Upcoming July Board Offsite
- Upcoming CalPERS Employer Education Forum
- Upcoming Pathways for Women event

AGENDA ITEM 5 – CONSENT ITEMS

Action Consent Items

- a. Approval of the April 18 and 19, 2022 Board of Administration Meeting Minutes
- b. Board Travel Approvals
- c. Approval of the June 15, 2022 Board of Administration Timed Agenda

On **MOTION** by Rob Feckner, **SECONDED** by David Miller and **CARRIED**, with an electronic vote, the Board approved Action Consent Items 5a, 5b and 5c.

AGENDA ITEM 6 – CONSENT ITEMS

Information Consent Items:

- a. Board Meeting Calendar
- b. Draft Agenda for the September 21, 2022 Board of Administration Meeting
- c. General Counsel's Report
- d. Communications and Stakeholder Relations

AGENDA ITEM 7 – COMMITTEE REPORTS AND ACTIONS

a. Investment Committee

David Miller, Chair, Investment Committee presented the Committee Summary report to the Board. The Committee met on June 13, 2022.

Additional information may be found in the June 13, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Investment Committee is scheduled for September 19, 2022 in Sacramento, California.

b. Pension and Health Benefits Committee

Rob Feckner, Chair, Pension and Health Benefits Committee presented the Committee Summary report to the Board. The Committee met on June 14, 2022.

Additional information may be found in the June 14, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for September 20, 2022 in Sacramento, California.

c. Finance and Administration Committee

The Committee did not meet.

The next meeting of the Finance and Administration Committee is scheduled for September 20, 2022 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

Rob Feckner, Chair, Performance, Compensation and Talent Management Committee presented the Committee Summary report to the Board. The Committee met on June 15, 2022.

On **MOTION** by Committee, and **CARRIED**, the Board approved the following:

- Proposed non-substantive changes noted in the item in green text to the Board's Compensation Policy for Executive and Investment Management Positions; approved the changes to the treatment of pro-rata awards and the treatment of termination. (PCTM Item 5a)
- The Compensation Review and Recommendations for Statutory Positions was deferred to a future meeting, after a workshop to gather the board's additional insight and feedback on key components of the compensation policy which may impact future recommendations. (PCTM Item 5b)

On **MOTION** by Committee, and **CARRIED**, the Board approved the incentive metrics as proposed for fiscal year 2022-23 incentive plans. (PCTM Item 5c)

On **MOTION** by Committee, and **CARRIED**, the Board approved the fiscal year 2022-23 incentive plan for the CEO, except for the proposed rating scale for the Individual Key Business Objective, which will instead remain as it is currently listed in the policy. (PCTM Item 5d)

Additional information may be found in the June 15, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for September 20, 2022 in Sacramento, California.

e. Risk and Audit Committee

David Miller, Vice Chair, Risk and Audit Committee presented the Committee Summary report to the Board. The Committee met on June 14, 2022.

On **MOTION** by Committee, and **CARRIED**, the Board approved the following:

- 2022-23 Enterprise Compliance and Risk Management plans (RAC Item 5a)
- 2022-23 Office of Audit Services plan (RAC Item 5b)
- Independent Auditor's Annual Plan (RAC Item 5c)

Additional information may be found in the June 14, 2022 Agenda materials and transcripts of the Committee meeting.

The next meeting of the Risk and Audit Committee is scheduled for September 20, 2022 in Sacramento, California.

f. Board Governance Committee

The Committee did not meet.

The next meeting of the Board Governance Committee is scheduled for September 20, 2022 in Sacramento.

AGENDA ITEM 8a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by Rob Feckner, **SECONDED** by David Miller, and **CARRIED**, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 8a1 and 8a3 through 8a10 as the Board's own decisions with minor modifications argued by staff to Agenda items 8a1, 8a3, 8a4, 8a5, 8a6, 8a8 and 8a10.

