

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
OPEN SESSION

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FECKNER AUDITORIUM
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

MONDAY, NOVEMBER 3, 2025

9:00 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
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J&K COURT REPORTING, LLC

APPEARANCES

BOARD MEMBERS:

Theresa Taylor, President

David Miller, Vice President

Malia Cohen, represented by Deborah Gallegos

Michael Detoy

Monica Erickson, represented by Nicole Griffith

Fiona Ma, represented Frank Ruffino

Lisa Middleton

Jose Luis Pacheco

Kevin Palkki

Yvonne Walker

Mullissa Willette

STAFF:

Marcie Frost, Chief Executive Officer

Doug Hoffner, Chief Operating Officer

Brad Pacheco, Deputy Executive Officer

Robert Carlin, Senior Attorney

Justin Heeb, Assistant Chief, Operations Support Services Division

Dallas Stone, Chief, Operations Support Services Division

APPEARANCES CONTINUED

ALSO PRESENT:

Noor Ali, The Nova Collective

Kerry Mitchell Brown, PhD, Kerry Mitchell Brown Consulting

Jaci Devin, PhD, The Nova Collective

Bernardo Ferdman, PhD, Ferdman Consulting

Becca Glodoski, The Nova Collective

Tamu Green, PhD, BCT Partners

Effenus Henderson, Ferdman Consulting

Chanin Kelly-Rae, Chanin Kelly-Rae Consulting

Tara Leweling, PhD, Sage 71, LLC

Renaye Manley, Kerry Mitchell Brown Consulting

Carliss Miller, PhD, Ferdman Consulting

Randal Pinkett, PhD, BCT Partners

Riikka Salonen, BTC Partners

Taylor Witten, The Nova Collective

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PROCEEDINGS

PRESIDENT TAYLOR: Thank you for being patient with us. So welcome to the Board for our RFP agenda item for our DE&I services. With that, I would like to have roll call, please.

BOARD CLERK ANDERSON: Theresa Taylor.

CHAIR TAYLOR: Here.

BOARD CLERK ANDERSON: David Miller.

VICE PRESIDENT MILLER: Here.

BOARD CLERK ANDERSON: Deborah Gallegos.

ACTING BOARD MEMBER GALLEGOS: Here.

BOARD CLERK ANDERSON: Michael Detoy.

BOARD MEMBER DETOY: Here.

BOARD CLERK ANDERSON: Nicole Griffith.

ACTING BOARD MEMBER GRIFFITH: Good morning.

BOARD CLERK ANDERSON: Frank Ruffino.

ACTING BOARD MEMBER RUFFINO: Present.

BOARD CLERK ANDERSON: Lisa Middleton.

BOARD MEMBER MIDDLETON: Present.

BOARD CLERK ANDERSON: Jose Luis Pacheco.

BOARD MEMBER PACHECO: Present.

BOARD CLERK ANDERSON: Kevin Palkki.

BOARD MEMBER PALKKI: Good morning.

BOARD CLERK ANDERSON: Ramón Rubalcava.

PRESIDENT TAYLOR: Excused.

1 BOARD CLERK ANDERSON: Yvonne Walker.

2 BOARD MEMBER WALKER: Here.

3 BOARD CLERK ANDERSON: Mullissa Willette.

4 BOARD MEMBER WILLETTE: Here.

5 BOARD CLERK ANDERSON: Dr. Gail Willis.

6 PRESIDENT TAYLOR: I believe excused also.

7 All right. With that, we have the Chief

8 Executive Officer's report. Mr. Pacheco.

9 BOARD MEMBER PACHECO: Thank you.

10 Good morning red

11 DEPUTY EXECUTIVE OFFICER PACHECO: Thank you.

12 Good morning, President Taylor and members of the Board.

13 Brad Pacheco, CalPERS team. Today's action item is a

14 follow up to your decision in September to retain a

15 diversity, equity, and inclusion consultant.

16 Today, the Boar will conduct six interviews with

17 firms that have reached this point in the process. And

18 joining me is Justin Heeb from OSSD, who will provide a

19 summary of the RFP activities to date and an overview of

20 today's interview process.

21 So unless there's any questions, I'll turn it

22 over to Justin.

23 PRESIDENT TAYLOR: Thank you, Justin.

24 OPERATIONS SUPPORT SERVICES ASSISTANT DIVISION

25 CHIEF HEEB: Good morning, Madam President and Board

1 members. Justin Heeb, CalPERS team member. On May 16th,
2 2025, CalPERS released the RFP 2024-9420 to seek vendor
3 participation to provide DE&I consulting services to the
4 Board. CalPERS received 36 proposals by the final file
5 date of June 30th, 2025. Twenty-six proposals met the
6 minimum qualifications and moved to technical evaluations.
7 Six firms passed the proposal evaluations and the Board
8 approved those six firms moving on in the evaluation
9 process on September 17th during the CalPERS Board of
10 Administration meeting.

11 All six finalists had their opened and scored and
12 all six finalists, BCT Partners, Chanin Kelly-Rae
13 Consulting, the Ferdman Consulting, Kerry Mitchell Brown,
14 LLC, Sage LLC, and the Nova Collective were invited for
15 Oral interviews today. I would like to take time to
16 update the Board on the preliminary scores of all six
17 finalists coming into the interviews today ranked from
18 highest to lowest.

19 Sage 71, LLC received 300 points for their fee
20 proposal and 50 DVBE incentive points for a preliminary
21 total of 350 points. Chanin Kelly-Rae Consulting received
22 278.9 points for their fee proposal, zero points for DVBE
23 for a preliminary total of 278.9 points. The Nova
24 Collective received 259.2 points for their fee proposal
25 schedule, zero points for their DVBE for a preliminary

1 total of 259.2 points. BCT Partners received 230.6 for
2 their fee proposal schedule and zero DVBE incentive points
3 for a preliminary total of 230.6. Ferdman Consulting
4 received 181.1 points for their fee proposal schedule,
5 zero points for DVBE for a preliminary total of 181.1.
6 And Kelly Mitchell Brown, LLC -- or sorry, Kerry Mitchell
7 Brown, LLC received 41.9 points for their fee proposal
8 score, zero points for the DVBE incentive for a
9 preliminary total of 41.9 points.

10 Each finalist will be allotted 45 minutes for the
11 interview consisting of a five minute presentation, 35
12 minute question and answer period, and all finalists will
13 be asked the same questions. If needed, the Board has an
14 additional five minutes for clarifying or follow-up
15 questions. At the conclusion of the interviews, the Board
16 will determine an interview score as a group for each
17 finalist, up to 700 points are available, and motion that
18 score.

19 Please note, there are three firms that will
20 receive a small business preference of five percent added
21 to their score for being a California certified small
22 business or subcontracting out at least 25 percent of
23 their proposal. The preference will be added at the end
24 as is based on the highest score from a non-small
25 business. The interview scores will be collected and

1 combined with the preliminary total scores to determine a
2 fine -- to determine a score for each finalist.

3 The Board will be asked to make a motion
4 recommending the Board award the contract to the finalist
5 with the highest total score subject to negotiations of
6 satisfactions of all requirements. This concludes my
7 summary, happy to answer any questions.

8 PRESIDENT TAYLOR: Thank you, Mr. Heeb, for the
9 overview. I'm not seeing any questions for you, so I do
10 want to make a programming note for the audience that is
11 watching this -- this meeting remotely over the internet,
12 we're going to turn off the webcast of the meeting during
13 the interviews in order to ensure a fair process where no
14 finalists are able to see its competitors interviews. We
15 will resume the webcast after the interviews, so you'll be
16 able to see the Board discuss and score the finalists.

17 I do want to remind the Board that once we start,
18 please stay through the entire interview process. We will
19 be taking breaks, however.

20 I would now ask that the roll be taken, so that
21 the record reflects the Board members present and
22 participating in the interview and selection process for
23 this contract. So if we could have the roll called again.

24 BOARD CLERK ANDERSON: Theresa Taylor.

25 PRESIDENT TAYLOR: Here.

1 BOARD CLERK ANDERSON: David Miller.

2 VICE PRESIDENT MILLER: Here.

3 BOARD CLERK ANDERSON: Deborah Gallegos.

4 ACTING BOARD MEMBER GALLEGOS: Here.

5 BOARD CLERK ANDERSON: Michel Detoy.

6 BOARD MEMBER DETOY: Here.

7 BOARD CLERK ANDERSON: Nicole Griffith.

8 ACTING BOARD MEMBER GRIFFITH: Here.

9 BOARD CLERK ANDERSON: Frank Ruffino.

10 ACTING BOARD MEMBER RUFFINO: Present.

11 BOARD CLERK ANDERSON: Lisa Middleton.

12 BOARD MEMBER MIDDLETON: Present.

13 BOARD CLERK ANDERSON: Jose Luis Pacheco.

14 BOARD MEMBER PACHECO: Present.

15 BOARD CLERK ANDERSON: Kevin Palkki.

16 BOARD MEMBER PALKKI: Good morning.

17 BOARD CLERK ANDERSON: Ramón Rubalcava.

18 Yvonne Walker.

19 BOARD MEMBER WALKER: Here.

20 BOARD CLERK ANDERSON: Mullissa Willette.

21 BOARD MEMBER WILLETTE: Here.

22 BOARD CLERK ANDERSON: Dr. Gail Willis.

23 PRESIDENT TAYLOR: Excused.

24 Thank you.

25 So, we will now conduct the interviews in

1 alphabetical order. BCT Partners first, Chanin Kelly-Rae
2 Consulting, LLC second, Ferdman Consulting third, Kerry
3 Mitchell Brown, LLC fourth, Sage 71 LLC fifth, and the
4 Nova Collective is the last interview. Each finalist will
5 have five minutes for a presentation and 35 minutes for a
6 question and answer period. If needed, the Committee will
7 have a five-minute period for clarifying or follow-up
8 questions based on the finalist's interview responses.

9 The clock will show you the time remaining in
10 each segment. Committee members, please note that the
11 questions for the finalists are included in the finalist
12 interview packet. I think we all have it.

13 At this time, I would like to remind the
14 finalists that each of your firms signed and submitted the
15 CalPERS Board of Administration interview form in the
16 proposal. This form represents a pledge that each of will
17 not make any attempt to listen to or watch the interviews
18 of the other finalists, nor have anyone do so on your
19 behalf. Failure to adhere to this requirement will result
20 in your firm's disqualification from this engagement.
21 Scores will be determined by the Board as a group after
22 all finalists have been interviewed. A score will be
23 motioned for discussion and then seconded and voted upon
24 or a substitute motion will be made. So right now, does
25 anyone have any questions?

1 Okay. If there are no questions at this point,
2 we will take a brief pause before beginning the
3 interviews. And you'll let us know when everything is
4 ready to go. All right. So right now we're going to
5 pause before the interviews start and we need to clear out
6 everybody but BCT Partners.

7 (Off record: 9:08 a.m.)

8 (Thereupon a recess was taken.)

9 (All firms exited the auditorium except
10 BCT Partners.)

11 (On record: 9:10 a.m.)

12 PRESIDENT TAYLOR: All right. Good morning. I'd
13 like to -- it looks like you're already here, but I want
14 to make sure all the representatives of BCT Partners are
15 here to present. You will have five minutes for your
16 presentation. Staff please start the clock for five
17 minutes when they -- BCT Partners begins to speak.

18 Thank you. Go ahead.

19 Whoop, can you turn on their mics?

20 Can you push the -- there you go.

21 DR. RANDAL PINKETT: There we go. Perfect. All
22 right. Good morning and thank you for this opportunity.

23 [SLIDE CHANGE]

24 DR. RANDAL PINKETT: I am Randal Pinkett. I'm
25 Chairman, CEO, and founder of BCT partners. It's a

1 pleasure to have this opportunity to address the Board and
2 to have your consideration. Here's our agenda for the
3 presentation. We'll talk about the company. We'll talk
4 about our team, talk about our proposed services and
5 approach, and then we'll open up the floor for questions
6 and answers.

7 [SLIDE CHANGE]

8 DR. RANDAL PINKETT: BCT is proudly celebrating
9 25 years that we've been in business doing diversity,
10 equity, and inclusion. We an equity-centered firm powered
11 by innovation. What differentiates us in this context?
12 First, we combine both a DEI practice and a health equity
13 program, which very much reflects the work of CalPERS.
14 Second, we bring a local and a national team. We have a
15 partner, the Equity and Wellness Institute based right
16 here in Sacramento who's worked with Sacramento County in
17 Sacramento, as well as national experts. And then lastly,
18 we are a data-driven, evidence-based organization, which
19 very much reflects what we've learned about the work of
20 CalPERS, as we've looked at your work over the years.

21 [SLIDE CHANGE]

22 DR. RANDAL PINKETT: The other thing that also
23 differentiates us that we've worked with several financial
24 services organizations. They're listed here on the slide,
25 but included among them the New York City Employee

1 Retirement System. We've worked with both DEI, health
2 equity, and investment organizations like yours looking to
3 diversify your portfolio.

4 [SLIDE CHANGE]

5 DR. RANDAL PINKETT: Our project team, two of
6 whom are seated to my right and my left -- your left, your
7 right. Riikka Salonen to right, your left is a global
8 diversity, equity, and inclusion benchmarks international
9 panelist, one of 112 people. She'll talk more about the
10 GDEIB in a moment. Expert in health equity as well and
11 cross-cultural understanding and then Dr. Tamu Green, who
12 has worked with the -- Sacramento's first racial equity
13 action plan for the homeless, as well as Sacramento County
14 Public Health and Racial Equity Action Plan. And she's
15 with the Equity and Wellness Institute, which is our local
16 partner, known equity EqWI, Equity and Wellness Institute.

17 [SLIDE CHANGE]

18 DR. RANDAL PINKETT: And I'll now pass to -- pass
19 the baton to Dr. Green to talk about our services and our
20 approach.

21 DR. TAMU GREEN: Good morning. Thank you for
22 having us this morning. And I will be brief about this.
23 But, as you see, we're going to step through four
24 different phases to provide to you with services. And so
25 the first one is the leadership interviews. So we will be

1 conducting interviews with you all with the Board, as well
2 as your C-Suite.

3 And then we're going to move on to phase two, the
4 program review and assessment. This is something that we
5 are very well versed in. We're going to be using the
6 global DEI benchmarks, which Riikka is going to say a
7 little bit more about, but it's an opportunity for us to
8 be able to do a gap assessment for you, and to put those
9 findings together as move forward for phase three, our
10 action plan recommendations. We have done numerous action
11 plans of this type for the State of California, as well as
12 for local jurisdictions. And so we're well prepared to do
13 that work as well as the action plan implementation, where
14 we're really looking at making sure that you have goals,
15 metrics, benchmarks, so that you can be accountable as you
16 step forward. And we're more than happy to assist you in
17 the kind of coaching and leadership development that's
18 needed to be successful on that path.

19 [SLIDE CHANGE]

20 DR. RIIKKA SALONEN: Good morning. We recommend
21 leveraging the Global Diversity, Equity, and Inclusion
22 Benchmarks as a strategic framework for assessing CalPERS
23 policies, processes, and programs. This benchmark tool
24 has been vetted around the globe. It is providing 275
25 benchmarks that -- across 15 different categories that are

1 organized into these four cate -- these four groups that
2 you see ahead of you.

3 The groups are foundations, internal, bridging,
4 and external. These benchmarks can be used with
5 organizations to create strategic planning that is
6 systematic, that is strategic, and really truly measure
7 the impact of the work. I was honored to be one of the
8 global experts who created this tool back in 2021. We
9 used this around the globe. I have been using this --
10 previous versions of this tool since 2016. And it is a
11 really amazing benchmarking tool for looking at the
12 priorities and measuring the impact.

13 [SLIDE CHANGE]

14 PRESIDENT TAYLOR: All right. Thank you very
15 much. With that, we are going to start with the
16 questions. We're going to work -- I think everybody heard
17 our machinations about this, but we're going to start with
18 me and work our way around.

19 So, starting. Please describe your approach to
20 reviewing CalPERS DEI framework, policies, and programs,
21 including how you will identify gaps and opportunities for
22 improvement. And please, in your response, explain how
23 your methodology ensures that any recommendations will be
24 actionable.

25 DR. TAMU GREEN: Yes. So we can start. As

1 Riikka was saying, we do have this framework that we're
2 able to build off of. But initially, our work is very
3 much the sequence where we have a discovery phase, right?
4 And so, that is where we are looking into all of the work
5 that you have been doing, what has been successful, where
6 have you kind of come up short. And so that's looking at
7 the documents that you have available, but it's also
8 through the interviews that we conduct.

9 And so that is an opportunity for us to really
10 hear firsthand from a number of different perspectives
11 from those who are essentially the stakeholders in this
12 process around what their aspirations are. Again, if
13 there are best practices that they would like to see
14 incorporated, that's part of the research that we do. And
15 so we're able to then put together this assessment that we
16 lay out where we're seeing these are the areas of
17 strengths, these are the gaps that are present. And to be
18 able to essentially build for you then a plan moving
19 forward, where we can say this is what has been done for
20 others working in the same space or adjacent spaces.
21 These are the kinds of gains that they have been able to
22 make by making these changes, by implementing these
23 actions. This is what you can anticipate and this is the
24 kind of progress over what period of time it may take in
25 order to do that. These are the resources that are going

1 to be needed both personnel, human capacity, as well as
2 financial capacity in order to meet these goals. So that
3 is, in general, the way that we move forward.

4 I'm not sure if you want to add to that.

5 DR. RANDAL PINKETT: Yeah. I would add to that
6 also two things. First, some people talk about
7 data-driven DEI. Well, we wrote the book on data-driven
8 DEI literally. And we use -- again, reflective of how
9 CalPERS does what it does With DEI, a very data-driven
10 approach, and for each of your five areas of your DEI
11 framework, culture, talent management, health equity,
12 supplier diversity, investments, you have a goal and an
13 objective already laid out in all five pillars.

14 What we're proposing to make the actionable is to
15 leverage this OGSM framework, which is very well aligned
16 with what you've already done. But what differentiates
17 what we're proposing versus what you have is the OG, the
18 SM they go from qualitative to quantitative, qualitative
19 to quantitative. So an objective is a qualitative
20 articulation. A goal quantifies the objective. Strategy
21 is a qualitative articulation, what we're going to do,
22 actionable. What are the actions but the measure helps us
23 quantify that we've accomplished the strategy.

24 And so it's a way of being very organized,
25 cascading from do we want to accomplish to what we're

1 going to do, to how do we measure that it actually gets
2 done. And that's how we make sure it's actionable.

3 OGSM.

4 PRESIDENT TAYLOR: Great. Thank you.

5 I need you to turn your mic on.

6 There you go.

7 Second question.

8 BOARD MEMBER PACHECO: Thank you. Given ongoing
9 changes in the legal environment affecting DEI programs,
10 including recent court decisions, how will you -- how will
11 your firm guide CalPERS in adapting its DEI efforts while
12 ensuring competency -- competency with proposition 209 and
13 other applicable laws. Please describe your process by
14 staying current with legal and best practices development
15 and how you incorporate these into your consulting
16 approach.

17 Thank you.

18 DR. RANDAL PINKETT: So I'll start the answer.
19 Another thing that differentiates BCT is we have an
20 attorney -- a former -- a former civil rights attorney on
21 our team, David Hunt. And David has proven to be
22 extraordinarily valuable in these days and times, where
23 the legal considerations of this work are so front and
24 center. And so we've been in conversations, imagine,
25 David, our team, and others with general counsels, with

1 legal counsel, with policymakers and the like advising our
2 public, private, and nonprofit clients to ensure that
3 they're both aware of the policy landscape, but also
4 compliant.

