CalPERS Board of Administration Travel Report

Instructions: Please fill out the below template and return to BSU team. This report will be entered into the monthly Board travel agenda item:

Jose Luis Pacheco

Board Member Name

August 18, 2024 - August 20, 2024

Date(s) of Travel

2024 NCPERS Public Pension Funding Forum

Name of Conference (if applicable)

Boston, MA

Location(s) Traveled To

Purpose of Travel:

Be educated on emerging funding solutions for pensions and delve into case studies that offer a practical perspective on which pension reform initiatives have or haven't worked. Forum attendees examine the short-term effects of tweaking public pension benefits & formulas as well as the long-term, negative implications for committees and economic growth if advocates of dismantling public pensions get their way.

Instructions: If travel includes attendance at an educational program, complete the next section and attach a copy of the program's agenda to this travel report.

Name of Educational Event:

National Conference on Public Employee Retirement Systems (NCPERS) 2024 Public Pension Funding Forum

Sessions Attended (include brief synopsis of information provided at each session and amount of time spent at each session). Use page 2 if needed.

How Do U.S. Demographic Challenges Matter for the Future of Pensions?

1.0
Hours

Understanding Artificial Intelligence

0.75
Hours

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Sessions Attended (include brief synopsis of information provided at each session and amount of time spent at each session).

Artificial Intelligence and Future of Public Pensions

0.75
Hours

Strategies for Plans with Growing Negative Cash Flows

1.0
Hours

Private Debt Perspectives: Balancing Risk and Opportunity

0.75
Hours

A Survey of Private Debt Funds

0.75
Hours

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Sessions Attended (include brief synopsis of information provided at each session and amount of time spent at each session).

How did Connecticut's Mature State Employees Retirement System Become a Success Story?

0.75
Hours

Anticipating and Managing Negative Cash Flows for Mature Plans

0.75
Hours

Emerging State Restrictions on ESG Investing and Dollar Value of Environmental Sustainability

0.75
Hours

How Can States Can Best Benefit from Federal Stimulus Bills?

0.75
Hours

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Sessions Attended (include brief synopsis of information provided at each session and amount of time spent at each session).

States Have Shored up Funding, What Else Can They Do?
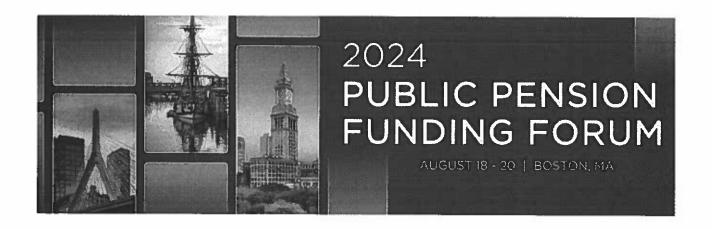
1.0
Hours

Actuarial and Investment Strategies for Mature Plans

1.0
Hours

Outlook for the U.S. Economy in 2024 and Beyond

1.0
Hours

Hours

2024 PUBLIC PENSION FUNDING FORUM
AUGUST 18 - 20 | BOSTON, MA

FINAL AGENDA

SUNDAY, AUGUST 18

2:30 PM – 6:30 PM   **REGISTRATION**
Main Lobby

4:30 PM – 5:30 PM   **GENERAL SESSION I**
St. James Room (Main Lobby Level)

How Do U.S. Demographic Challenges Matter for the Future of Pensions? This session will explore how the high birth rate following the Second World War—followed by a subsequent declining birth rate and longer life expectancy in the US—have contributed to fiscal challenges for pension plans. The speaker will discuss broader demographic trends, including longevity and lower fertility rates, along with original analyses projecting anticipated retirements over the next two decades and the adaptation of pension plans and Social Security to these shifts in demographics.
Speaker: *Diana Elliott, Population Reference Bureau*

5:30 PM – 6:30 PM   **WELCOME RECEPTION**
Ballroom Foyer (Main Lobby Level)

MONDAY, AUGUST 19

6:30 AM–4:30 PM   **REGISTRATION**
Main Lobby

7:00 AM–8:00 AM   **BREAKFAST**
Venetian Room (Main Lobby Level)

8:00 AM–5:30 PM   **GENERAL SESSION II**
Oval Room (Main Lobby Level)

8:00 AM–8:15 AM   **WELCOME & OPENING REMARKS**
Hank Kim, NCPERS

8:15 AM–9:00 AM   Understanding Artificial Intelligence
This session will cover the advantages and disadvantages of artificial intelligence (AI), and its impact on the public pension workforce. Join Pia Malaney to explore how potential declines in the public sector workforce due to AI could exacerbate the challenges faced by public pensions, building on the demographic issues discussed in the previous session.
Speaker: *Pia Malaney, Institute for New Economic Thinking*

9:00 AM–9:45 AM   Artificial Intelligence and Future of Public Pensions
The session will explore the implications of artificial intelligence (AI) for pension funds, including initiatives undertaken by Texas TRS (Teacher Retirement System). The speaker will examine strategies for leveraging AI's benefits while mitigating potential risks, highlighting Texas TRS's dedicated committee addressing AI-related challenges and opportunities.
Speaker: *Frank Williams, Teacher Retirement System of Texas*