On **MOTION** by Rob Feckner, **SECONDED** by David Miller, and **CARRIED**, the Board moved to remand the proposed decision of Administrative Law Judge (ALJ) for Agenda Item 8a2 for the taking of additional evidence regarding, one, why the member's claim was approved in December of 2019 but not in January of 2020, and two, whether Blue Shield should be estopped from denying the claim in light of its ambiguous and unclear January 15th, 2020 response to the member and dependent when they sought preapproval the second time.

AGENDA ITEM 8b – ASSEMBLY BILL 2080 (WOOD) – HEALTH CARE CONSOLIDATION AND CONTRACTING FAIRNESS ACT OF 2022

PUBLIC COMMENT:

JJ Jelincic, representing RPEA encouraged the Board to adopt a support position.
Katie Van Deynze, representing Health Access California urged the Board to adopt a support position.
Beth Malinowski, representing SEIU encouraged the Board to adopt a support position.
David Chase, representing Outreach at Small Business Majority urged support of the bill.

On **MOTION** by Ramon Rubalcava, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, with one abstention by Eraina Ortega, the Board moved to adopt a support position for Assembly Bill 2080.

AGENDA ITEM 9a – STATE AND FEDERAL LEGISLATION UPDATE

Danny Brown, Chief of Legislative Affairs, provided the State and Federal Legislation update.

PUBLIC COMMENT:

Tim Behrens, representing CSR provided a reminder to the Legislative team to continue to oppose the outsourcing of Medicare.

AGENDA ITEM 9b – SUMMARY OF BOARD DIRECTION

No direction was given.

AGENDA ITEM 9c – PUBLIC COMMENT

Jen Cuny, wife of a CalPERS employee spoke about covid and the effect it has had on her family.

Dev Berger, representing herself spoke about the Nevada Policy Research Institute, NPRI. Ms. Berger is concerned about the information being public.

John, representing himself spoke about the statutory definition of PEPRA.

Hoang-Van Nguyen, representing SEIU Local 1000 spoke about her concerns as an employee at CalPERS.

Tony Cuny, representing himself spoke about his concern with covid and being in the office.

The Public meeting recessed into closed session at approximately 11:37 a.m.

The Public meeting reconvened in open session at approximately 12:04 p.m.

The Public meeting adjourned at approximately 12:04 p.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration Agenda Item 5b

June 15, 2022

Item Name: Board Travel Approvals

Program: Board of Administration

Item Type: Action Consent

Recommendation

Approve travel requests as required under the Board of Administration’s travel policy.

Over \$500/Out of State/Country Travel Requests Approved by Board President:

Board Member	Date	Destination	Purpose	Estimated Costs
Frank Ruffino	June 5-10, 2022	Santa Monica, CA	International Foundation of Employee Benefit Plan – Certificate of Achievement in Public Plan Policy Parts I&II	\$5,683.29
Theresa Taylor	July 17-20, 2022	Boston, MA	Harvard Trustee Leadership Forum	\$2,450.00

There is a Board member travel report attached.

THERESA TAYLOR, President
Board of Administration



Investment Committee

Meeting Summary

June 15, 2022

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Investment Committee met on June 13, 2022.

The Committee approved the following:

- AGENDA ITEM 5a
Asset Liability Management: Affiliate Funds – Supplemental Income Plans
- AGENDA ITEM 5b
Revisions to the Total Fund Policy and Global Fixed Income Policies – Second Reading

The Committee received reports on the following topics:

- Market Dynamics and Portfolio Implications
- Investment Strategy – a report on the CIO's first 90 days

The Committee heard public comment on the following topic:

- CalPERS Board of Administration Closed Session meeting laws

At this time, I would like to share some highlights of what to expect at the September Investment Committee meeting:

- Revisions of Private Equity and Real Assets Policies – First Reading;
- The Diversity in the Management of Investments – AB 890 Reporting;
- CalPERS Trust Level Review and Annual Program Reviews; and,
- CalPERS Trust Level Review Consultant Report and Annual Program Reviews.

The next meeting of the Investment Committee is scheduled for September 19, 2022, in Sacramento, California.