5 I should also mention, another thing that
6 differentiates BCT is we are a federal contractor. So I
7 say that to say we are subject to the federal regulations
8 and we've had to be compliant with those regulations. And
9 we advise our federal clients, of which we have numerous,
10 on how they can navigate that policy environment and our
11 State and local clients as well. So we have an attorney
12 on our team. We a federal contractor who is subjected to
13 the policy environment. We advise federal State and local
14 organizations on how they navigate that. And we bring all
15 of those resources to bear to help you mitigate risk and
16 ensure that the work you're doing is compliant, but we can
17 talk also about Proposition 209.

18 DR. TAMU GREEN: Yes. I would just like to say
19 that, as I mentioned, we've been involved in a number of
20 projects, a number of contracts with State agencies, as
21 well as other clients as well, Stanford University, and
22 others, who are having to take into account this changing
23 landscape that you're talking about. And so, for many
24 years now, we have been advising these clients on how to
25 move forward, so that they can be compliant and still

1 uphold the goals and the aspirations that they have around
2 DEI. And there are many ways to do that and so we look
3 forward to being able to share that with you as well.

4 PRESIDENT TAYLOR: Great. Thank you very much.
5 I turned my mic off.

6 Mr. Palkki, go ahead.

7 BOARD MEMBER PALKKI: Thank you. CalPERS
8 Sustainable Investment Program works to deliver returns
9 through the identification, analysis, and management of
10 high-value sustainable investment risks and opportunities.
11 Included in our Governance and Sustainability Principles
12 is the consideration of an environmental and social
13 factors alongside our governance agenda. Discuss how you
14 will leverage the experience -- your experience to help
15 guide our sustainable investment work and improve
16 investment outcomes, while meeting our fiduciary duty.

17 DR. RANDAL PINKETT: Sure. So this is a
18 conversation we also had in our work with New York City
19 Employer Retirement System. And first, we've been looking
20 at some of the best practices, of which you all have
21 already reflected some of those practices of how do we
22 invest in an ecosystem that ensures sustainability. And
23 so some of the diverse asset manager development programs
24 that we've helped to benchmark and look at best practices,
25 how do we invest in training for the existing roster, how

1 do we measure sustainability to ensure that we're hitting
2 appropriate benchmarks, and above all, how do we build the
3 capacity of the organization, which I loved some of the
4 work you all are doing with building culture specifically
5 in the investment arena, and sustainability arena in order
6 to make certain that employees are empowered with the
7 tools to make the decisions that advance the agenda
8 overall. But I'll invite my colleagues to add.

9 DR. RIIKKA SALONEN: We have also worked with
10 clients like World Bank in looking at sustainable
11 investments and working with many, many others financial
12 clients -- financial services clients, looking at
13 investments that are building equity in the communities,
14 improving the environment in the community, wellness.

15 DR. TAMU GREEN: Yeah. I think that this
16 approach to looking at your culture is what's key, because
17 then you're embedding this mindset you're embedding this
18 lens into everything that you do. And essentially, what
19 you're saying is this is how we do business here. This is
20 what we value. This is what we aspire to, right?

21 And so, it's not just something that's a one-off.
22 It's not just something that's like checking a box, but it
23 actually gets embedded into all of your decision-making,
24 all of your policymaking, and that's what's really
25 critical. So that's what's going to be, you know,

1 ultimately where you're going in terms of your
2 investments, but it's woven throughout every part of the
3 organization. That's what we also want to help you to do,
4 to encourage you to continue to do, because you're off to
5 a phenomenal start with this work. You're so far ahead
6 from so many other State agencies in the way that you
7 approach this work.

8 PRESIDENT TAYLOR: Thank you very much. With
9 that, I will call on Ms. Walker.

10 There you go.

11 BOARD MEMBER WALKER: Good morning. CalPERS
12 seeks to advance equitable health outcomes for its members
13 and their families. Please discuss how you will leverage
14 your experience to help support the efforts of our health
15 care program and ensure our members can attain the highest
16 level of quality health care.

17 DR. RIIKKA SALONEN: I will start that answer. I
18 lead our Health and Culture Solutions at BCT Partners.
19 And we work with a variety of health and health systems
20 around the country. Essential work that we are looking at
21 is training and education around health equity, equitable
22 outcomes for your community. We work very closely with
23 Health and Human Services, Office of Minority Health
24 building cultural competence, education for health care
25 professionals across the nation. We have trained thus far

1 1.2 million health care professionals distributed 4.7
2 million continuing education units to health care
3 professionals around the country. So education is a big
4 part of the work.

5 Measuring impact for outcomes is part of our
6 data-driven DEI solution package. So when we think about
7 building measures, metrics, and KPIs for health outcomes,
8 that will be part of the work that we will be engaging
9 with you, if we get selected.

10 DR. TAMU GREEN: I would also love to build on
11 that, that I was asked to come and support the work of the
12 Office of Health Equity in the California Department of
13 Public Health when they first launched in 2013 and to lead
14 the development of the California statewide plan to
15 promote health and mental health equity in the statewide
16 advisory committee. And so having all of that experience
17 to bring to bear here would be a tremendous honor. One of
18 the key tenets of that work is to understand the way in
19 which you can only achieve optimal health when you are
20 looking at all of the context, the social determinants,
21 the drivers of health around you.

22 And so, you can't just look at health care, you
23 must actually be involved and how to be a part of the
24 solutions in this broader context. And much of that has
25 to do with leveraging the kinds of relationships and

1 partnerships that CalPERS is in a tremendous position to
2 be able to do. And so we want to be able to bring that
3 frame of reference as well to the health equity
4 aspirations that you have.

5 DR. RANDAL PINKETT: And the last thing I would
6 add is among the things that we've been impressed with
7 CalPERS work is how you're also leveraging data, your
8 Health Equity Index, your HEI, to track your progress,
9 your population health management strategic measure,
10 focused on diabetes, high blood pressure. We believe
11 there's also an opportunity to expand that work to be more
12 geospatial, and also not only to look at how geospatially
13 these indices play out, but also to begin using some of
14 the more advanced tools that are available now, like
15 artificial intelligence and machine learning to know what
16 interventions you've administered have been most effective
17 for which populations and for which locations.

18 And again, as a firm that is differentiated as
19 not just DEI and health equity, but also powered by
20 innovation. We're a technology firm. We're a AI firm.
21 And so the ability for us to analyze that data and to
22 deliver value to the indices you've already developed and
23 tools that we've developed that could actually help to
24 amplify that work would also add value to the very agenda
25 that you've asked about, Ms. Walker.

1 BOARD MEMBER WALKER: Thank you.

2 PRESIDENT TAYLOR: Thank you very much.

3 With that, I'm going to call on Ms. Willette.

4 Go ahead. Well, there you go.

5 BOARD MEMBER WILLETTE: All right. Thank you.

6 Thank you. Please provide an example of an environmental
7 scan or gap assessment you've conducted and what
8 actionable outcomes resulted, and how do you ensure your
9 analysis is data driven?

10 DR. RANDAL PINKETT: Great question, because we
11 have a slide for it.

12 (Laughter).

13 DR. RANDAL PINKETT: In fact, let me go a bit
14 ahead so that it flows a little better. Right there.

15 So I mentioned our work with New York City
16 Employees Retirement System. This work is very analogous
17 to the work that you're procuring. It was an assessment,
18 both qualitative and quantitative, focus groups,
19 interviews, survey, mixed methods approach, which is what
20 you're looking for. It was looking to develop an
21 actionable plan, much like you're looking to develop as
22 well.

23 In fact, the only thing that I would say
24 differentiated this work with them versus what you're
25 procuring is the health equity angle that you bring to the

1 table, which naturally New York City's Employee Retirement
2 System didn't quite have the same topology. But as you
3 can see from the approach, we did discovery, data
4 collection, interviews, focus groups, data analysis,
5 generated a final report, generated an action plan. I
6 fact, they didn't have a framework, like the framework you
7 had. We developed their framework, then developed the
8 objectives, goals, strategies, and measures, the OGSM I
9 mentioned earlier

10 Among the priorities that emerged from that work,
11 you can see here again things that you can relate to,
12 workplace culture, strengthening infrastructure for career
13 development, comprehensive plan for communication,
14 interpersonal development, and then systematically looking
15 across all policies, procedures, and practices.

16 And then to the question of outcomes for this
17 particular example, we were able to improve internal
18 communication. This was a little bit more internally
19 focused versus your work is both internal and external,
20 but improve internal communication through developing
21 intranets, talking points from managers, town halls that
22 we help facilitate, boost the visibility of this work by
23 rolling out an entire campaign to relaunch their DEI
24 efforts, expanding their talent development, which include
25 mentorship programs. You all have a mentorship program.

1 Advancement, retention, looking at other measure like
2 meeting frequency with managers and their direct reports
3 et cetera.

4 And then you'll appreciate this, supporting
5 workplace well-being. We had a particular focus on the
6 mental health and well-being for employees internal to the
7 organization that we were able to measurably improve usage
8 of spaces that were created to foster mental health, and
9 also measures that were improved of employee feedback on
10 the work that was being done. So, very comparable to your
11 work, a little bit nuanced in comparison, but results
12 driven and results proven.

13 PRESIDENT TAYLOR: Thank you very much.

14 Ms. Gallegos.

15 ACTING BOARD MEMBER GALLEGOS: Thank you. At
16 CalPERS, we seek to cultivate a high-performing,
17 equitable, and diverse workforce. How will you apply your
18 experience to ensure processes are in place to strengthen
19 diversity in recruitment, retention, equity, and
20 succession planning?

21 DR. RIIKKA SALONEN: I'll start. In years past,
22 when I have worked in-house in a variety of large health
23 systems, a few to name, Oregon Health and Science
24 University. That is the largest academic medical center.
25 Actually, the only academics medical center in the state

1 of Oregon as well as PeaceHealth. I was leading the
2 diversity talent acquisition for those organizations, as
3 well as diversity talent development.

4 So as a part of the strategic planning, part of
5 that was always to work in partnership with the people and
6 culture organization, HR, building a diversity talent
7 acquisition plan for the organization that allies --
8 aligns with the strategic planning. And that plan then
9 would outline what are some of the goals for the talent
10 acquisition in the organization, who are the community
11 partners, the educational institution around the nation
12 that are the best pathways to build in the diversity
13 talent pool for the organization, and then work internally
14 with the organization to build internal pathway for the
15 leaders to grow in the organization to executive positions
16 and leadership positions.

17 A lot of work includes mentoring, coaching,
18 stretch assignments, and working and building emerging
19 leaders in the organization with a variety of leadership
20 initiatives. So those are a few ways that we can support
21 CalPERS in integrating that into the diversity action
22 planning.

23 DR. RANDAL PINKETT: And I would add to that, we
24 mentioned a few times the global diversity, equity, and
25 inclusion benchmark.

1 And I'm trying to get this clicker to get me to
2 that slide.

3 The beauty of the GDEIB is this Global Diversity
4 Equity Inclusion Benchmarks, is that it is benchmarking
5 process and policy. I think of the GDEIB as measuring an
6 organization's capacity to carry out a DEI agenda. And so
7 when we benchmark you, we'll be looking specifically at
8 how your policies and practices compare to global best
9 practices, both for organizations, organizations like
10 yours, and organizations like yours in this area as well,
11 geographic region. So we'll be able to feedback to you,
12 based on the GDEIB, Global Diversity Equity Inclusion
13 Benchmarks, how your processes and practices can be
14 improved to reflect what those global best practices are.

15 And if I had the slide, I would have showed it to
16 you, but this thing -- this thing is not working.

17 (Laughter).

18 PRESIDENT TAYLOR: Do we have any way to fix his
19 clicker.

20 DR. RANDAL PINKETT: And I'm going to keep trying
21 while we're talking.

22 PRESIDENT TAYLOR: Yeah. It looks like it's
23 going nowhere fast right now.

24 (Laughter).

25 PRESIDENT TAYLOR: All right. I'm going to move

1 on to Mr. Detoy. Hopefully, we'll get your clicker
2 working. Go ahead, Mr. Detoy.

3 BOARD MEMBER DETOY: Thank you. And you can keep
4 trying because you might want this slide for this answer
5 as well.

6 (Laughter).

7 BOARD MEMBER DETOY: How do you translate
8 assessment findings into measurable, achievable goals that
9 align with an organization's strategic plan, fiduciary
10 responsibilities, and legal obligations.

11 DR. RANDAL PINKETT: Yeah. So I'm going to let
12 this slide digest for a moment, because we got it. And I
13 know -- I know the manual fix now and I'm going to go back
14 and forth.

15 (Laughter).

16 DR. RANDAL PINKETT: Thank you. Which is again
17 particularly to Ms. Gallegos's question, it's the internal
18 dimension of the GDEIB that will speak to internal
19 processes. How do attract and retain people? But if you
20 go to the OGSM slide, Riikka. Again to the question that
21 was just posed, Mr. Detoy.

22 PRESIDENT TAYLOR: Yes.

23 DR. RANDAL PINKETT: Okay. OGSM is what ensures
24 that we're able to cascade that down and have measurable
25 accountabilities. The hardest part of this work, let's be

1 clear, is how do we hold people accountable? Second to
2 that is how do we measure the work to what we're holding
3 them accountable to? So, this framework, which again I
4 want you to digest, and you all are half way there. I
5 mean, you have so many great metrics, but if we can
6 organize your plan, stemming from this work to center on
7 the objectives, define those goals, which then give us a
8 measure and a metric to hold ourselves, not only
9 accountable to each other, but also to progress, then the
10 strategic piece, a qualitative articulation of what we're
11 going to do and a measure that quantifies that we've
12 accomplished it. It's a very organized, data-driven, very
13 rigorous approach that will ensure not only do we have
14 clarity, but a structure to engender measures,
15 accountability to all of what you mentioned.

16 So the legal piece will likely be a component of
17 that. How do we ensure compliance? How do measure that?
18 How do we ensure fidelity to our frame work and how do we
19 measure that? All of that will be built in to the rollout
20 of the plan that is on our watch.

21 PRESIDENT TAYLOR: All right. Does the Committee
22 have -- that was all seven of our questions, by the way.
23 Does the Committee have any additional questions that
24 they'd like to ask or clarifying follow-up questions for
25 BCT Partners? We've got about five minutes -- well, if we

1 want to move into that, we have five minutes.

2 I'm not seeing -- oh, I am seeing. Hold on. Mr.
3 Palkki.

4 BOARD MEMBER PALKKI: Thank you. You mentioned
5 briefly the use of AI in one of your questions here.
6 Knowing the positives and negatives of AI. What measures
7 do you have in place to protect information of our
8 members?

9 DR. RANDAL PINKETT: Yeah, another good question.
10 As you can imagine, as an equity-centered firm powered by
11 innovation, we consider very intentionally how do we
12 ensure confidentiality? How do we ensure data privacy?
13 How do we ensure anonymity? And how do we ensure
14 transparency? And by that, I mean, when we're using AI,
15 we have to be attendant to the fact that we have data
16 that's likely sitting in some data system that we may be
17 interfacing with, that we have to make certain that
18 anything we do is secure, has privacy on that data, and
19 when I say anonymity, what I'm saying is we won't
20 aggregate to a level that you could determine any one
21 individual's response to say a survey, or a question in a
22 focus group, because that would compromise their
23 anonymity.

24 Having said that, AI, as we have developed our
25 own approach to using AI, it's called precision analytics.

1 And it's using machine learning to analyze existing data
2 in a way that doesn't fall victim to what we believe are
3 some of the pitfalls of using AI, which is bias within the
4 data, looking at correlations, and not causations, and
5 then also how do we ensure that if there are recognized
6 biases in the data, that we're taking deliberate steps in
7 developing the algorithms in a way that mitigate and
8 address those biases. And so we've developed an entire
9 methodology.

10 Over the past eight years, we've been doing this.
11 So we're not new to the AI space. We've been doing it for
12 eight years now, a socially responsible approach to
13 leveraging AI that will protect your data, protect your
14 employees and their personally identifiable information,
15 and also ensure that the data that we're analyzing, if we
16 are to analyze your data using AI, that we're using
17 techniques that are -- can be interrogated to understand
18 what's happening under the hood, unlike some of the black
19 box algorithms that are being used now for large language
20 models. So we're very, very much, we believe, at the
21 forefront of how do we use AI in very responsible --
22 socially responsible ways that reflect that values of
23 CalPERS.

24 BOARD MEMBER PALKKI: Thank you.

25 DR. RANDAL PINKETT: Um-hmm.

1 PRESIDENT TAYLOR: Next - and I will remind
2 everybody we have two minutes left - Jose Luis Pacheco.

3 BOARD MEMBER PACHECO: Yes. Thank you. Thank
4 you very much for the presentation. My question is
5 basically on the health equity you mentioned about your
6 involvement with the statewide Health Equity Advisory
7 Forum. Can you just elaborate a little bit more about
8 your interactions and how that has been going.

9 DR. TAMU GREEN: Yeah. So it's been several
10 years since I have been directly involved in that
11 particular project. But, essentially, the Office of
12 Health Equity, when it was formed, was mandated to have a
13 statewide advisory committee. And so, I was involved in
14 selecting those members. There were 26 members from
15 around the state and they represented essentially
16 different communities of interest. We had everyone from
17 pastors and youth advocates to individuals who were
18 running the Department of Health Care Services. So there
19 was really quite a range.

20 And the opportunity was to harness the skills,
21 and the experience, and the vision of those individuals to
22 shape the plan, the health and mental health equity plan
23 for the State of California, and to again ensure that all
24 of those perspectives were brought in and honored, so that
25 we could have a plan that really was representative, that

1 really was comprehensive. And then I was involved in
2 essentially the implementation of that plan. So, going
3 around California to various communities and sectors to
4 make sure that they understood how they could be involved
5 in the implementation, and then reporting out on a
6 quarterly basis at the Advisory Committee meetings, which
7 were public meetings, Bagley-Keene meetings on the
8 progress of putting together a tool to be able to report
9 out on the progress of the implementation of the plan.

10 BOARD MEMBER PACHECO: Thank you very much for
11 your comments.

12 DR. TAMU GREEN: Yes, absolutely.

13 PRESIDENT TAYLOR: Thank you.

14 Ms. Willette.

15 BOARD MEMBER WILLETTE: Okay. We'll see if we
16 can do this. On your process slide, you had -- if we can
17 go it, phase one, leadership interviews. You wrote
18 conduct up to 12 interviews. Can you give more context on
19 how you got to the number 12 or where that comes from from
20 your experience?

21 DR. RIIKKA SALONEN: We are pulling that from the
22 RFP where we were reading about the Board interviews and
23 the CEO interviews. And I believe that there was a
24 section there that was discussing the number of C-Suite
25 members, so that's where we determined the 12 interviews.

1 BOARD MEMBER WILLETTE: Okay. Thank you.

2 DR. RIIKKA SALONEN: And, of course, that is a
3 flexible number, according to the needs that are
4 determined during the discovery phase.

5 PRESIDENT TAYLOR: Great. Thank you.

6 All right. I appreciate that. With that,
7 BCP[SIC] that concludes your interview. Thank you so much
8 for presenting today.