9:45 AM–10:45 AM   Strategies for Plans with Growing Negative Cash Flows
The session will explore strategies for pension funds to align investment strategies with benefit obligations. The speakers will discuss methods such as allocating funds to low-risk fixed-income products for stable revenue generation to cover benefits, while also investing in higher-risk products to optimize returns.
Speakers: *Dan Doonan, National Institute on Retirement Security*
Russell Kamp, Ryan Alm

10:45 AM–11:00 AM **REFRESHMENT BREAK**

11:00 AM–11:45 AM Private Debt Perspectives: Balancing Risk and Opportunity
In this session, speakers will delve into topics such as private debt—its definition, advantages, and disadvantages—and strategies for balancing risks and opportunities. Explore how mature plans facing negative cash flow can potentially benefit from incorporating private debt into their investment strategies.

Moderator: *Debby Cherney, San Bernardino County Employees' Retirement Association*
Speakers: *Jonathan Chen, CalPERS*
                  Amanda Lynam, BlackRock

11:45 AM–12:30 PM A Survey of Private Debt Funds
This session will feature findings from a survey of private debt funds, highlighting their focus on cash flow-based loans and their role in financing companies and leveraging levels beyond traditional bank funding.

Speaker: *Young Soo Jang, Pennsylvania State University*

12:30 PM–1:30PM **NETWORKING LUNCH**
Venetian Room (Main Lobby Level)

1:30 PM–2:15 PM How did Connecticut's Mature State Employees Retirement System Become a Success Story?
This session will highlight strategies employed to enhance funding levels and achieve a positive net amortization position for the Connecticut State Employees Retirement System. The discussion will focus on how these efforts addressed the plan's unfunded liabilities, supported by revenue generated through fiscal policies enacted in 2017, including taxes on capital gains and high-income earners. Additionally, the establishment of a budgetary cushion contributed to generating additional revenues to sustain these improvements.

Speakers: *John Herrington, Division of Pensions, Office of the State Comptroller, State of Connecticut*
                  John Garrett, Principal and Consulting Actuary, CavMac

2:15 PM–3:00 PM Anticipating and Managing Negative Cash Flows for Mature Plans
This session explores strategies employed by CalSTRS to anticipate and manage negative cash flow in mature plans. It will include an analysis of how demographic shifts and education policies in California are projected to impact long-term cash flows.

Speaker: *David Lamoureux, CalSTRS*

3:00 PM–3:15 PM   **REFRESHMENT BREAK**

3:15 PM–4:00 PM   Emerging State Restrictions on ESG Investing and Dollar Value of
                    Environmental Sustainability
                    This session will cover state initiatives aimed at restricting ESG
                    (Environmental, Social, and Governance) investing, including a discussion
                    on methodologies for assessing the financial impact of ESG investments.
Speakers: *Kendal Killian, NPPC*
                    Mariem Mhadhbi, Valuecometrics

4:00 PM–4:45 PM   How Can States Can Best Benefit from Federal Stimulus Bills?
                    During this session, the speaker will highlight opportunities for states to
                    capitalize on stimulus legislation and illuminate the extent to which
                    unproductive tax subsidies and loopholes impact state and local tax
                    revenues.
Speaker: *Greg LeRoy, Good Jobs First*

5:30 PM–6:30 Pm   **NETWORKING RECEPTION**
                    Ballroom Foyer (Main Lobby Level)

TUESDAY, AUGUST 20

7:00 AM–12:00 PM   **REGISTRAION**
                    Main Lobby

7:00 AM–8:00 AM   **BREAKFAST**
                    Venetian Room (Main Lobby Level)

8:00 AM–11:30 AM   **GENERAL SESSION III**
                    Oval Room (Main Lobby Level)

8:00 AM–9:00 AM   States Have Shored up Funding, What Else Can They Do?
                    In this session, speakers will discuss recent research demonstrating
                    states' improvement in their net amortization positions and emphasize
                    the importance of ongoing monitoring, particularly in relation to public
                    pension funding. The session will focus on sustainability valuation
                    methods crucial for maintaining fiscal sustainability of these plans.
Speakers: *David Draine, PEW*
                    Eric Atwater, AON

9:00 AM–10:00 AM   Actuarial and Investment Strategies for Mature Plans
                    During this session, speakers will discuss both actuarial and investment
                    strategies that mature pension plans should consider.
Speakers: *Gene Kalwarski, Cheiron*
                    David Wilson, Nuveen

10:00 AM–10:15 AM   **REFRESHMENT BREAK**

10:15 AM–11:15 AM   Outlook for the U.S. Economy in 2024 and Beyond
                    David will provide an outlook for the U.S. economy in 2024 and beyond.
                    Over the past three years, he has delivered insightful and accurate
                    economic forecasts at the Forum, helping attendees understand the
                    potential challenges and opportunities that lie ahead. This year, David
                    will again draw on his extensive knowledge and experience to offer a
                    comprehensive overview of the economic landscape, including key
                    indicators, potential risks, and growth prospects for the coming years.
Speaker: *David Altig, Federal Reserve Bank of Atlanta*

11:15 AM–11:30 AM   **CLOSING REMARKS**
                    Michael Kahn, NCPERS

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