9 DR. RANDAL PINKETT: Thank you.

10 DR. RIIKKA SALONEN: Thank you very much.

11 TAMU GREEN: Thank you.

12 PRESIDENT TAYLOR: We really appreciate it.

13 (BCT exited the auditorium.)

14 (Chanin Kelly-Rae entered the auditorium.)

15 PRESIDENT TAYLOR: All right. Thank you very
16 much - I'm trying to make space for the next interviews
17 here - for being here.

18 CHANIN KELLY-RAE: Thank you so much.

19 PRESIDENT TAYLOR: So I would like to thank again
20 BCT Partners for presenting.

21 At this time, I'd like to make sure this is
22 everybody for Chanin Kelly-Rae --

23 CHANIN KELLY-RAE: Um-hmm.

24 PRESIDENT TAYLOR: Okay -- Consulting to present.
25 Your firm was asked not to view the interview that

1 preceded you. Can you confirm, to the best of your
2 knowledge, your firm did not view that interview.

3 CHANIN KELLY-RAE: I can confirm that I did not.

4 PRESIDENT TAYLOR: Okay. Thank you so much. You
5 will have five minutes for present -- for your
6 presentation. Staff, please start the clock for five
7 minutes when Chanin Kelly-Rae Consulting starts to speak.
8 So go ahead. Thank you.

9 (Slide presentation).

10 CHANIN KELLY-RAE: Thank you.

11 Good morning, Board members and members of the
12 audience. Thank you for the opportunity today. If you
13 don't mind for folks that are sight impaired that may be
14 watching today. I would like to do an ADA introduction.
15 My name again is Chanin Kelly-Rae. I am an African
16 American woman with shoulder length hair. And today, I am
17 wearing a pinstriped blue and white striped shirt with
18 dark pants and black shoes.

19 And I am excited to be here to talk for you. We
20 are a nationally recognized woman- and minority-owned
21 consulting firm focused on DEI strategy. We're a proven
22 partner --

23 [SLIDE CHANGE]

24 CHANIN KELLY-RAE: -- that provides
25 data-informed, legally-compliant DEI transformation.

1 We're all under one roof. I'm proud of the fact that for
2 more than 22 years, as the principal and founder of Chanin
3 Kelly-Rae Consulting with a team of 13, we have amassed
4 what I think, all under one roof and with one team working
5 in unison together. For more than five years now, all of
6 the members that are participating with the CalPERS
7 proposal, we have collectively more than 150 years worth
8 of experience as executives, as leaders, both globally and
9 nationally in the diversity, equity, and inclusion, and
10 justice and accountability space.

11 We have worked with health care, wealth
12 management, insurance, construction, government, school
13 districts, and most industries represented across the
14 country. In my official capacity over the course of my
15 career, I've worked as the primary and principal DEI
16 consultant serving at the pleasure of the Governor of the
17 State of Washington as the Chief Diversity Officer for the
18 State. I've been invited to invitation-only conferences
19 to advise current members of Congress, members of Congress
20 in the past, State courts, State Supreme courts, and
21 executives across many industries around the world, and so
22 has my team.

23 We, I believe, are the best fit for CalPERS.
24 First, we're fiduciarily aligned and legally grounded. We
25 design solutions that meet Article 16 standards that are

1 fully compliant with Proposition 209, Title 7, FEHA, ADA,
2 and ADA sections 152nd. We're data first and outcome
3 focused. We compare both qualitative analysis trends,
4 cohorts, adverse impacts, and regression against validated
5 qualitative insights from interviews and listening
6 sessions. We translate both into Board grade KPIs
7 dashboard, and clear decision memos.

8 Third, and finally, we build for execution. Our
9 strategists, data scientists, policy experts and
10 facilitators work together daily to embed communications
11 frameworks, training maps, scorecards, and reporting
12 cadences, so progress is measurable and sustain --
13 sustainable.

14 [SLIDE CHANGE]

15 CHANIN KELLY-RAE: I would serve as your
16 executive and principal consultant. Working alongside me
17 on this project is Dr. Michael Washington, who is, for
18 more than 30 years, an expert level subject matter expert
19 in supplier diversity in organization design. Dr. Miriam
20 Hawkins, MBA, is our senior data analyst. And again,
21 these are all folks what are not cobbled together as a
22 team for you, but we work together in unison under one
23 roof.

24 [SLIDE CHANGE]

25 CHANIN KELLY-RAE: Also joining the team is a

1 public administration and systems management expert, Nelia
2 Viloría. And then Johana Rivas, who is our Strategic
3 Project Coordinator, that ensures alignment with regard to
4 ADA standards, engagement, and outreach, and coordination
5 to align all of our processes together, so that we work
6 for you seamlessly, professionally, effectively, and with
7 the best opportunity to meet your fiduciary responsibility
8 of finding someone that is the best in terms of talent,
9 and the best in terms of cost.

10 I'm extremely proud of the fact that for every
11 client that we've worked with across this nation, we
12 donate back 10 to 40 percent of any profits that we make
13 into local communities. That has totaled more than
14 \$900,000 in both funds and professional services.

15 The same project that we would be doing for you,
16 should we be chosen, we also do for free for nonprofits,
17 schools, and other organizations that otherwise would not
18 be able to afford to do the same level of work, care, and
19 compassion that we'd be doing for you.

20 And then finally, rounding out the team is
21 Maximillian Rae, our Max. He is someone with -- he's a
22 dog for those cannot see that is a chocolate brown
23 dachshund with one blue eye and one brown eye. His
24 responsibility is to be the calm curator and the belonging
25 ambassador. So he serves a very important function,

1 because I don't know that you know it, but DEI is a very
2 Challenging space these days, and he brings calm within
3 the storm. Thank you so much.

4 PRESIDENT TAYLOR: Thank you very much. I
5 appreciate that. I do appreciate Max.

6 [SLIDE CHANGE]

7 PRESIDENT TAYLOR: With that, I'm going to call
8 on Ms. Griffith to ask you the first question.

9 ACTING BOARD MEMBER GRIFFITH: All right. Good
10 morning. Please describe your approach to reviewing
11 CalPERS's DEI framework, policies, and programs, including
12 how you will identify gaps and opportunity for
13 improvement. In your response, explain how your
14 methodology -- methodology ensures that any
15 recommendations will be actionable.

16 CHANIN KELLY-RAE: Thank you so much.

17 Well, first of all, the framework that you've
18 chosen is directly rooted in why DEI has come to exist to
19 begin with care. And it begins in the space of health
20 care -- within health care, there are social determinants
21 of equity that lead to the fact or the well-researched
22 conclusion that a patient's outcomes has very little to do
23 with the few minutes that they spend with a provider in
24 any examination room. That conversation and that
25 engagement is only one part of a more holistic pie.

1 And so, social determinants of equity relative to
2 health care are important, because it takes a holistic
3 approach. So when I look at your framework, and I'll dig
4 into that social determinants in a moment, but your
5 framework is built around talent management, culture,
6 supplier diversity, health equity, and investments. That
7 is the five pillar approach. I believe that that is the
8 best possible approach and it's really a framework that my
9 firm takes.

10 So when I talk about social determinants of
11 equity and the ecosystem underwhich you work and function,
12 it's rooted in this system that education, housing, health
13 care, affordable food, policing, employment, governance,
14 suffrage, suffrage democracy, many of these different
15 things are interrelated. So CalPERS doesn't operate
16 within a vacuum. The services that YOU Provide in terms
17 of -- in terms of resource or pension and health care are
18 all impacted by a lot of different functions. So no
19 single institution can advance equity, or achieve
20 outcomes, or success without thinking about those systems
21 that also impact you.

22 And so when we think about your framework and
23 that five pillar approach, what we would do exactly?
24 Well, in phase one, we have leadership interviews that
25 would align CalPERS Board and leadership expectation with

1 a DEI vision. There's a program review and assessment
2 where we conduct a comprehensive policy and culture audit,
3 benchmarking against national best practices and what's
4 involved in that org review. We look at governance
5 structure. We look at employee life -- full employee
6 lifecycle. We look at decision-making and the many
7 policies, processes, and procedures through which you make
8 decisions and you operationalize the work that is
9 accomplished on a day-to-day basis.

10 We co-design a multi-year DEI action plan,
11 aligned with fiduciary and strategic goals, and then
12 partner to operationalize DEI priorities, monitor
13 outcomes, and sustain progress. What does that look at
14 the granular level with those one-on-one interviews? We
15 have deep conversations with leaders with very specific
16 scripted questions, where we understand where you are
17 today and where you hope to be tomorrow. We facilitate
18 small group sessions to surface priorities, barriers, and
19 opportunities across businesses lines. And we use
20 thematic and -- thematic and sentiment analysis to
21 identify organizational strengths and readiness
22 indicators.

23 We do a -- essentially a trifactor approach,
24 because we code looking for themes, trends, and instead of
25 anecdotal opportunity, because we want to make sure that

1 these are auditable, validated, and align, so that they're
2 able to be defended against the policies, fiduciary
3 regulations, and both state and federal law.

4 Also, in terms of additional data review with
5 regard to audit, so we look at procurement, investment,
6 health programs, and all of those things that you track in
7 terms of success and readiness.

8 Finally, we facilitate and co-design workshops
9 with leaders, staff, and partners, as well as establishing
10 goals and KPIs under each DEI pillar representing metrics,
11 inclusive culture benchmarks, supplier diversity
12 strategies, again all compliant with Proposition 208,
13 health equity targets, and investment accountability
14 indicators.

15 The thing I believe that we're most proud of, as
16 part of this approach, is to build a community of
17 practice. Now, oftentimes when a consultant comes into an
18 organization, they set up the scenario that you understand
19 with the problem is that you're trying to solve. You'll
20 get a roadmap, and a plan, and some data or KPI goals that
21 you track to measure success. But the thing that we hear,
22 because we work with governments at the local, county,
23 State, and federal level, where they want a new -- they
24 ask, what do we do with all of this information, right?
25 We're not the DEI experts.

1 But for me, the important thing is to make sure
2 that these things are embedded and that they can be owned
3 by staff and leaders within CalPERS. So building a
4 community of practice means that we provide, as part of
5 our fee schedule, the training, tools, and support, so
6 that you'll be able to own that forevermore. So we may be
7 with you for two years or possibly four, but that is the
8 process to upskill, train, and make sure that this is
9 embedded as part of the culture of what you do. It's
10 data-informed and that you have the internal talent and
11 capacity to drive and operationalize these things forward.
12 Having a community of practice, particularly with folks
13 that will say that they're not DEI leaders, but they may
14 be good in operations, it's how do we operationalize and
15 embed these things for success?

16 We look at where you are and I don't believe that
17 you throw away the baby with the bathwater, right? We
18 look at where you are and grow you into a better
19 organization that is compliant, that is defensible, that's
20 data informed and aligned.

21 PRESIDENT TAYLOR: Thank you very much. Go
22 ahead, Frank. You have to push your button.

23 Mr. Ruffino, go ahead, question number two.

24 ACTING BOARD MEMBER RUFFINO: Thank you, Madam
25 President and good morning.

1 CHANIN KELLY-RAE: Good morning.

2 ACTING BOARD MEMBER RUFFINO: So given ongoing
3 changes in the legal environment affecting DEI programs,
4 including recent court decisions, how will your firm --
5 your firm guide CalPERS in adopting its DEI efforts while
6 ensuring compliance with Proposition 209 and other
7 applicable laws? Please describe your process for staying
8 current with legal and best practice developments and how
9 you incorporate these into your consulting approach.

10 CHANIN KELLY-RAE: Thank you so very much for
11 that question. Great question. One of the things that
12 I'm extremely proud of is the fact that I'm the Vice Chair
13 of the Northwest Industry Liaison Group. That means that
14 I can convene Fortune 500, Fortune 100, and Fortune 50
15 organizations, governments, university systems, health
16 systems, and many others to convenings for the pacific
17 northwest and the west coast region.

18 So I meet quarterly with the federal government,
19 with the Department of Labor, with EEOC, and the
20 Department of Justice sometimes, as well as close and
21 regular monitoring of those states and changes in both
22 state law, constitutional law, and policies for all of the
23 states to make up the northwest region, including the
24 State of California.

25 And by the way, I'm a California-based business

1 as well, registered as a foreign entity. So, because of
2 that, it's of primary concern for me to know what those
3 updates are, because I'm one of those people that guides
4 and leads that alignment in terms of update of information
5 for folks like Washington state's government, or Amazon,
6 or Microsoft, and many other entities. So, it's a primary
7 concern to make sure that quarterly we are always updating
8 and aligning. That happens on a month-to-month basis. We
9 just convene and advise many others with regard to that
10 alignment, but we also partner very closely with
11 corporation counsel, attorney general's offices, and many
12 others to make sure that we are providing the best
13 guidance and insight.

14 We have attorneys that we use that are part of
15 staff that also make sure that they monitor, update, and
16 regularly advise. So we get information directly from the
17 horse's mouth to make sure that we are always compliant.

18 We follow, in particular, what's happening in the
19 State of California around 209, that I think is
20 essentially the best place to be, that you don't pick
21 people, because of the boxes that they check because we
22 want to create winners or losers. But the goal is that we
23 create a system that we have -- we don't need to be able
24 to check boxes, but what we do is monitor for disparate
25 impact. We monitor for participation. We track and

1 monitor to make sure that everyone has the opportunity to
2 be the -- to be their very best, and to bring their very
3 best in their lives, in their communities, and even in the
4 workplace.

5 PRESIDENT TAYLOR: Thank you very much.

6 Ms. Middleton, you have question -- whoops --
7 number three.

8 BOARD MEMBER MIDDLETON: All right. Thank you.
9 And thank you and welcome. CalPERS sustainable
10 investments programs work to deliver returns through
11 identification, analysis, and management of high-value,
12 sustainable investment risks and opportunities. Included
13 in our Governance and Sustainability principles is
14 consideration of environmental and social factors
15 alongside our governance agenda. Discuss how you will
16 leverage your experience to guide our sustainable
17 investment work and improve investment outcomes while
18 meeting our fiduciary duty.

19 CHANIN KELLY-RAE: Thank you so much for that.
20 Well, first, I'll begin with this, I think that part of
21 that fiduciary responsibility that you mentioned is first
22 and foremost as keepers of the -- keepers of the -- of the
23 purse to make sure that you're making sound and wise
24 judgments with regards to the investments with which
25 you're entrusted to provide for not just people across the

1 communities of California, but you -- you have people that
2 have retired that move to all points around the world, so
3 you're impacting your reach and your footprint is global.
4 Your responsibility though, your first concern is how do
5 we do this and manage that trust around those social
6 responsibilities for the people of the state of
7 California.

8 So earlier, I talked about those social
9 determinants of equity and impact. So those things that
10 you would consider are what does it look like to have
11 access to affordable healthy local food, health human and
12 services, parks and natural resources, safe and efficient
13 transportation, safe quality housing, community and public
14 safety, early child development, economic development,
15 equitable law and justice systems, equity in corporate
16 practices, family wage, jobs, and job training, healthy
17 built-in natural environments, quality education, strong
18 vibrant neighborhood -- neighborhoods, equitable access to
19 participate in political institutions, and access to
20 suffrage democracy or the ballot? What is role in that?

21 And so, you know, I had a conversation with the
22 president and CEO and his senior leadership team at a
23 wealth management company. And I sat down with him and I
24 said tell me why the world is better because you exist in
25 it? Because what your staff and your leadership in the

1 room told me is that it's your responsibility to make sure
2 that you do well, but then they talked about the
3 characteristics of the people that represented most of
4 their customer base. And I asked them, then so you exist
5 to help people that, according to you all, are
6 conservative, wealthy people of a particular community,
7 and you seek to make wealthy people more wealthy?

8 And they looked at each other, and the President
9 and CEO of the organization said no, that's not at all
10 what we do. We provide services, tools, and information,
11 so that anyone can map out and make plans for their goals
12 for themselves, for their families, and often their
13 communities. And it may be that that is someone that
14 budgets in a notebook or someone that has a family office
15 or foundation office. But we do that, so that everyone
16 can accomplish their own personal financial health care
17 and other goals.

18 And so, how I -- you know, how I recommend and
19 how I advise that is to look at those five pillars, and
20 ensure that in the investments that you make, in the
21 decisions that you do, and in the directives and orders
22 that you give across CalPERS is that we're aligning and
23 looking at disparity. We're monitoring the health, and
24 success, and wellness of communities across the state of
25 California, and those individuals who may or may not have

1 what they need in order to exist, so that they may thrive.

2 You look at where communities do well and
3 communities don't, and you make decisions to ensure that
4 there is equal access, opportunity, and the promise of
5 outcome. And you do that by regular and close monitoring,
6 looking at data, looking at information, getting feedback
7 from folks that you serve and feedback from staff,
8 communities, governments, and in many places, but it's
9 always in regular and consistent monitoring of data,
10 guidance, and information, because you always want to have
11 something that is validated, auditable, and that there is
12 a trail that essentially provides the data information
13 that you have to make those informed decisions.

14 BOARD MEMBER MIDDLETON: Thank you.

15 PRESIDENT TAYLOR: Thank you very much. Thank
16 you, Ms. Middleton.

17 Mr. -- you have to push your button.

18 Mr. Miller, go ahead.

19 VICE PRESIDENT MILLER: CalPERS seeks to advance
20 equitable health outcomes for its members and their
21 families. Please discuss how you will leverage your
22 experience to help support the efforts of our Health Care
23 Program and ensure our members can attain the highest
24 level of quality health care.

25 CHANIN KELLY-RAE: Thank you for that. Part of

1 the role and responsibility I've played over the course of
2 my career is through my firm, I've been a embedded Vice
3 President of Equity for a health system, while we sought
4 to recruit and hire their Vice President of Equity. I did
5 that for more than 12 months. I've worked as the head of
6 diversity, equity, and inclusion for the fourth largest
7 health system in the United States, including health
8 systems, specifically Saint Joseph, across -- and
9 Providence across the state of California, but I've done
10 that across Minnesota, Oregon, Washington and many others.
11 I've been an advisor for Comagine Health as well for their
12 board, their regional boards, and provided that guidance
13 and insight as well.

14 I participated directly, as well as members of my
15 team, for more than five years to talk about health
16 equity, population health, the Affordable Care Act, and
17 the promise of monitoring regularly community health needs
18 assessments and the community health plans -- the
19 community health action plans that are resultant. So, I'm
20 very familiar with health care. I've worked as a leader
21 in health care. I know that considering social
22 determinants of health and population health have a direct
23 correlation in articulating and identifying outcomes.

24 Oftentimes, I find myself talking to governments
25 and other entities to advise them of the requirement of

1 health care providers to ensure that they have a community
2 health improvement plan, which means that they have to
3 know as a system why people are sick, why people are
4 dying, and what the priorities are from state to state,
5 county by county, and even by zip code, who is insured,
6 who is uninsured, who has access to long-term care, who
7 doesn't have access to long-term care, how are people
8 living, what do homelessness rates look like, and all of
9 these things.

10 So being a leader nationally in the realm of
11 health care for more than 15 years, advising the Secretary
12 of Health in the State of Washington, for example,
13 declared that race was a public health crisis, working in
14 Wisconsin to help them identify and articulate a plan,
15 when they said that race was a public health crisis. And
16 I was there for more than 16 months, but for many years,
17 I've worked with governments, boards, and entities just
18 like yourself to educate, upskill, and make aware. I've
19 built plans and helped to change state law in different
20 places, change local policy in many places, but more
21 importantly to help entities like yourself make
22 articulable, auditable, data-informed plans, where we take
23 the best of information in our relationships across health
24 care nationally and bring those experts to the table, if
25 need be. But we have a proven track record of making

1 those determinations and decisions in a collaborative and
2 partnership way.

3 PRESIDENT TAYLOR: Thank you very much for that
4 answer. I have the next question. Please provide an
5 example of an -- (clears throat) -- excuse me -- an
6 environmental scan or gap assessment you've conducted, and
7 what actionable outcomes have resulted, and how do you
8 ensure your analysis is data driven?

9 CHANIN KELLY-RAE: If you don't mind, I'll use
10 the ones that I don't have non-disclosure agreements with,
11 because corporate partners usually make you sign those,
12 but I'll share ones that I have that I can disclose.

13 So, one such example was with a municipality, the
14 City of Kirkland, Washington. They wanted to do a
15 community-wide scan as well. We use the same process that
16 we're proposing for you, which ironically aligns perfectly
17 with your five pillars. We did one-on-one leadership
18 inside interviews. We did a workplace culture survey. We
19 did a community-wide survey of culture, as well as
20 listening sessions. We also seated a community advisory
21 body that served at the pleasure of the -- both the city
22 council and the city manager's office, but they wanted to
23 make sure that they were able to compensate those members
24 of the community whose time was valuable, that were not
25 going to be compensated.

1 Part of my recommendation was that we provided a
2 stipend, so each member could serve in an advisory
3 capacity to be kind of the - I'm going to age myself - the
4 Jiminy Cricket on my shoulder. And I wanted to make sure
5 that that happened. And we do that with every needs
6 assessment body. Now, local governments don't necessarily
7 have the policy or the process in place to allow for that
8 without people being compensated as a business. My
9 business without any charge back to the client provided
10 the ability for them to function as 1099s under the
11 umbrella of my organization -- my organization, as well as
12 to be covered by insurance.

13 We put them into my ADP system and we were able
14 to do a -- provide pass-through for them to be
15 compensated. We've done that in many different places,
16 and we give them 1099 at the end of the year, because I
17 think that when you look for people that serve as an
18 advisory body, when they're giving their time, especially
19 when they don't have the benefit of wealth, it's fair that
20 if everybody in the room is being compensated, they should
21 be compensated as well. We like to make sure that there
22 is also a deliverable that shares the recommendation of
23 that body, so that people can ask and be told, so we know
24 what your team said, what did that group of advisors made
25 up of members of our community say. So you would see the

1 complete plan of recommendations that we provided, but
2 also we had a breakout of what they recommended and
3 suggested as well.

4 It was data informed. We also began each of
5 those engagements with a community scan. I have two staff
6 that are dedicated to outreach and engagement, and they
7 don't just send emails, but they make phone calls to all
8 of the representatives bodies that we want to make sure
9 that we connect with and touch, including
10 justice-impacted, unhoused, emigrant communities,
11 educational leaders, nonprofit NGOs, housing, and many
12 other places where you would have influence or have impact
13 across the community, because it's important to me to make
14 sure that you build no solution for anyone without
15 bringing them to the table. So build no solution for me
16 without me. In the state of California, your constituents
17 are going to demand, build no solutions for us without us.

18 So we'll work with CalPERS and your staff to
19 identify either internally, but also externally, people
20 that may come to the table in an advisory capacity that
21 would serve at your pleasure, to be able to provide
22 insights to ensure that the work that we're doing is truly
23 reflective of both the needs, wants, and desires of the
24 people that we're all charged to represent as part of this
25 process. And so, that's some of what we deal with, in

1 that regard.

2 PRESIDENT TAYLOR: Thank you very much. With
3 that, I'm going to call on Mr. Pacheco.

4 Go ahead.

5 BOARD MEMBER PACHECO: Thank you and good
6 morning. At CalPERS, we seek to cultivate a
7 high-performing, equitable, and diverse workforce. How
8 will you apply your experience to ensure processes are in
9 place to strengthen diversity in recruitment, retention,
10 equity, and succession planning.

11 CHANIN KELLY-RAE: Thank you so much for that.
12 One of the strengths of our firm is part of that
13 organizational scan, that assessment that we do, where
14 collect hundreds of documents where those are coded, and
15 we look for things and insights. Part of that process is
16 to look at the full employee lifecycle, where you're
17 advertising for a role the efficacy of those places to
18 ensure that you're getting the breadth of diversity that
19 you would hope to have, as part of that representative
20 process, and we break it down from the introduction of
21 opportunity, how those job descriptions are written, where
22 you place firms that you use, and the impact that you get
23 in terms of the desired outcome of using those services.

24 We look at the screening process. We review the
25 interview process, and we look at the data relative to

1 representation, and especially as part of culture for
2 CalPERS, because again, as one of your pillars, we also
3 look at opportunity, advancement, bench strength, and even
4 as people leave, we review exit interviews and insights
5 from those processes. And if there are gaps, as part of
6 our recommendations, we make sure that there are things
7 that happen strategically to close those gaps, so that you
8 can gather that information.

9 As you know, part of 209 requires that none of us
10 are able to afford an opportunity, give jobs, promotions,
11 or pay because of gender, race, background, color, or
12 creed. And so what we do is we look at disparate impact.
13 We track data. We want to make sure that you have a wide
14 net cast, that everybody has the opportunity to serve.
15 And when we look at data, we also look at trending, so
16 that if we find things that fall outside of the means
17 within the range of what would be typical. And we don't
18 look at just one year. We'll look at five years,
19 year-over-year in terms of data around employee lifecycle,
20 because to look at one year means that we're looking at
21 something anecdotally. We benchmark you against other
22 agencies within the state or local municipalities, but we
23 look also in terms of benchmarking at other similarly
24 situated organizations, whether they're public or private.

25 But for the purposes of CalPERS, we look at also

1 those organizations that sometimes may be private, simply
2 because of the fact that you are wealth management. Your
3 pension and resource management. So we want to make sure
4 that we're comparing apples to apples and oranges to
5 oranges, particularly when it comes to job growth,
6 retention, and opportunity.

7 So again, we use a data-informed approach. We
8 look at where you are. We look at year-over-year. We
9 benchmark. And we make sure that what we're trying to
10 solve is the thing that we're trying to solve. We build
11 plants and strategies that are responsive to that. We
12 develop with you KPIs and targets. As part of that
13 community practice, we make sure that we're providing for
14 training insight. For those folks that are HR business
15 part -- business partners or HR managers, we provide tools
16 and information required -- that we feel is required and
17 necessary to be able to track and monitor, so that they're
18 able to own the strategy in the work that they do and be
19 able to report that progress back to you, either
20 quarterly, semiannually, or annually minimally.

21 PRESIDENT TAYLOR: Thank you very much, for your
22 answer. Next, I'm going to call on Mr. Palkki to ask
23 question number seven.

24 BOARD MEMBER PALKKI: Thank you. How do you
25 translate assessment findings into measurable, achievable

1 goals that align with an organization's strategic plan,
2 fiduciary responsibilities, and legal obligations?

3 CHANIN KELLY-RAE: Thank you so much for that
4 question. That is, I think, one of the most important --
5 one of the more important things that we do, because as
6 part of these milestones that we create to get data at
7 every juncture of this assessment process, built within
8 that could be five or 50 different recommendations. You
9 can't boil the ocean all at once. You take it one --
10 well, I shouldn't say boil. You can't feed all of the
11 birds all at once. Sometimes you break the seeds into
12 bits.

13 And so, you look at those things that are
14 thematic, that are trends across all of these deliverable
15 points. But what we have to do is make sure that it is
16 aligned with your strategic goals and the broader
17 strategic plan, because the hope is that this body of work
18 is not something that you can look at that is separate and
19 aside. You don't create a DEI five-year plan or
20 three-year plan. That is something that you extract from
21 every other business vertical, because every leader and
22 every business vertical is responsible for the
23 implementation and operationalization of this work and all
24 of them help to inform it. We don't look at just HR.
25 Whenever we see people move DEI work into HR, my guidance

1 is that that is where the plan then goes to die.

2 And so, this has to be owned by the Board and
3 every leader that serves at your pleasure. This has to
4 happen across all of the entity, which means that it
5 informs everything that you do. DEI is the lens through
6 which you see the things that you're doing already. This
7 process is to look at what you're doing as part of that
8 strategic plan, aligned with your five pillars and do that
9 even better.

10 And so, the way that we do that is to use these
11 strategies and recommendations to look at your strategic
12 plan and those things that align with your five pillars
13 and build strategies that is actionable, that's consistent
14 with your resource of both talent and time, and then the
15 purse to make sure that they are doing it in a way that is
16 fiduciarly responsible, that is data informed and
17 auditable, and that is aligned with both State, federal
18 and even local law. And we've done that with every
19 engagement.

20 So that it is not something that we do some of
21 the time. We do that in the public sector and the private
22 sector. And just quickly, if I can say, we did this
23 within one state. We had clients that represented
24 multiple organ -- multiple municipalities within the same
25 county. The count had their equity strategy. The county

1 didn't do the work to align its local municipality with
2 their equity plan. We used their framework and their
3 language to align what was happening in the
4 municipalities, so that the municipalities could benchmark
5 against each other. The county didn't do it for
6 themselves, but my firm did it for them.

7 PRESIDENT TAYLOR: Thank you very much.

8 All right. Thank -- with that, we were at time
9 expiration. Does the Committee have any clarifying or
10 follow-up questions for Chanin Kelly-Rae Consulting?

11 Ms. Gallegos.

12 ACTING BOARD MEMBER GALLEGOS: Yes. Thank you
13 very much. Can you just talk a little bit more about the
14 team that would be working with CalPERS, and particularly
15 Maximillian's role.

16 (Laughter).

17 CHANIN KELLY-RAE: I can absolutely talk about
18 Max's role, but first, you know, to really drive it home,
19 you have to understand how he got his name. So Max is a
20 double dapple dachshund. It is registered with the Kennel
21 Club. He's a very special little guy. And his full name,
22 his government name, is Maximillian Spartacus Rae. Now,
23 people have thought that he was named after Formula 1
24 drivers, and, of course, Max Scherberger[SIC] with --
25 because he gets -- he has the same eye color as the

1 gentleman that was recently playing for the World Series
2 title. But Max is a leader among leaders. He's the
3 numb -- he's the gladiator and a person that is the freer
4 of slaves. And so he got that name because he is the
5 strongest leader, he's a liberator, and he brings peace
6 and calm in storms.

7 So that is -- that is Max. And the role that he
8 plays is to be the keeper of the peace. And so, at your
9 pleasure, I also tell people, and don't hold me on this,
10 but I do often promise that if Max is required to come to
11 meetings, he is also available to come and be in person.

12 ACTING BOARD MEMBER GALLEGOS: Great. Thank you.
13 I do want to know about the rest of the team though.

14 CHANIN KELLY-RAE: And so in terms of the rest of
15 the team, we are a firm of 13. We have two staff that
16 work internationally. They are also under the same roof.
17 But, Michael Washington, again more than 30 years
18 experience in the corporate, and public, and private
19 space, expert extraordinaire, master subject matter expert
20 in supplier diversity, organizational development and
21 design.

22 Dr. Miriam Hawkins has worked in health care,
23 wealth management, has worked on all of my projects, both
24 of them for the last five years as well, all under one
25 roof. I don't have to do a patchwork to pull the team

1 together. She is an expert at the triangulation. She and
2 I worked together to build dashboards that are -- as well
3 as heatmaps that identify. So when you talk about how do
4 look at -- in the -- at the granular level? We build a
5 heatmap that is color coded that's easy to understand and
6 read. We build these things that are ADA compliant. We
7 ensure that there is accessibility and opportunity.
8 That's one of the functions that Johana Rivas plays. We
9 are a multilingual staff. We are a diverse staff. We
10 have both veterans, people with disabilities, people of
11 color, and women, as well as folks on the LGBTQ community
12 present on our staff.

13 I think we bring the best of the best. Nelia
14 Viloria is a consummate expert in both the public and
15 private space. She is a project manager. She ensures
16 seamless integration. She makes sure that we
17 under-promise and over-deliver. We use a Project
18 Management platform and a full wealth of services that
19 also come as part of that package, so that we can, behind
20 the shield of Amazon Web Services and master security,
21 provide for multiple levels of security, that by the way
22 has passed the muster of our insurance clients, our wealth
23 management clients, and health care clients.

24 And as you know, when you want to put their
25 information behind your pay wall, that is the hardest body

1 clients to satisfy with the highest level of security and
2 standard. So, that's the team.

3 ACTING BOARD MEMBER GALLEGOS: Thank you.

4 CHANIN KELLY-RAE: You have a team of five, but
5 you have also at your availability any of the staff that
6 we need. Thank you.

7 ACTING BOARD MEMBER GALLEGOS: Thank you so much.

8 PRESIDENT TAYLOR: Thank you very much.

9 Nicole Griffith.

10 ACTING BOARD MEMBER GRIFFITH: Thank you. Good
11 morning. How many clients do you currently have overall?

12 CHANIN KELLY-RAE: Currently, we have six clients
13 on the catalogue.

14 ACTING BOARD MEMBER GRIFFITH: Thank you.

15 CHANIN KELLY-RAE: We only take clients where
16 we're able to provide 110 percent of our time in terms of
17 resource. We don't fill up the catalog and go over
18 capacity. That would require us to bring in people that
19 are not part of our staff. So you have the full
20 commitment and availability of our staff. And then should
21 we be able to have the opportunity to work with CalPERS,
22 the window would start to -- would start to close, but we
23 only work to capacity, where we can give you 110 percent
24 of our time and attention.

25 ACTING BOARD MEMBER GRIFFITH: Thank you.

1 PRESIDENT TAYLOR: All right. Thank you very
2 much.

3 This concludes your interview and I do want to
4 thank you for your time today. And if you would, please
5 exit the auditorium. Again, thank you very much.

6 CHANIN KELLY-RAE: Thank you so much.

7 (Chanin Kelly-Rae exited the auditorium.)

8 (Ferdman Consulting entered the auditorium.)

9 PRESIDENT TAYLOR: Can I get a 10-minute break?
10 A little wellness break here. Thank you.

11 (Off record: 10:25 a.m.)

12 (Thereupon a recess was taken.)

13 (On record: 10:37 a.m.)

14 PRESIDENT TAYLOR: I apologize. I want to thank
15 everybody for their patience. The Board has been here for
16 a little bit, so yeah, we had to take a little bit of a
17 break.

18 At this time, I would like to welcome Ferdman
19 Consulting. I want to make sure that's everybody you have
20 is up here right now.

21 DR. BERNARDO FERDMAN: (Nods head.)

22 PRESIDENT TAYLOR: Okay. Your firm was asked to
23 not view the interviews that preceded you. So can you
24 confirm, to the best of your knowledge, your firm did not
25 view those interviews?

1 DR. BERNARDO FERDMAN: We did not and I so
2 confirm.

3 PRESIDENT TAYLOR: Excellent. Thank you very
4 much.

5 You will have five minutes for your presentation.
6 And staff, if you would, please start the clock for five
7 minutes, when Ferdman Consulting staff starts to speak.

8 Thank you.

9 (Slide presentation).

10 DR. BERNARDO FERDMAN: Good morning, President
11 Taylor, members of the Board, CalPERS staff, and everyone
12 present. We are honored to join CalPERS's DEI journey,
13 which embodies leadership integrity, and commitment to
14 your people, and a resilient confidence that diversity,
15 equity, and inclusion are not an add-on to organizational
16 excellence, but foundational to achieving your vision and
17 strategic goals.

18 At the heart of any lasting change is a vital
19 tension between who we are as full, complex human beings
20 and the systems and structures that shape our experience
21 and impact. Inclusion lives in that both/and space, which
22 you have navigated with remarkable focus for years, while
23 staying true to your mission. I'm Dr. Bernardo Ferdman,
24 principal of Ferdman Consulting, joined today by Effenus
25 Henderson and Dr. Carliss Miller, two of our core team

1 members. Our team brings broad and deep expertise in
2 leadership and organization development and change, and in
3 DEI assessment strategy and systems design.

4 We have all spent our careers helping
5 organizations to build inclusive environments that
6 strengthen performance, culture, and trust. Some of us
7 are longtime Californians and we all have extensive
8 experience in shaping DEI at scale including its Chief
9 Diversity Officers, global inclusion strategists, and --
10 or scholars who have set national and international
11 standards for DEI excellence.

12 Beyond credentials, our identities and lived
13 experiences also matter. As a 66-year old immigrant from
14 Argentina in the U.S. since 1966 and a native Spanish
15 speaker, I deeply understand the importance of navigating
16 identity and belonging and building bridges across
17 cultures.

18 EFFENUS HENDERSON: I'm Effenus Henderson.

19 PRESIDENT TAYLOR: Push your button. Thank you.

20 EFFENUS HENDERSON: I'm Effenus Henderson, proud
21 father of three Morehouse graduates. I bring over 40
22 years of global diversity, equity, and sustainability
23 experience, including that as Chief Diversity Officer for
24 Weyerhaeuser Company. I'm the co-founder of the Institute
25 for Sustainable Diversity and Inclusion, and I served as

1 the convener for the working group that established the
2 first global ISO standard for Diversity and inclusion. As
3 a practitioner, I believe that inclusion and stakeholder
4 stewardship go hand in hand.

5 DR. CARLISS MILLER: And I'm Dr. Carliss Miller.
6 I'm a specialist in organizational behavior and culture
7 transformation. I've helped leaders link DEI to
8 measurable business outcomes from strategy to everyday
9 practice. As a neurodivergent black woman, mom,
10 scientist, and educator, I've seen how systems can either
11 limit or unleash people's potential. My work focuses on
12 translating strategy into everyday operations and creating
13 inclusive environments that drive excellence. Together,
14 our team integrates lived experience and global
15 perspective.

16 We know that CalPERS operates in a complex
17 visible environment, and that's why our approach balances
18 governance and accountability with human connection and
19 collaboration.

20 DR. BERNARDO FERDMAN: Our approach to inclusive
21 excellent is both straightforward and multifaceted.

22 [SLIDE CHANGE]

23 DR. BERNARDO FERDMAN: First, it's not just about
24 numbers. It's about what we do with our diversity. It's
25 also a positive approach. Inclusion is for everyone, not

1 just for some. And how we are every day matters. It's
2 about what we do here and now with each other. And it's
3 also about the strategic and systemic ways, in which we
4 align DEI with mission, vision, and values. Everyone has
5 a role to play, individually and collectively in the
6 practice of inclusion. And we need to understand the
7 complexities and nuances involved, including competing
8 needs, perspectives, and identities, and embrace and
9 address them in a both/and fashion.

10 We illustrate our approach in this model.
11 Inclusion is a continuous multi-level and multi-faceted
12 journey that requires strategic thinking and systemic
13 approaches across all organizational dimensions.

14 EFFENUS HENDERSON: We plan to bring this
15 approach to life through our four-phased process, while
16 honoring your long history of DEI work. You have built a
17 strong foundation. Our work will involve partnering with
18 you to deepen, integrate, and proof -- future proof what
19 has been done and to decide what else may be needed to
20 move forward. We start by listening careful to leaders,
21 staff, and stakeholders. Then, we assess and benchmark
22 against peers, standards, and challenges, keeping in mind
23 CalPERS leading edge in this space. The third phase
24 involves co-creating an actionable roadmap that connects
25 with your strategic plan. And finally, we will -- we will

1 work to support implementation with coaching and tools
2 that sustain progress.

3 [SLIDE CHANGE]

4 DR. CARLISS MILLER: Our work aligns directly
5 with your five DEI pillars and it's grounded in your core
6 values, so that you can strengthen what works, change what
7 doesn't, and identify new opportunities. What's powerful
8 about the framework is how interconnected the pillars are.
9 We want to foster deeper integration across these five
10 areas strengthening talent management and forming
11 investment strategies and creating sustainable models for
12 broader inclusion and equity.

13 DR. BERNARDO FERDMAN: We finish with three
14 commitments to guide our approach to working with you:
15 One, responsible partnership; two, a keen focus on
16 measurable progress with clear metrics and transparency;
17 and three, heartfelt care for every person, because this
18 is ultimately about serving all Cali -- members of staff
19 and Californians who depend on CalPERS. CalPERS has led
20 with vision and courage. We would be delighted to partner
21 with you to build better together, to strengthen systems,
22 elevate people, and co-create a future defined by trust,
23 equity, and lasting impact.

24 Thank you.

25 PRESIDENT TAYLOR: Thank you very much for your

1 opening. With that, we'll proceed to the 35-minute
2 question and answer.

3 Ms. Walker.

4 BOARD MEMBER WALKER: Good morning.

5 PRESIDENT TAYLOR: Hold on. Sorry.

6 There you go.

7 BOARD MEMBER WALKER: All right. Good morning.

8 So, please describe your approach to reviewing
9 CalPERS DEI framework, policies, and programs, including
10 how you will identify gaps and opportunities for
11 improvement. In your response, explain how your
12 methodology ensures that any recommendations will be
13 actionable.

14 DR. BERNARDO FERDMAN: Great. Great question.
15 Our approach involves, as evidence outlined a moment ago,
16 first of all, finding out where you are, what you care
17 about, where you've been, and how it matters to you and
18 where you'd like to go in the future. So truly listening
19 and learning from you the Board members, the senior
20 executives and ideally from a broader representation of
21 staff members and others. For example, the diversity
22 advisory counsel we see as being an important component of
23 the process. We would love to meet with them as a group
24 and possibly with individual members in the first phase.
25 We might include a written questionnaire to identify

1 perspectives, hopes, and suggestions reviewing also
2 documents and data. We've already learned a lot about
3 where you've been from what we could find from public
4 documents. And we would figure out and develop a more
5 detailed work plan in collaboration with you and your
6 staff.

7 Then we would do a thorough review and assessment
8 of what you've been doing, why you're doing it, and what
9 the purposes are and review that against what other
10 organizations are doing, public and private, similar
11 organizations as you indicated in your RFP. And we are
12 experts in the global diversity, equity, and inclusion
13 benchmarks, as you heard Mr. Henderson has been developing
14 standards, the ISO standards for diversity and inclusion
15 as well. And so we would use those as a way to evaluate
16 where you are.

17 But what's most important is working with you
18 closely to understand what is it that you're trying to do
19 for the future and how do you understand the context, the
20 environmental, the legal context? Things are changing all
21 the time in this space, as you know. It's unfortunately
22 have become controversial for some people. There's a lot
23 of misunderstanding about what this work is about and why
24 it matters. So making that clear and understanding what
25 the message needs to be here at CalPERS. What are the

1 potential and legal reputational risks, but also what are
2 the opportunities? What does it cost not to do something
3 and really future proofing what you're doing, what we've
4 done with other organizations. And what we'd love to
5 think about doing with you is think about what is it that
6 you want to keep, what is it that you want to -- where are
7 you now and what do you want to change to, creating what
8 call from-to statements, a vision for the future that's
9 really grounded in the successes of the past.

10 And then we would -- you asked about how we would
11 make sure that our recommendations and our work would be
12 actionable. That's what we're about. We don't want to do
13 thinking that is not something you can do and integrate
14 into the work, and we'd be working in this with you
15 throughout.

16 So we would constantly be checking. When we
17 worked with other organizations -- for example, I worked
18 for 10 months with the Department of Toxic Substances
19 Control, part of CalEPA. I think one is very familiar
20 with that. And we had a group, internal group, that
21 created the recommendations with our guidance. So I think
22 that's another way to do it. And so really partnering all
23 along.

24 Would you like to add anything?

25 EFFENUS HENDERSON: The only -- the other thing

1 that I would add to that is one, that there's no cookie
2 cutter approach to this work. We believe that it's -- it
3 should be a leader led approach, where you weigh in on
4 what's important to you and not try to cover the
5 waterfront, try to focus on those high impact things that
6 make a difference from CalPERS, understanding your
7 context, your customers, your stakeholders, and your
8 employees as well.

9 PRESIDENT TAYLOR: All right. Thank you very
10 much. With that, our second question is from Ms.
11 Willette. Go ahead.

12 BOARD MEMBER WILLETTE: Thank you. Given ongoing
13 changes in the legal environment affecting DEI programs,
14 including recent court decisions, how will your firm guide
15 CalPERS in adapting its DEI efforts while ensuring
16 compliance with Proposition 209 and other applicable laws.
17 And please describe your process for staying current with
18 legal and best practice developments, and how you
19 incorporate these into your consulting approach.

20 Thank you.

21 DR. BERNARDO FERDMAN: You want to start.

22 EFFENUS HENDERSON: Well, I have a background in
23 human resource management. In fact, my career at
24 Weyerhaeuser was in human resources. I lead the diversity
25 effort there, including our affirmative action and our

1 relationships with the federal government, and the
2 compliance with various state and local laws.

3 So, for me, it's an ongoing task every day. So
4 we study. Number one, I do quite a bit of research on
5 evolving legislation, both at the State level, and at the
6 national level. I come out of state -- out of Washington
7 State, where we had a proposition -- or Initiative 200.
8 And so I'm familiar with some of the same kinds of
9 concepts and strategies that are here in California. My
10 view is that it's an ongoing process of staying in tune
11 with, you know, checking with the legal profession,
12 understanding what's legal in terms of diversity equity
13 work, and what's illegal, and really helping to guide
14 organizations through a process that ensures that they're
15 in line with that. And so it's an ongoing process of
16 learning, and education, and staying connected.

17 DR. BERNARDO FERDMAN: I think compliance is key.
18 And so as Effenus said, we constantly look at that. I've
19 worked with public agencies here in California, at
20 different levels, State, county, regional, local. And
21 this is always a question with a -- I've worked with Cal
22 State -- California State University, San Marcos to
23 develop their diversity and inclusion plan, again which
24 needed to be compliant. So we have a lot of experience
25 with that. We include, a member of our team who is a

1 lawyer and has a background in employment law, and has
2 been in that field for a long time. She also was a
3 diversity -- the head of diversity for the International
4 Monetary Fund, so it brings that perspective as well.

5 But we believe it's important, not just to think
6 about the legal climate, but also the -- what people
7 understand, the public, your members, the people of
8 California. And so there's always a tension there between
9 the things we're hearing, the alarmist things we're
10 hearing and the need to move forward for the future of the
11 State, which is what you are handling, is that tension,
12 that paradox, that both/and is really what you're going
13 to have to keep managing probably forever. And I think
14 that's what we're used to doing, and helping people
15 understand at a granular level and also at a -- at a
16 policy and legal level.

17 DR. CARLISS MILLER: Yes. I would just add that
18 as -- and I really love that questions, because that is
19 our day-to-day work is understanding what's evolving,
20 what's changing, not only what is the law saying, but what
21 is the spirit of the law and now it's being implemented.
22 And so those are insights -- like we say, this is part of
23 our daily practice that we would bring to the team and
24 also to the work to make sure that you're also protected,
25 but not watering down your efforts, that we're focused on

1 doing, what we say that --

2 (Sneeze).

3 DR. BERNARDO FERDMAN: Bless you.

4 DR. CARLISS MILLER: We're focused on doing and
5 helping you do what you say you're going to do, keeping it
6 aligned to your values and to your mission and making sure
7 that the language also connects with that as well.

8 DR. BERNARDO FERDMAN: I know that you want to go
9 to the next question, but I thought of something really
10 important. I think the key is aligning it with what
11 you're about and fundamental to the mission. It's easy to
12 get distracted, because there's the laws and the executive
13 orders in a lot of the news. And unfortunately, it takes
14 away from why this is a positive thing that you're doing
15 that really matters. Aside from the terminology, which
16 can always be adapted, it's really about integrating into
17 the everyday work of the organization, the fiduciary
18 responsibility, the responsibility to the members, and
19 their livelihoods, and futures, and their health.

20 And health equity is so critical for everyone is
21 another piece of it. There's nothing illegal about making
22 sure everybody is healthy. And I think that's what you're
23 trying to do. And so I think obviously, we have to look
24 at the exact nuances and the pressures that we're not
25 ignoring any of those, but also focusing on the reason why

1 and the pull towards the work.

2 PRESIDENT TAYLOR: Thank you very much for that
3 answer. With that, we'll move on to question number
4 three, Ms. Gallegos for Controller Cohen.

5 ACTING BOARD MEMBER GALLEGOS: Thank you.

6 CalPERS Sustainable Investment Program works to
7 deliver returns through the identification, analysis and
8 management of high-value sustainable investment risks and
9 opportunities. Including -- included in our Governance
10 and Sustainability Principles is the consideration of
11 environmental and social factors, alongside our governance
12 agenda. Discuss how you will leverage your experience to
13 help guide our sustainable investment work and improve
14 investment outcomes, while meeting our fiduciary duty.

15 DR. BERNARDO FERDMAN: That's a small question,
16 right?

17 (Laughter).

18 ACTING BOARD MEMBER GALLEGOS: Tongue tied.

19 DR. BERNARDO FERDMAN: Shall I start that one?

20 EFFENUS HENDERSON: Sure. Go ahead, please.

21 DR. BERNARDO FERDMAN: Yeah. I'm just pausing
22 because I'm taking the depth of it a little bit. I think
23 that's really the key, isn't it? Ultimately, that's what
24 your here to do is to make sure there's a future for the
25 people who depend on CalPERS, and where the staff also

1 thrive, right? It's not just about the members. It's
2 about the staff. It's about the state as a whole. It's
3 even about the sustainability of the cities and
4 governments that -- whose staff are your members, right,
5 because they are paying into the funds and they need to --
6 their budgets need to be managed as well, so they don't
7 want to pay more. So it's really about all of us and all
8 the citizens, so it's so important.

9 Now, how are we going to do that. I think it's
10 in a partnership. We do have some expertise, but we are
11 not here of the investment expertise. That's your
12 expertise, right? So we're here with the expertise of how
13 do you really build diversity, equity, and inclusion
14 principles and practices into the organization in a
15 strategic way, in a way that's really human, and also
16 spread across the organization in a foundational way.
17 And, that the -- your leadership in that space of the
18 sustainable investment program, looking at governance and
19 sustainability has affected the world actually, not just
20 California.

21 And so it's really about being clear about which
22 pieces of that are working, how you deal with the counter
23 pressures that are out there and how you want to adapt it.
24 I know that you probably done all agree on all of it, and
25 so it's really about bringing in all those different

1 points of view that exist in the Board, in the public,
2 internally, and trying to bring them out, and think how do
3 you build them together, not just say one side is going to
4 win and the other side is going to lose, but how do you
5 keep clear on what the ultimate goals are and then think
6 about what are the right solutions that would work.
7 Again, this is a collaborative process of finding what
8 those solutions are. There isn't some magic wand that
9 you're going to pull out and say do this.

10 This is what you're all struggling with. We're
11 not here to give you the final answer on that particular
12 question. We're for here to help you process it to do it
13 in a way that really addresses the fundamental aspects of
14 recognizing the diversity of the State and of the members,
15 making it an inclusive organization, inclusive results in
16 your -- in your investments and making sure that they're
17 equitable, that they build equity, but also are fair to
18 the people now and in the future.

19 EFFENUS HENDERSON: And what I'd add to that is
20 that this work, diverse, equity, and inclusion work, it's
21 not just an employee or a workplace, workforce issue, it's
22 increasingly becoming a stakeholder issue. And I worked
23 with EPA, served on their National Advisory Council for
24 looking at ways to integrate how you think about diversity
25 with respect to sustainability, environmental stewardship,

1 and so forth. And that is a very real thing in terms of
2 investment strategies, because the public, the
3 communities, the members are going to be looking to you to
4 be fair and equitable in terms of how the decisions about
5 the funds that generate their pension is going to be
6 invested wisely and appropriately, and so forth. So, I
7 think this education piece of showing that connection is
8 very important.

9 The other thing I'll say is I served as the
10 President of the Environmental Education Association for
11 the State of Washington several years ago. And we learned
12 this growing connection of diversity, equity, and
13 inclusion. And so it's an important one for those of you
14 who are investing the funds that the members really want
15 to hope that you are investing wisely.

16 PRESIDENT TAYLOR: All right. Thank you for that
17 answer.

18 Mr. Detoy, you have question number four, maybe.

19 BOARD MEMBER DETOY: Thank you. CalPERS seek to
20 advance equitable health outcomes for its members and
21 their families. Please discuss how you'll leverage your
22 expertise to help support the efforts of our Health Care
23 Program and ensure our members can attain the highest
24 level of quality health care.

25 DR. BERNARDO FERDMAN: Yeah. Great question. It

1 was so nice to learn about what you're doing in this
2 space. I've been working in this area for a bit also. I
3 mentioned the Department of Toxic Substances Control, but
4 more specifically, I worked with many Plant Parenthood
5 affiliates. And we were looking at health equity as a
6 very key part. In fact, we recreated the strategic plan
7 for Planned Parenthood of greater Texas, which by the way
8 also has a lot of these pressures around, you know, the
9 push against diversity, equity, and inclusion in the State
10 of Texas.

11 So under -- they are so committed to equity. And
12 in that organization and others, we used indices like the
13 American Health -- Hospital Association's Racial Equity
14 Index for people to learn about what's involved. A lot of
15 it is not just what you're doing in your policies, which
16 is obviously important, but how are people thinking about
17 it. There's a combination of understanding the different
18 levels of what's happening. How are the people who are
19 in -- creating the health plans thinking about what the
20 goals are and what the indicators of success are? And so
21 really trying to analyze carefully what that looks like in
22 a granular way, but also in a broad strategic way.

23 In terms of, yeah, leveraging the experience,
24 it's really thinking about in those systemic ways, and
25 also bringing the tools that we have, right? You have

1 your Health Equity Index that you use, which is really a
2 really key and cutting edge kind of thing to do. I think
3 the challenge for you is not there. It's really raising
4 the bar, having a higher level. You've had some increases
5 in the results recently, which is great, I mean, in terms
6 of the indicators that you're looking at, like diabetes
7 and hypertension, and also just access to health, but this
8 is going to be an increasing challenge, right, as health
9 care becomes more expensive, as we're having fewer
10 subsidies and things like that, as employers are looking
11 at putting less money into it. It's a -- it's a growing
12 challenge, right?

13 So, thinking about all of that and thinking how
14 you continue to make it fair, that's the key to this, and
15 doing, as I said, in a collaborative kind of way. This is
16 not something that society has resolved yet. So I think
17 you're at the leading edge here. And so, we want to help
18 you think about the key issues.

19 This wasn't in health care, but I worked with
20 Kumea Shorter-Gooden worked with USB Banks philanthropic
21 arm, right, with their team to think about what equity
22 means. One of the challenges is really understanding what
23 equity means and what it looks like, so really thinking
24 about not just mitigative equity, but transformative
25 equity. How do you use an equity lens to think about what

1 you're doing in health care, as well as in your
2 investments to think about what outcomes would look like?
3 How do you think about health and not just preventing
4 illness, for example.

5 And so again, you're doing a lot of things in
6 that area, so the key is to continue to integrate them,
7 make them even more future looking, and more -- even more
8 integrated.

9 EFFENUS HENDERSON: Yeah, the thing that I would
10 also add to that and I'll echo what been said is looking
11 at health disparities. And DEI is a very important part
12 of that, because there -- again, there's no one size fits
13 all in terms of addressing inequities. You have to look
14 at demographics, information trends, where people are,
15 that's where the environmental piece comes in to play, you
16 know, in terms of are people located in an area where
17 because of the pollution it's creating more health
18 disparities and so forth.

19 So it's how do you think about that from a
20 preventative point of view in terms of the things that you
21 can do to prevent those disparities from occurring and
22 what's the treatment once they have been assessed and
23 determined.

24 And so I think as an organization like yours, you
25 play a very significant role in helping to shape public

1 opinion about that, and so the communications with it, in
2 terms of the stakeholders, the people, the members, all of
3 those are very important. I worked -- I've been working
4 the last few years with an organization in the Washington
5 State area, HealthPoint. It's a health care system that
6 focuses on dental, that focuses on medical, and that
7 focuses on inequities and so forth. So the communications
8 piece is a very important one as society becomes much more
9 diverse, and where people come with different languages
10 and so forth.

11 And so being able to translate what you're trying
12 to do in languages that people can understand is a very
13 important part of, I think, the process of this work as
14 well.

15 PRESIDENT TAYLOR: Thank you for that answer.

16 With that, I will on go to question number five,
17 Ms. Griffith.

18 ACTING BOARD MEMBER GRIFFITH: Thank you. Please
19 provide an example of an environmental scan or gap
20 assessment you've conducted and what actionable outcomes
21 resulted, and how did you ensure your analysis is data
22 driven?

23 DR. BERNARDO FERDMAN: I think of which -- do you
24 want to -- do you have a --

25 EFFENUS HENDERSON: I can take, if you want.

1 DR. BERNARDO FERDMAN: Do want to -- yeah, go for
2 it.

3 EFFENUS HENDERSON: Sure. Well, first and
4 foremost, I served as the convener for the ISO standard,
5 that's the International Organization for Standardization,
6 which is the world's largest standards bearing
7 organization. And so the question in terms of an
8 environmental scan is looking at the whole array of areas
9 that you can look at in terms of your organization's
10 policies, your practices, your programs, and your mission.

11 And so the environmental scan really starts with
12 kind of understanding what's the problem you're trying to
13 solve. I mean, you could solve a lot of problems, but the
14 question is do they impact who you are, how you move the
15 organization forward, in terms of your mission, your
16 vision, and values. So the environmental scan is taking a
17 look at those areas, those categories. Most people have
18 focused on what I call the human resources lifecycle,
19 starting with workforce planning, recruitment, and
20 retention, talent development, and so forth. All of these
21 are very important, but expanding it to who are the other
22 stakeholders? How do you deliver and develop your
23 products and services, such that they resonate with the
24 folks you're trying to serve?

25 And so for -- so it's -- in terms of the

1 environmental scan, it's looking at what are the -- what
2 are the most significant gaps in terms of how we're doing
3 that, and, you know, one of the gaps might be in terms of
4 the composition of the workforce, but it could be some
5 other things too. Are we serving the right communities.
6 Do we have the right kind of communication skills to
7 support those clients and those areas, and then building
8 sort of a set of pillars that drive kind of how you're
9 going to go about that. And those pillars generally then
10 would have a set of actions, outcomes, measures, and key
11 accountabilities.

12 The key that we tell people is don't try to do
13 everything. Focus on the things that are most important
14 for you in carrying out your mission as an organization
15 and focus on those first and assume some things are just a
16 given that you do those things as part of the
17 organization, but there are some things that are much more
18 strategic in terms of your vision, and your values, and
19 your strategic objectives.

20 DR. BERNARDO FERDMAN: Dr. Miller and I worked on
21 one -- when she was an internal member of an organization
22 in the DEI function and I was the consultant, so if you
23 want to say something about that one.

24 DR. CARLISS MILLER: Yes. We took a very
25 in-depth approach. We collected archival data and we also

1 collected primary data from a sample of the workforce. So
2 we were able to look both deep and wide to understand what
3 is our current State assessment, so that's something
4 that -- that's an approach that we could take here as
5 well.

6 Taking a pulse first on the internal environment,
7 putting together both qualitative and quantitative
8 measures to understand where are we today, what has
9 been -- what has been some of the pain points, what have
10 been some of the moments of joy. And then we also do a
11 scan of the environment in which we operate, so we look at
12 not only the industries, but also the regional impacts and
13 we're then able to bring those two pieces of information
14 together, the qualitative, the quantitative with the
15 current existing -- the current existing measures that you
16 have in place, and then also triangulating that with the
17 archival data.

18 DR. BERNARDO FERDMAN: Yeah. The last thing I
19 would add there is my role as an expert panelist for a
20 resource called the Global Diversity, Equity, and
21 Inclusion Benchmarks. It's about 117 experts from around
22 the world who have gotten together to do a -- basically to
23 take the experience and the expertise from being in
24 different industries different sectors, different roles,
25 different countries and trying -- and looking at the areas

1 in which diversity, equity, and inclusion functions and
2 dividing into 15 categories and looking at what
3 constitutes cutting-edge work, best practices, what
4 constitutes progressive work, what constitutes just doing
5 something, what's more reactive. In other words, looking
6 at different levels of progress as judged through the
7 experience, and then using that as a way to gather data
8 from stakeholders and different people in the organization
9 saying where are we in it, right, so using the expertise
10 of the people in the organization.

11 So, of course, we need the statistics and the
12 measures like you have in your regular reports on DEI,
13 right? Those are important. But the meaning that's given
14 to those needs to be done in a collective way. What do
15 those mean? Why are we looking at those things?

16 So I think we've spoken to that, but I wanted
17 reinforce that, but that tool is a free resource. It's
18 very useful. I've used it with many different clients.
19 And that data that we get, in terms of the perceptions of
20 we're we are in making progress helps to align the
21 organization to focus efforts and say we want to work more
22 in this area, we're doing okay in this area. But we want
23 to move from reactive to active or from active to
24 progressive. We don't necessarily need to be in best
25 practices every single area. How do we move the bar, so

1 that we do better by the people we're trying to serve.

2 PRESIDENT TAYLOR: Okay. Next question, Mr.
3 Ruffino you're number six.

4 ACTING BOARD MEMBER RUFFINO: Thank you, and good
5 morning, and welcome.

6 So here at CalPERS, we seek to cultivate a high
7 performing, equitable, and diverse workforce. How will
8 you apply your experience to ensure processes are in place
9 to strengthen diversity in recruitment, retention, equity,
10 and succession planning.

11 DR. BERNARDO FERDMAN: Recruitment, retention,
12 and succession planning you said?

13 ACTING BOARD MEMBER RUFFINO: Equity and
14 succession planning, yes.

15 DR. CARLISS MILLER: Well, that -- first, we
16 would understand, as Effenus mentioned before, that is the
17 talent lifecycle. So we want to understand what have -- I
18 don't want to sound cliché. I was going to say what's
19 working, what's not working, but who's at the table, who
20 inadvertently -- when we think about recruitment and
21 succession planning, who's generally part of the
22 conversation, how are these decisions being made? We look
23 at the policies, what are the outcomes? So, I like -- I
24 love that you're focusing on equity, because we would also
25 want to make sure we're defining how -- understand how

1 you're defining equity, how you're measuring and
2 evaluating equitable outcomes.

3 Then, also, how is that information communicated
4 to those who are also in those decision-making roles and
5 in the rooms -- in the rooms where the decisions are being
6 made. I feel like I'm not art -- I feel like --

7 DR. BERNARDO FERDMAN: It's a song.

8 DR. CARLISS MILLER: It is a song. I want to be
9 in the room where it happens.

10 DR. BERNARDO FERDMAN: In the room where it
11 happens, that's right.

12 DR. CARLISS MILLER: I was -- that's the song
13 that was in my head. Indeed that's --

14 DR. BERNARDO FERDMAN: That's right.

15 DR. CARLISS MILLER: But that is the reality
16 though of succession planning, decision-making on who's
17 going to be hired, who's going to be promoted. It tends
18 to happen in closed rooms. And so who's in those -- who
19 is in the rooms when those decisions are being made and
20 are the proactive in challenging their own possible
21 assumptions or biases? Are they willing to say, okay, I
22 feel really, really strong about this one, but I know
23 this -- I feel strongly about this candidate, because I've
24 worked with her before. I want to make sure that we have
25 a process that we're able to evaluate equitably and

1 fairly, that we're not just choosing Suzie -- I don't know
2 who Suzie is, but I'm thinking of Suzie right now. We're
3 not just choosing Suzie because we know her or because we
4 go to the same church, but we're truly evaluating based on
5 the set of standards that we've all agreed upon, or at
6 least those who are more connected to that particular
7 role, and the skills, and the knowledge, and the abilities
8 that are important for that role, that we're assessing it
9 in a way that we're presenting ourselves from biased
10 outcomes. So that's just one approach when I think in
11 terms of selection, succession planning, and promotion.

12 DR. BERNARDO FERDMAN: Yeah. No, I think
13 that's -- yeah, what I would add to that, I want to focus
14 on the word that you used Mr. Ruffino, "Ensure". How
15 would you ensure that the equitable practices and policies
16 are in place? We cannot ensure that. That's something
17 that you have to do, that the people, the staff have to
18 do. It is in practice. That's why it talk about the
19 practice of inclusion, as well as equity. How do we embed
20 that as an ethos, as a strategy that has values. And so
21 the more that you embed that into the everyday way that
22 you do work, unless it's something externally imposed the
23 more it's likely to take hold and become part of the way
24 you do things.

25 How do things work around here is the idea,

1 right? Yes, there are the broad standards and policies of
2 course, and we'll look at those, and talk about those, and
3 think about that. But just having a policy in place
4 doesn't mean that it's lived. The issue is what are
5 people thinking about, how are they interacting with each
6 other, and what are they thinking about when they do that?
7 How to they keep in mind? If I'm going to hire people, am
8 I thinking about that people come in different ways. You
9 know, do I think about diversions, do I think about sexual
10 orientation, do I think about gender roles and gender
11 expression, and do I inadvertently or advertently make
12 judgments about things based on things that -- whether
13 it's in my lived experience or not, I should be open to
14 it.

15 And if we can do that, if we can really think
16 about the range of where skill comes from, and we'd be
17 open to that, we're much more likely to have policies and
18 practices in place that will bring that talent, keep it,
19 and benefit from it, but it's an ongoing practice. The
20 policies and practices are important, but that's how
21 you're connected with how we are with each other, what the
22 norms are in the groups that we work with, and how we live
23 it every day.

24 EFFENUS HENDERSON: Yeah. And I would like to
25 comment that from a practitioner's standpoint, I actually

1 was the director of recruiting staffing and diversity for
2 Weyerhaeuser Company for a number of years. And I also
3 participated in succession planning processes, leadership
4 development processes, onboarding processes, as well as
5 learning and development processes within the
6 organization.

7 What I would tell you is that it has to be
8 integrated within your ongoing process, your human
9 resources management systems within the organization.
10 You're not going to want to create something separate and
11 apart from. But to look at diversity, equity, and
12 inclusion as a lens in all of those processes that you
13 use, and to understand what is -- number one, what's the
14 problem we're trying to solve if we're talking about
15 succession, who's most impacted by the decision, is it
16 being done in a fair and consistent method that's aligned
17 with the new regulatory environment that we have.

18 So all of those things are important, but I --
19 the keyword for me would be integration, integration into
20 you're ongoing processes and practices. Don't try to
21 throw out what you've done, build on it, make it better,
22 and continue moving forward. Just remembering that this
23 work is work that's adaptive work. You're never going to
24 get there. It's an ongoing process of improvement from a
25 high performance total quality perspective.

1 PRESIDENT TAYLOR: Anybody else?

2 All right. Thank you for answering that
3 question. Question number seven is with Lisa Middleton
4 asking. Thank you.

5 BOARD MEMBER MIDDLETON: All right. Thank you,
6 and welcome, and good morning. How do you translate
7 assessment findings into measurable, achievable goals that
8 align with an organization's strategic plan, fiduciary
9 responsibilities, and legal obligations?

10 DR. CARLISS MILLER: I'm going to kindly ask if
11 you would repeat that, please.

12 BOARD MEMBER MIDDLETON: Sure. How do you
13 translate assessment findings into measurable, achievable
14 goals that align with an organization's strategic plan,
15 fiduciary responsibilities, and legal obligations?

16 DR. BERNARDO FERDMAN: That's key. You know,
17 making things practical and doable, so you take these
18 broad goals and you have to translate them into something
19 that you can actually see. Is it happening or not? How
20 do we -- what you don't measure doesn't get done very
21 often is saying in this field. And so, this is where the
22 collaboration is so important. We're not there in the
23 nitty-gritty of what's happening in the organization every
24 day. This is why working with an internal group that's
25 broadly representative is so important. And I'm hoping

1 that the Diversity Advisory Council may be that group,
2 but, you know, you'll have to let us know.

3 But working with that group and with the key
4 staff members and so on, it's translating these broad
5 strategic goals, as you mentioned, into measures that make
6 sense for the organization, again that are not necessarily
7 add-ons. They have to -- as you indicated, they have to
8 align -- not just be measurable and achievable, they have
9 to align with the strategy. They have to come from that.
10 They have to really support the strategy. I think part of
11 the future for DEI, as I understand, was where you may be
12 headed, is to think about how do you integrate across the
13 pillars, how do you really make it part of everyday
14 functioning?

15 So as you measure how an individual is doing, how
16 a group is doing, how a department is doing, how a whole
17 unit is doing, this needs to be built in. And so that's
18 much more likely that it's going to be a useful kind of
19 measure, and that will align with your responsibilities,
20 the fiduciary responsibilities, the legal risks, and the
21 strategic plan. Those are always things you have to keep
22 in mind, not just for DI, but I think for everything.
23 Whatever you're doing should be aligned with your
24 strategy, with your fiduciary responsibility.

25 I was thinking about, you know, why you don't

1 have coffee today for all the people waiting in the room.
2 And I thought, oh, that's actually a good thing, because
3 you're saving money for your members, which is great, you
4 know, as I understand, all your administrative expenses
5 from the assets of the funds. So we're helping by paying
6 for our own coffee, you know.

7 So it's a matter of the way you think about these
8 things is what I'm trying to say. We can come in with our
9 own goals, but we have to align our goals to the
10 collective goals. And this is a collective process of
11 connecting, communicating, engaging. And so, I think this
12 is the challenge. Again, I can't tell you that it's
13 exactly this way and we're going to follow this exact
14 method.

15 I mean, we follow standard methods, like we go
16 through a process. Like with any strategic planning, you
17 come up with the broad goals, and you translate them to
18 objectives, you make sure they work for people, and then
19 you get a bunch of ideas from people including ours to
20 say, okay, what are the best measures. And then you say
21 how is it going to work and then you land it.

22 Like when I worked with a water -- a sanitary
23 district recently, I worked with them for three years. We
24 had a beautiful plan with lost of things. But in the end,
25 it's what the leadership team is willing to take on. You

1 know, they had to slow things down for good reason,
2 because they were just overwhelmed and they're trying to
3 make sure that they're not raising their rates, which to
4 them is fundamental.

5 I had a lot of experience with them saying, no,
6 we're not going to spend more money. We're not going to
7 spend more money. So this is -- this is -- you have to
8 take that on throughout the process, not just do grandiose
9 stuff that is never going to happen.

10 EFFENUS HENDERSON: Yeah. What I would add to
11 that - I agree with everything - I would say it starts
12 with leadership effectiveness. And that means getting the
13 leadership team on board with whatever it is you're doing
14 and helping them understand it, because if the leaders
15 don't understand it, they may unintentionally sabotage it,
16 by the way they speak, they talk about it in relation --
17 you're representing the organization. And so part of it
18 is saying, okay, what are we, as we look at our strategies
19 for the next two to three years, what's the -- what's the
20 problem that we should focus on in trying to solve with
21 respect to diversity, equity, and inclusion, in terms of
22 business strategies and so forth, and what is the
23 assessment process telling us about that, and what are the
24 high -- most significant highest impact actions that
25 should be taken by us, recognizing that you can't do

1 everything, that you really need to zone in and focus very
2 keenly on those -- I call them critical two or three
3 things that you're going to do in year one, year two, year
4 three.

5 Because what we often see is organization trying
6 to cover the waterfront with everything and wind up doing
7 very little of anything and not causing a lot of
8 satisfaction by a group like a diversity counselor that
9 may have been presenting those. So getting leaders on
10 board, getting them to articulate the commitment, and
11 using that to drive the kinds of high priority things that
12 have been suggested through the assessment process.

13 DR. CARLISS MILLER: And if I could add on.

14 PRESIDENT TAYLOR: Thank you. Your time has
15 expired.

16 DR. CARLISS MILLER: Oh, no. I had a good one,
17 too. Okay.

18 (Laughter).

19 PRESIDENT TAYLOR: I'm so sorry.

20 DR. CARLISS MILLER: That's okay.

21 PRESIDENT TAYLOR: Well, does the Committee have
22 any clarifying or follow-up questions for Ferdman
23 Consulting?

24 Anybody.

25 Go ahead.

1 BOARD MEMBER WILLETTE: I'll ask if there's
2 anything you want to add to the last question.

3 DR. CARLISS MILLER: I appreciate you. Yes.
4 (Laughter).

5 DR. CARLISS MILLER: Yes. Yes, there is. I just
6 wanted to talk about the very practical step-by-step
7 approach that we take -- that we would be able to take
8 when looking at those assessment findings, connecting them
9 back, looking at the findings and taking a step to say
10 what aligns with the frameworks that are already in place,
11 what aligns with the strategies that we -- that you all
12 have already committed to, what has emerged that may be
13 outside of those frameworks, those pillars, and those
14 strategic objectives, and then assessing with each of
15 those findings, almost like a heatmap, just being really
16 clear, like what puts us at legal risk, what are we doing
17 really great, and are we telling that story and making
18 sure that we revisit that and keep that as part of the
19 ongoing plan.

20 And so that is a very overly simplistic way, but
21 that is a -- just a practical approach of how do we make
22 sure that we -- that what we take from this to making sure
23 that those findings are connected to something that's
24 actionable is by making sure that by design we're already
25 considering -- that we're staying core to our values,

1 refining and looking at measures. Are we measuring what
2 we actually say, and that we want to achieve, and what we
3 want to -- what we want to and hope to accomplish, because
4 sometimes we can be measuring -- using one measure as a
5 metric that really is not getting to the core of what it
6 is that we hope to accomplish.

7 DR. BERNARDO FERDMAN: Yeah. And what are people
8 thinking about every day. You know, I'm stuck with your
9 DEI index. I forget what you call it exactly, but you
10 have three items on your survey that you ask people,
11 right? And they're really about belonging and a sense of
12 connection. They're about respect and feeling respected,
13 and they're about fairness. And those are fundamental
14 parts of inclusion. And so you don't need a fancy thing
15 to really get at the core.

16 Now, the question is, is that what people are
17 thinking about. When a supervisor engages with a staff
18 member, or vice versa, are they thinking about those
19 things? Is that aligned with the other processes that are
20 going on with the communications, with the performance
21 reviews that happen. And so that's the other piece of
22 this is to make sure that the different pieces are aligned
23 and not just a bunch of disparate things, right? Having
24 72 indicators is not necessarily something to be proud of,
25 right? That sometimes creates a strategic kind of

1 mismatch, right?

2 So often with strategy, when you review strategy
3 and how you're doing, it's really helpful to think about
4 what are the key things, right? What are you going to
5 talk about at every leadership meeting that really as a
6 highlight, and then how does that cascade down to the
7 things that people do every day?

8 EFFENUS HENDERSON: I think it stops, start,
9 continue. What do you stop doing, what do you continue
10 doing, and what do you need to start doing?

11 DR. CARLISS MILLER: Thank you.

12 PRESIDENT TAYLOR: Thank you very much.

13 I was hoping we would get that in. Any other
14 questions from the Board?

15 All right. With that, I would like to thank the
16 representatives from Ferdman Consulting for their time
17 today. Thank you very much. Great job.

18 DR. BERNARDO FERDMAN: Thank you.

19 PRESIDENT TAYLOR: And I have to ask you to leave
20 the auditorium.

21 DR. BERNARDO FERDMAN: Thank you so much. Good
22 luck to you.

23 EFFENUS HENDERSON: Thank you.

24 (Ferdman Consulting exited the auditorium.)

25 PRESIDENT TAYLOR: Yeah, that's what I was just

1 going to ask you. Thank you. One more.

2 (Kerry Mitchell Brown entered the auditorium.)

3 PRESIDENT TAYLOR: All right. So at this time,
4 I'd like to invite all the representatives of Kerry
5 Mitchell Brown, LLC to represent -- or to present, and I
6 think I see both of you.

7 Your firm was asked not to view the interview
8 that preceded you. Can you confirm to the best of your
9 knowledge that your firm did not view that interview?

10 You want to push your button? You'll probably
11 both want to do that, because you're both going to want to
12 talk.

13 DR. KERRY MITCHELL BROWN: Yes. I can confirm
14 that our firms did not watch any proceedings

15 PRESIDENT TAYLOR: Thank you very much.

16 DR. KERRY MITCHELL BROWN: You're welcome.

17 PRESIDENT TAYLOR: I would -- you will have five
18 minutes -- it repeated something here. You will have five
19 minutes for your presentation, and then staff -- the Board
20 will ask questions for the remaining 35 minutes. So with
21 that, I will leave you to your five minutes and staff will
22 start when you start talking.

23 (Slide presentation).

24 DR. KERRY MITCHELL BROWN: Great. Thank you.

25 Good morning, I am Dr. Kerry Mitchell Brown, CEO of KM --

1 Kerry Mitchell Brown, LLC and principal of KMB
2 Consultancy.

3 With me is Renaye Manley. She is a principal at
4 Manley Consulting Group.

5 [SLIDE CHANGE]

6 DR. KERRY MITCHELL BROWN: We are a joint firm
7 between the two of us who share a commitment. We don't
8 just consult on DE&I. We've lived it, transformed it, and
9 mastered it. This isn't theoretical for us. It's lived
10 intelligence as Black women who have spent a combined
11 total of 60 plus years navigating and transforming
12 systems. We are architects and subjects of systemic
13 change. We've experienced what doesn't work and we've
14 proven what does.

15 RENAYE MANLEY: Good morning. As mentioned, I'm
16 Renaye Manley, Manley Consulting Group, stand at the
17 intersection of financial excellence and social impact.
18 After two decades in financial systems and pension fund
19 governance, including serving as a trustee on a
20 multi-billion dollar pension fund, I founded this practice
21 to serve organizations navigating exactly what CalPERS is
22 navigating.

23 I haven't just advised boards, I've been on
24 boards making fiduciary decisions with billions at stake.
25 I have co-chaired the national standards committee on

1 civil rights audits, establishing the audit standards that
2 companies now use. I'm currently a Harvard Fellow at the
3 Center for Labor and a Just Economy, and I serve on the
4 advisory board of the Council of Institutional Investors.
5 I also mentor trustees.

6 And in my role at CII, I helped shape corporate
7 governance policy. I delivered a 20 percent increase in
8 diverse manager, asset manager utilization and influence
9 corporate governance at companies like Amazon and
10 Facebook. Standards creation, not standards following.
11 My work isn't about theory. It's about results.

12 DR. KERRY MITCHELL BROWN: KMB consultancy was
13 born from transforming organizations from the inside. I
14 hold PhD in organizations and management, certified in
15 standards for the 21st century leadership in gestalt
16 organizational psychology, as well as a civil rights
17 standards that Renaye helped to create.

18 I served as the inaugural director of SEIU's
19 Racial Justice Center, where I led the creation of
20 permanent infrastructure programs, policies, and practices
21 that link economic and racial justice for two million
22 members. And those things are still in place today. I've
23 led transformations from Fortune 100 companies and
24 numerous progressive forward thinking organizations across
25 various sectors. So together, between Manley Consulting

1 and KMB consulting, we have again 60 plus years
2 experience. We've influenced \$100 billion in assets. We
3 set standard authority. We transform to scale and pension
4 governance is our expertise.

5 [SLIDE CHANGE]

6 DR. KERRY MITCHELL BROWN: "Most DE&I consultants
7 haven't navigated white-male-dominated institutions from
8 positions of both marginalization and leadership. We
9 have. This lived experience isn't a credential. It's
10 intelligence."

11 We know what creates psychological safety,
12 because we've experienced what destroys it. We've watched
13 superficial initiatives fail and have been instrumental in
14 guiding processes toward proven results. Our success
15 combines both this intelligence, acquired through lived
16 experience, with rigorous methodologies. So we address,
17 culture, systems, psychology, all simultaneously.

18 RENAYE MANLEY: And here is what's unique about
19 our positioning. I co-chair the Committee that created
20 the Civil Rights Audit Standards. Kerry certified to
21 implement them. Standards creation and standard
22 certification, that combination does not exist elsewhere.

23 And when I sit with your Board of Administration,
24 I'm not just a consultant trying to understand board
25 dynamics. I'm a peer who's been a trustee managing

1 billions. I understand fiduciary duty, political
2 complexity, and stakeholder accountability by from the
3 inside. And that insider intelligence, understanding what
4 actually works versus what looks good on paper can't be
5 learned from research. It can only be lived.

6 [SLIDE CHANGE]

7 RENAYE MANLEY: Our partnership model -- yeah.
8 Our partnership model is deliberate. KMB brings deep
9 organizational transformation expertise. I bring
10 financial systems and governance mastery. And together,
11 our part -- together, we're partners who understand
12 culture transformation and investment ecosystems. We
13 serve organizations. At the intersection of social
14 justice, fiduciary excellence, exactly where CalPERS sits.
15 We don't choose between equity and performance. We know
16 that they're inseparable.

17 DR. KERRY MITCHELL BROWN: From the civil rights
18 standards Renaye helped to establish, if you are not at
19 the table, then you are on the menu. We engage everyone
20 whose voice matters in the transformation, because
21 sustainable change requires ownership, not just
22 compliance. Every recommendation that we will make will
23 align with your fiduciary duties. We frame DE&I through
24 organizational performance and risk mitigation, not
25 compliance theater. Our work serves -- or survives legal

1 challenges and political shifts, because it's grounded in
2 governance and not trends.

3 [SLIDE CHANGE]

4 PRESIDENT TAYLOR: Thank you. We'll have to move
5 on to the questions.

6 Question number one, I believe, David. Mr.
7 Miller go ahead.

8 Hold on one second. Thought I got it. There you
9 go.

10 VICE PRESIDENT MILLER: All right. Please
11 describe your approach to reviewing CalPERS DEI framework,
12 policies, and programs, including how you identify gaps
13 and opportunities for improvement. In your response,
14 explain how your methodology ensures that any
15 recommendations will be actionable.

16 DR. KERRY MITCHELL BROWN: So, describe the
17 policies -- can you repeat the question?

18 VICE PRESIDENT MILLER: Yeah. Please describe
19 your approach to reviewing CalPERS DEI framework,
20 policies, and programs, including how you identify gaps
21 and opportunities for improvement. In your response,
22 explain how your methodology ensures that any
23 recommendations will be actionable.

24 DR. KERRY MITCHELL BROWN: Yes. The way that we
25 review the policies, practices, and frameworks of CalPERS

1 DE&I is that we have a methodology and standards that are
2 national standards that we will follow. Those standards
3 do come with recommendations and approaches for
4 implementing any gaps that we will discover. And the way
5 that we will ensure that the recommendations are followed,
6 again we review our work through organizations and
7 performance, fiduciary responsibility, as well as any
8 limitations by any legal or federal mandates to derisk our
9 approach.

10 PRESIDENT TAYLOR: All right. Thank you very
11 much.

12 Question number two. I'm going to -- given
13 ongoing changes in the legal environment affecting DE&I
14 programs, including recent court decisions, how will your
15 firm guide CalPERS in adapting its DE&I efforts while
16 ensuring compliance with Prop 209 and other applicable
17 laws. Please describe your process for staying current
18 with legal and best practice developments and how you
19 incorporate these into your consulting approach.

20 RENAYE MANLEY: You want to take that one.

21 DR. KERRY MITCHELL BROWN: Go ahead.

22 RENAYE MANLEY: Okay. Well, I think this is
23 where our experience becomes invaluable. We have
24 obligated Prop 209 constraints while managing assets.
25 Every recommendation that we make will align with

1 fiduciary duty first and we will frame DEI through an
2 organizational performance risk mitigation and member
3 service.

4 So keeping -- you know, being certified and
5 helping to establish those civil rights audit standards
6 gives us a kind of a leg up, because we are in the space.
7 We are in the ecosystem. In addition to that, we will
8 also be talking to peers and others who are navigating
9 this kind of difficult and political legal system. So we
10 will make sure that our recommendations not only identify
11 gaps, but also eliminate -- just helps identify those
12 legal constraints and how you can be in compliance and
13 still achieve your goals.

14 PRESIDENT TAYLOR: Is that it?

15 RENAYE MANLEY: Yes.

16 PRESIDENT TAYLOR: All right. Thank you.

17 With that, I will call on Mr. Pacheco for
18 question number three.

19 BOARD MEMBER PACHECO: Yes. Good morning.
20 CalPERS sustainability -- sustainable investment programs
21 works to deliver returns through the identification,
22 analysis, and management of high value, sustainable
23 investment risks and opportunities. Included in our
24 Governance and Sustainability Principles is the
25 consideration of environmental and social factors

1 alongside our governance agenda. Discuss how you will
2 leverage your experience to help guide our sustainable
3 investment work and improve investment outcomes, while
4 meeting our fiduciary duty.

5 RENAYE MANLEY: Could you just repeat the
6 question one more time, Mr. Pacheco.

7 BOARD MEMBER PACHECO: Of course. CalPERS's
8 sustainable investment program works to deliver returns
9 through the identification, analysis, and management of
10 high value, sustainable investment risks and
11 opportunities. Included in our governance and sustainable
12 principles is the consideration of environmental and
13 social factors, alongside our governance agenda. Discuss
14 how you will leverage your experience to help guide our
15 sustainable investment work and improve investment
16 outcomes while meeting our fiduciary duty.

17 DR. KERRY MITCHELL BROWN: Thank you for that
18 question. So this is where Renee's experience with
19 diverse asset manager utilization is directly applicable.
20 She's delivered a 20 percent increase in diverse asset
21 manager utilization while remaining strong performance.
22 Our approach is identifying qualified diverse asset
23 managers isn't just about searching and developing
24 relationships, it's about understanding the capacity and
25 creating pathways for emerging managers. DE&I investments

1 must be aligned with fiduciary duty. We focus on
2 expanding, not compromising investment standards.

3 Through Renee's Council of Institutional Investor
4 work, she knows how pension funds can use shareholders
5 engagement to advance diversity on boards and in the
6 portfolio as part of sustainable investment risk analysis.
7 It's not separate from investment performance, so we'll
8 take a close look at that.

9 And then there's also benchmarking, so we'll
10 analyze CalPERS and identify expansion opportunities where
11 appropriate. So the key is framing investments DE&I
12 through a fiduciary lens, and ensuring that we create the
13 conditions for better governance and performance.

14 PRESIDENT TAYLOR: Anything to add?

15 RENAYE MANLEY: I'll just say that we know that
16 your approaches have to understand -- have to withstand
17 the legal scrutiny, as well as the organizational
18 mission -- mission, including your investor investment
19 outcomes. So that is what we -- it's exactly what we will
20 deliver. We will help make CalPERS more resilient,
21 stronger, and better positioned to serve their members by
22 taking into consideration those benchmark and those
23 investor strategies that you're committed to.

24 PRESIDENT TAYLOR: All right. Thank you very
25 much. With that, question number four falls to Mr.

1 Palkki. There you go.

2 BOARD MEMBER PALKKI: Thank you. Good morning.
3 CalPERS seeks to advance equitable health outcomes for its
4 members and their families. Please discuss how you will
5 leverage your experience to help support the efforts of
6 our health care program and ensure our members can attain
7 the highest level of quality health care.

8 DR. KERRY MITCHELL BROWN: Thank you for that
9 question. Health equity is about ensuring that all
10 members have opportunity to attain the highest level of
11 health possible, regardless of race, geography,
12 socioeconomic status. And this aligns perfectly with
13 CalPERS mission in serving all members well.

14 So my experience includes working with health
15 care organizations and equitable service delivery. We
16 will analyze disparities in health outcomes, develop
17 strategies to reduce barriers to care, and training
18 providers in health on culture competency. And so health
19 equity for CalPERS is analyzing a member's health data for
20 disparities, and outcomes, and access, ensuring health
21 plan's networks serves diverse member populations
22 equitably, communication strategies that reach all members
23 effectively, plan design that doesn't inadvertently create
24 barriers for the most impacted populations, and
25 accountability for health plans to address equity in care

1 delivery.

2 So it's not just morally right, it's physically
3 responsible. Health disparities drive higher costs and
4 we'll be looking through that lens. And equitable access
5 to -- in preventive care reduces long-term expenses, and
6 so looking at how that is operationalized. Better member
7 satisfaction also reduces turnover.

8 And from a governance perspective, health equity
9 aligns with fiduciary duties to serve member's interests
10 and will help you frame health equity initiatives through
11 that lens.

12 RENAYE MANLEY: And I'll just add that I think
13 our experience in engaging and collaborating with CalPERS
14 stakeholders also uniquely positions us to gain their
15 perspective and to integrate it into your outcomes and the
16 deliverables around this issue.

17 PRESIDENT TAYLOR: Thank you. All right. So,
18 question number four, Ms. Walker. Wait. That was
19 question number. Number five, I mean.

20 BOARD MEMBER WALKER: Thank you. Good morning.

21 DR. KERRY MITCHELL BROWN: Good morning.

22 RENAYE MANLEY: Good morning.

23 BOARD MEMBER WALKER: So please provide an
24 example of an environmental scan or gap assessment you've
25 conducted -- let start again.

1 Please provide an example of an environmental
2 scan or gap assessment you've conducted, and what
3 actionable outcomes resulted, and how do you ensure that
4 your analysis is data driven.

5 RENAYE MANLEY: Go ahead.

6 DR. KERRY MITCHELL BROWN: Go ahead.

7 RENAYE MANLEY: Go head. Sorry.

8 DR. KERRY MITCHELL BROWN: Okay. So for a
9 landscape study or a scan, it will -- some of the things
10 that we have done recently reflects our standard-setting
11 position. We have benchmarks against categories, not just
12 the category that the firm was in, but others. And for
13 CalPERS, that will be public sector leaders, like other
14 State pension funds, like New York, Illinois, Washington
15 State, private sector, excellence from Fortune 100
16 companies that -- with mature DE&I programs and nonprofit
17 innovation.

18 But we know these organizations from the inside
19 out. Our network includes current and former executives,
20 so we're not relying on public reports. We have peer
21 conversations about what actually works. And so that was
22 one of our processes as well. We segmented benchmarks by
23 a legal framework and for CalPERS specifically what works.
24 Without Prop 209 constraints may not apply here, but will
25 identify California specific peers for learning. Because

1 we sit on standards setting committees and advisory
2 boards, we have been able to identify what leading
3 organizations are piloting, not just what they're
4 implementing.

5 Our work as diverse asset manager utilization and
6 health care equity means that we can benchmark external
7 facing programs against industry leaders, not just
8 internal culture work. And, you know, a strategic
9 opportunity analysis shows where CalPERS can lead, where
10 you can learn, and where you're already setting standards,
11 and that's our practice.

12 RENAYE MANLEY: I'll just add that this is not --
13 you know, this work can be a challenge and sometimes when
14 you're engaged in the conversations and the collaborative
15 dialogues, you really have to examine what is actually
16 the companies, like our client's ability to execute. And
17 we might have to make some trade-offs in the conversation,
18 like you said, identifying gaps, understanding resistance.

19 But I think one of the things that we're very
20 competent in is that if we can engage folks in very
21 productive dialogues, identifying those gaps, and then
22 working together to address those gaps, understanding what
23 the priorities are and delivering early wins, is something
24 that I think helps people get beyond the resistance phase,
25 helps people kind of see the gaps and see where the

1 solution-oriented collaborations can get us to. And I
2 think that goes a long way to delivering the type of
3 outcomes that CalPERS would want.

4 PRESIDENT TAYLOR: All right. Thank you.
5 Question number six, Ms. Willette.

6 BOARD MEMBER WILLETTE: All right. Thank you.
7 Thank you.

8 So here at CalPERS, we seek to cultivate a
9 high-performing, equitable, and diverse workforce. How
10 will you apply your experience to ensure processes are in
11 place to strengthen diversity and recruitment, retention,
12 equity, and succession planning.

13 PRESIDENT TAYLOR: Do you want us to go over the
14 question again?

15 DR. KERRY MITCHELL BROWN: Yes.

16 RENAYE MANLEY: Yes, please.

17 PRESIDENT TAYLOR: Go ahead, Mullissa.

18 BOARD MEMBER WILLETTE: Absolutely. So here at
19 CalPERS, we seek to cultivate a high-performing,
20 equitable, and diverse workforce. How will you apply your
21 experience to ensure processes are in place to strengthen
22 diversity in recruitment, retention, equity and succession
23 planning?

24 RENAYE MANLEY: Well, I think we want to focus on
25 developing a strong internal partnership with CalPERS on

1 this work, and hopefully with your DEI officer once you
2 select them, and so that we're setting this up for
3 success. Ideal engagement would just be again how are we
4 understanding the organizational landscape, building the
5 relationships, doing the work together. Because we have
6 been in the ecosystem, we understand the barriers. We
7 also have the ability to create spaces where we can help
8 facilitate the kind of psychological safety that leads to
9 kind of transparency, and kind of real dialogue that's
10 necessary for us to execute in a really positive and
11 sustainable way.

12 We link all of this work, the talent retention,
13 the investment performance, operational stuff,
14 efficiencies to create the type of durability and
15 sustainable kinds of relationships and the kind of buy-in
16 that again addresses the issues that you've brought up,
17 Ms. Willette. We are focused on expanding qualified
18 candidate pools, removing the types of systemic barriers
19 that we might identify, and ensuring merit-based selection
20 from diverse talent pools. So this is both legally sound
21 and organizational -- organizationally beneficial.

22 And then we will measure success through the
23 organizational performance indicators, not just relying on
24 demographic targets. So this aligns with your fiduciary
25 obligations. So I know that boards need these type of

1 approaches to withstand legal scrutiny, while advancing
2 organizational mission -- mission. And that's what we
3 want to be able to deliver. We won't want -- we don't
4 want to be in a position where we're creating additional
5 legal exposure for CalPERS. We'll reduce it by making
6 CalPERS stronger, and more resilient, and better
7 positioned to serve their members by addressing, you know,
8 those employee talent, recruitment, and retention issues.

9 PRESIDENT TAYLOR: Anything else?

10 All right. With that, I'm going to move on to
11 question number seven. Ms. Gallegos.

12 Maybe. There we go.

13 ACTING BOARD MEMBER GALLEGOS: Okay. Thank you.

14 How do you translate assessment findings into
15 measurable, achievable goals that align with an
16 organization's strategic plan, fiduciary responsibilities,
17 and legal obligations?

18 DR. KERRY MITCHELL BROWN: So, we think about
19 measuring in a variety of different ways.

20 I'm sorry. Can you repeat the question?

21 ACTING BOARD MEMBER GALLEGOS: Sure. Yeah,
22 absolutely.

23 How do you translate assessment findings into
24 measurable, achievable goals that align with an
25 organization's strategic plan, fiduciary responsibilities,

1 and legal obligations?

2 DR. KERRY MITCHELL BROWN: Okay. So, you know,
3 first, we think about measurement at three levels. Did we
4 do what we -- did what we said? And so we'll have the
5 comprehensive assessment. And then we'll think through
6 and look at board satisfaction, engagement, and process,
7 and partnership. We'll think about stakeholder feedback.
8 And then for measuring the outcomes, what changed? So
9 measuring improvements in the organizational climate,
10 progress across the five DE&I framework fillers. How does
11 integration move and anchor into the DE&I into its
12 operations, its investments, and its health portfolio?
13 And is CalPERS positioned as a standard setter or are they
14 following other standards?

15 We'll work with you to establish baseline metrics
16 earlier in the project. We'll set targets along the way
17 and we'll track progress throughout the fourth phase.
18 Measurement isn't something that we impose. It's
19 something that we will co-create on the recommendations to
20 ensure that it is at the right time, at the right level of
21 system, and that it's producing the impact that we want.

22 RENAYE MANLEY: And I will say that we're not
23 just going to deliver recommendations to you. We deliver
24 them and develop them with you. So your team -- the
25 CalPERS team, KMB, and Manley Consulting Group, we are

1 co-authors of the change, which creates accountability and
2 buy-in. We'll help build CalPERS internal capacity to
3 sustain the work after we're gone, so we're transferring
4 knowledge. We're not creating dependency in this
5 situation.

6 And then, you know, for the Board, we'll be
7 having regular board touchpoints throughout all phases to
8 keep this at a strategic priority level and making sure
9 that we're addressing the issues that are important to
10 you. And when the Board is engaged as partners not just
11 somebody who's going to get a report, the implementation
12 happens in a different way, and it's more sustainable and
13 it's more long lasting. So that's one of the differences
14 between us and your typical consultants. We've led
15 transformation from the inside and we know what exactly
16 drives change versus what consultants kind of think drives
17 change.

18 PRESIDENT TAYLOR: Okay.

19 So you guys have some time left. I would like to
20 ask if you'd like to add anything.

21 RENAYE MANLEY: Well, we have a couple of things.
22 You want to start?

23 DR. KERRY MITCHELL BROWN: Yeah. Go ahead.

24 RENAYE MANLEY: So if I were on this Board, and I
25 have been on boards like this, making these types of

1 decisions, here's how I'd think about it.

2 First, I'd ask, you know, do they have any lived
3 experience as trustees, do they understand the investor
4 ecosystem, are they just external advisors? There's a
5 difference between advising and doing, it's a difference
6 between being in the ecosystem and kind of observing from
7 an external vantage point. And the intelligence you get
8 from someone who sat in your seat making billion dollar
9 decisions is irreplaceable.

10 Second, I'd ask are they following best practices
11 or creating them. CalPERS is a leader, right? You need
12 partners at your level, not consultants who are just
13 telling you what everybody else is doing.

14 And then third, I'd ask what's the risk of
15 getting it wrong. For a \$500 billion fund in a current
16 legal environment, the downside of maybe using someone who
17 might be less expensive could be, you know, increased
18 legal exposure, or reputational damage that far exceeds
19 the cost of those savings.

20 Fourth, I may be asked am I getting principals or
21 am I getting junior consultants after this is all over
22 with. And, you know, with us, you're getting the
23 principals

24 So, I'd choose a firm that's been where I am,
25 operates at my level, and de-risks the engagement. That's

1 not always, you know, the least expensive option, but it
2 would be the right option for CalPERS in this moment, is
3 our belief.

4 DR. KERRY MITCHELL BROWN: Yeah. And what I
5 would ask is are there internal change initiatives that
6 are currently underway that will align with this work or
7 what integration efforts might be possible and available
8 for the work?

9 PRESIDENT TAYLOR: We're not here to answer
10 questions for you.

11 DR. KERRY MITCHELL BROWN: Oh, I'm sorry.
12 Okay.

13 PRESIDENT TAYLOR: Anything else?
14 You've got about two minutes left.

15 Okay. With that, I want to thank you both for
16 coming. Let me make sure I'm in the right place. Oh,
17 Deborah does want to ask a question. I thought we were
18 done there. Go ahead.

19 ACTING BOARD MEMBER GALLEGOS: Great. Thank you
20 very much. One question. Give this is a joint venture,
21 can you tell us what clients you currently have together
22 as a joint venture, or projects you've worked on together
23 as a joint venture, or would this be your first
24 assignment?

25 DR. KERRY MITCHELL BROWN: This would be our

1 first major assignment as a -- as a joint venture at
2 this -- yeah.

3 ACTING BOARD MEMBER GALLEGOS: Thank you.

4 PRESIDENT TAYLOR: All right. Thank you.

5 Okay. Mr. Pacheco.

6 BOARD MEMBER PACHECO: Thank you. I just want to
7 ask one question. You mentioned about your health
8 outcomes, can you elaborate on just who your stakeholders
9 are? You were talking about stakeholders. You were -- I
10 wanted to know who they were.

11 DR. KERRY MITCHELL BROWN: Repeat your question.

12 BOARD MEMBER PACHECO: It was on health -- it was
13 number -- question number four on the health outcomes.

14 DR. KERRY MITCHELL BROWN: Yes.

15 BOARD MEMBER PACHECO: And you were mentioning
16 persons that or organizations you worked with with
17 stakeholders. Is that -- was that was more broad-based or
18 just very narrow?

19 DR. KERRY MITCHELL BROWN: No. We've worked with
20 organizations with stakeholders. We consider the
21 stakeholders to be the executive leadership team, as well
22 as the Board, in addition to the staff and faculty and the
23 people who are there to receive the care. And so -- and
24 we also did talk to some outside funders, as well as
25 community hospital partners.

1 BOARD MEMBER PACHECO: All right. Very good
2 then. Thank you.

3 DR. KERRY MITCHELL BROWN: You're welcome.

4 PRESIDENT TAYLOR: Thank you very much. I'm
5 seeing no further questions from the Board.

6 So with that, this does conclude your interview.
7 Thank you very much. I'd like to than both of you for
8 your time today. And we're going to ask you to leave the
9 auditorium and I think we're going to take a lunch break
10 here.

11 DR. KERRY MITCHELL BROWN: Great. Thank you.

12 PRESIDENT TAYLOR: Thank you so much.

13 12:45, does that work, 45 minutes?

14 All right. Thank you.

15 (Off record: 11:58 a.m.)

16 (Thereupon a lunch break was taken.)
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AFTERNOON SESSION

(On record: 12:46 p.m.)

PRESIDENT TAYLOR: All right, everybody. We are back in session. Thank you very much.

At this time, I'd like to invite all representatives of Sage 71 to present. And I take it that's you?

DR. TARA LEWELING: That's me.

PRESIDENT TAYLOR: That is you.

DR. TARA LEWELING: That's me. Thank you.

PRESIDENT TAYLOR: And your firm was asked not to view the interview.

Oh, Frank is not here. You know it's always Frank. It's always Frank.

(Laughter).

PRESIDENT TAYLOR: I'm going to start name calling, Frank. Can you tell?

All right. Your firm was asked not to view the interview that preceded you. Can you confirm, to the best of your knowledge, your firm did not view that previous interview?

DR. TARA LEWELING: I can confirm that.

PRESIDENT TAYLOR: All right. Thank you.

With that, you will have five minutes to do your presentation. Staff, please start the clock for the

1 five-minute presentation for Sage 71 when she starts to
2 speak.

3 (Slide presentation).

4 DR. TARA LEWELING: Well, thank you, Madam
5 President and thank you all to the entire Board for having
6 me. I founded Sage 71 after attending and NACD event in
7 Laguna Beach about two years ago that was a master class
8 on DEI. And what I found, during that session, was that
9 even very sophisticated boards, particularly in that
10 post-SCOTUS environment, after the decision on higher
11 education, were really struggling with the concepts of DEI
12 and ESG and how to take that work forward.

13 At the time, I was the Chief Diversity Officer at
14 USAA, a large firm that -- large financial services firm
15 that supports the military with about over \$100 billion of
16 AUM, \$109 billion in client deposits. There, I had
17 transformed the DEI function from focusing not just on the
18 workforce, which was incredibly important, but as a
19 membership organization, like CalPERS, focusing on
20 members, and how we could really enhance the financial
21 security of our members, including for the first time
22 getting data about how financial security of our members
23 varied by different demographics and having more insights
24 about financial security and frankly financial insecurity
25 among our membership.

1 Before that, I'd been at Allstate where in the
2 wake of the murder of George Floyd, working directly with
3 the CEO, as his de facto chief of staff, established -- or
4 reestablished Allstate's DEI program, which had been left
5 to lapse in the prior years.

6 One of the outcomes we had out of that that's
7 directly related to CalPERS is we did the first billion
8 dollar bond in the United States that was led exclusively
9 by MWVBE firms. So, not using any of the book runners,
10 the nature that you would think about, but led
11 exclusively. And that required a lot risk management,
12 really thinking about how do we change our standards of --
13 not changed our standards, but changed our processes in
14 order to manage the risk effectively, use some different
15 processes than we had used with book runners in the past,
16 and be able to uplift that.

17 But we wanted to do it to send a signal to the
18 market about what MWVBE firms could do in financial
19 services that they weren't really being given the
20 opportunity to do previously.

21 Before that, I was at JPMorgan Chase where I
22 worked at international policy. The reason I bring that
23 up is I also advised the AMEA Risk Committee, which had
24 over \$600 billion of AUM under its -- under its management
25 provided significant risk management insights into them,

1 particularly geopolitical risk, and coming from a
2 cross-border risk.

3 I bring that up because I want to share with you,
4 I have -- I have sat with leaders in seats like you sit,
5 right, very sophisticated boards who are overseeing
6 significant amounts of AUM. I've also sat on boards in my
7 own right, the National Diversity Council, the National
8 Sustainability Society. I'm currently on the Advisory
9 Council for a VC firm focused on holistic wellness, and
10 I'm certified with NACD and the Private Directors
11 Association. So I've been in this industry for over a
12 decade at work -- operating at that level.

13 Before that, I was 22 years in the Air Force
14 where I finished as the National -- on our National
15 Security Council leading European affairs, and so leading
16 our relationship with those 49 countries. So I've
17 operated in government sessions. I've operated in
18 government environments. I've operated in sessions where
19 at the NSC, for example, every email I sent is in the --
20 is in the public record, right? It's with the -- it's
21 with NARA. And so I understand some of the unique
22 complexities that CalPERS faces with your sunshine laws,
23 with the amount of AUM you're managing, and the kinds of
24 program you're trying to bring forward to really help your
25 members.

1 I'm not going to get into the details of the
2 existing RFP. I mean, we have the four phases. We would
3 do that work. But I do want to talk to you a little bit
4 about what I think I would bring that's a bit extra.
5 Really working with you around the level of ambition and
6 the risk appetite. I did that with four boards at USAA in
7 the post-SCOTUS environment and we found it to be
8 transformative for the organization. And it started with
9 building our guiding principles around it.

10 The other piece is really thinking about in
11 phases two and three, what a different -- not different,
12 but what an expanded performance framework would look
13 like, as you think through how much does CalPERS want to
14 lead on this and be in the front or how much does CalPERS
15 want to change joint consensus on it.

16 And so I think that's the extra that I would
17 bring to the table in addition to what you have in front
18 of you in the RFP.

19 PRESIDENT TAYLOR: Thank you. Okay. So, we're
20 going to proceed to the 35-minute question and answer
21 segment of the interview. There's seven questions.
22 Please plan your time accordingly.

23 Who did we have next? It was Mike. I thought it
24 was. Okay. So the first question Mr. Detoy will ask, and
25 staff if you could start.

1 Thank you.

2 BOARD MEMBER DETOY: Thank you. Please describe
3 your approach to reviewing CalPERS DEI framework,
4 policies, and programs, include how you identify gaps and
5 opportunities for improvement. In your response, explain
6 how your methodology ensure that any recommendations will
7 be actionable?

8 DR. TARA LEWELING: Well, it starts with
9 interviews at all levels of the organization. And frankly
10 starting with, I imagine, several of you on this panel,
11 right, thinking through what is your vision for DEI at
12 CalPERS. Then it also talks about -- it focuses on
13 interviewing the executive staff, helping to understand
14 where the program has come from. I mean, I've done a
15 review of the program obviously. It's a solid program.
16 It has the five pillars.

17 What I would want to understand is how can we
18 better connect those pillars to the strategic goals of the
19 organization. So it's clearly values driven. It's
20 connected there, but there's parts of the strategic goals,
21 for example, around the member experience that I'm not
22 sure entirely how it's connecting. So that -- those would
23 be the focus of my interview questions, where are people
24 today, what are they thinking about it, what's the level
25 of ambition you, as the leaders of the -- of the oversight

1 committee of this organization, what's the level of
2 ambition you expect, what's the risk appetite you're
3 willing -- you're willing to accept, and starting there.

4 Then we move into the benchmarking phases.
5 There's other -- obviously this is the largest public
6 pension fund in the U.S., but there's other organizations,
7 both in the U.S. and abroad, whether we think about
8 Ontario, New York, and others. So really looking at their
9 publicly available information, understanding what CalPERS
10 is doing relative to those, assessing the level of
11 maturity relative to others operating in this space. But
12 then also coming back once we have those initial
13 assessments and having conversations of what makes sense
14 in this particular contracts.

15 California is a unique environment. The sunshine
16 laws here are very unique. Prop 209 is very unique. So
17 there's not everything that's going to translate from some
18 of those comparator organizations into what California
19 wants to do. So we'd have to have more conversations
20 around that, but it comes down to interviewing,
21 understanding the level of risk appetite, understanding
22 where CalPERS wants to sit in compliance versus being like
23 truly the thought leader in this space when it comes to
24 public pensions and then structuring the program around it
25 relative to what others in this space are doing.

1 PRESIDENT TAYLOR: Thank you very much.

2 Next question is number two. And for that, I
3 have Ms. Griffith.

4 ACTING BOARD MEMBER GRIFFITH: Good afternoon.

5 Given the ongoing changes in the legal environment
6 affecting DEI programs, including recent court decisions,
7 how will your firm guide CalPERS in adapting its DEI
8 efforts, while ensuring compliance with Proposition 209
9 and other applicable laws? Please describe your process
10 for staying current with legal and best practice
11 developments, and how you incorporate these into your
12 consulting approach.

13 DR. TARA LEWELING: Yeah. That's a great
14 question. So first, it's also thinking through again like
15 where does CalPERS want to be at? If you think about
16 levels of maturity as spectrum, where a compliance-based
17 program is on one end and thought -- being a true through
18 leader is the other, where does CalPERS want to -- want to
19 be on there -- be in there? And then relative to
20 different categories, you have the five pillars. It may
21 be you want to lead in one area and maybe join -- you
22 know, join consensus with others on other parts of it. So
23 really thinking through what that -- what that looks like.

24 I'm not a lawyer by training, so I'm not going to
25 say that Sage 71 can bring legal advice to this body. It

1 can't. As you saw in my RFP, I stressed that very
2 specifically I would want to work with CalPERS General
3 Counsel on that, because that's not an experience that we
4 have -- or an expertise that we have in the firm. But I
5 do keep very abreast. Obviously, I'm a member of NACD,
6 member of the Private Directors Association, and part of
7 several still -- even though I've stepped down from my
8 roles, still engaged with a number of Chief Diversity
9 Officers in organizations of the kinds of level,
10 sophistication, and complexity that CalPERS has. So I'm
11 constantly staying up to date with that.

12 But then I'd also really work with your General
13 Counsel around how we would make sure that it's the
14 programs that are put in place are aligned with California
15 in particular Proposition 209. I mean, there is a lot
16 work that can be done in veterans. You know, there is a
17 lot of work that's available there. But really, the
18 emphasis is around being aligned with 209, but then also
19 having the knowledge about where there may be disparities
20 in terms of what the member experience is.

21 So getting that data, making sure that we're
22 capturing that data in a way that's compliant with the
23 law, and working with your team to help execute on that.

24 PRESIDENT TAYLOR: Thank you very much. With
25 that, we will move on to question number three and Mr.

1 Ruffino.

2 ACTING BOARD MEMBER RUFFINO: Thank you. Good
3 afternoon and welcome. So, CalPERS sustainable investment
4 program works to deliver returns through the
5 identification, analysis, and management of high volume
6 sustainable investment risks and opportunities. Included
7 in our governance and sustainability principles is the
8 consideration of environmental and social factors,
9 alongside our governance agenda. Discuss how you will
10 leverage you experience to help guide our sustainable
11 investment work and improve investment outcomes while
12 meeting our fiduciary duty.

13 DR. TARA LEWELING: Yeah. It's obviously a very
14 complex topic, because you want to deliver -- you want to
15 deliver returns and the fund has a lot of members that are
16 depending on it. I come from a sustainable investing
17 background. When I was at USAA, we invested over 400
18 million in economic opportunity zones. With that, came an
19 opportunity to reduce some of our tax burden. So there
20 are trade-offs in that space that we can find. I also was
21 consulted on nearly all of our venture investments from an
22 ESG and DEI perspective, because I led both of those.

23 When it really comes down to sustainable
24 investing, it also -- CalPERS also has to decide is what
25 signals does it want to send to the market? So, for

1 example, I was on the Impact Investing Advisory Committee
2 of the WOMN ETF. It's a -- it's a WYCA co-branded ETF
3 with iShares. It's also an NAACP co-branded ETF. Does
4 CalPERS want to be in those sorts of investments? And if
5 so, does it want to talk about it publicly, that it's
6 going to be in those sorts of investments.

7 Those are strategic choices around how does
8 CalPERS want to use its brand. It's the fact that it is
9 the largest public pension fund in the US to actually not
10 just drive -- to drive return for its members, but also
11 drive the conversation about where investing should go in
12 the United States. So I would want to work very closely
13 with your investment team.

14 You also have, you know, a strong emerging asset
15 manager program, diverse asset manager program, you know,
16 doing all the right things in terms of surveying. There
17 is a little bit of weakness from my perspective in terms
18 of the firms who are supplying investment advice and
19 products to CalPERS and their pay equity programs. So
20 that might be something also that CalPERS wants to think
21 about in terms of can you take that number from 33 percent
22 to something a little bit higher around pay equity?

23 So I think it's also in terms of how CalPERS
24 wants to engage with those that are serving it and
25 managing its money to try and promote more equity in the

1 investment space.

2 PRESIDENT TAYLOR: Thank you very much.

3 Our next question is number four. And with that,
4 Ms. Middleton, please go ahead.

5 BOARD MEMBER MIDDLETON: Thank you and thank you
6 and welcome. CalPERS seeks to advance equitable health
7 outcomes for its members and their families. Please
8 discuss how you would leverage your experience to help
9 support the efforts of our Health Care Program and ensure
10 our members can attain the highest level of quality health
11 care.

12 DR. TARA LEWELING: Yeah. It's a -- it's a great
13 question. I mean, there are parts of the program that
14 exist today that are very strong. The work that's being
15 done around preventing diabetes or managing diabetes more
16 effectively around hyper-intention, those are really
17 important programs. But what's also clear to me in terms
18 of preparing for this, it's not always connected.

19 So when you look at what CalPERS is talking about
20 it's health outcomes in that report, and look at what's
21 being said in the DEI report, there's overlap, but they
22 aren't necessarily referencing each other. So I'd want to
23 bring in more around being able to connect those things.
24 That's one.

25 The second is there's a lot of health outcomes

1 that are really related to financial security. And so,
2 really thinking about what can be done or what would
3 CalPERS -- what's the -- what's the universe that exists,
4 and then in that universe what does CalPERS want to do to
5 think about helping its members around financial security,
6 which would then indirectly lead to better health
7 outcomes.

8 The work that I did at USAA was really around
9 thinking about how did financial security affect other
10 parts of our members' lives? We're talking about military
11 families, veterans, and the like, and really getting a
12 deeper understanding of what groups might be having, not
13 just dispirited outcomes -- dispirited outcomes, but
14 dispirited sentiment around their financial security I
15 think is vitally important. So I would want it to be both
16 a two-pronged approach, one around connecting what's
17 happening in terms of the DEI pillar of health equity and
18 the strategic goal around health outcomes, and really
19 connect this better, but then also really thinking about
20 what else could be done to just enhance financial security
21 across the board for the membership, and in doing that,
22 also enhance health outcomes.

23 PRESIDENT TAYLOR: Wow. Thank you very much.

24 With that, we move on to question number five,
25 and that is Mr. Miller. Thank you.

1 VICE PRESIDENT MILLER: Got it.

2 PRESIDENT TAYLOR: There you go.

3 VICE PRESIDENT MILLER: Please provide an example
4 of an environmental scan or gap assessment that you've
5 conducted and what actionable outcomes results, and how do
6 you ensure your analysis is data driven?

7 DR. TARA LEWELING: Yeah. I feel very strongly
8 that DEI needs to be value spaced, data driven, and
9 strategically aligned, right? If you're not hitting those
10 three things, aligned with the strategy, built on your
11 values, and driven by data, then the effort is not going
12 to be connected to the strategy or the mission of the
13 organization.

14 The most recent work that I have done with that
15 was when I was at USAA and we wanted to understand
16 relative to other large financial institutions what was
17 our risk profile. So we broke it into very specific
18 categories. What were our practices around supplier
19 diversity. For example, what were our practices around
20 workforce, what were our practices around benefits for our
21 workforce. So really getting granular around it, reaching
22 out to others in the industry through various forums to
23 understand what precisely they were doing, and then
24 understanding where we were on that spectrum between being
25 compliant and being a thought leader, and wanting to

1 really put ourselves above average in all of those
2 categories. But it was very detailed, to the point of we
3 ended up shifting a bit of our practice.

4 We had put some conditionality into our supplier
5 diversity program that we felt our risk appetite was no
6 longer consistent with, and so we had to change some
7 specifics around the way we were engaging with our supply
8 base that was around first right of refusal and a few
9 other things. But what we also found was we had been
10 working very hard to guide the program, so that it was
11 better than average. It was delivering for a work for --
12 or for a community of our membership that's frankly one of
13 the most diverse communities on the planet, when you think
14 about who's serving in the military, thinking about who's
15 coming into the military today, which are all Gen Z,
16 unless they have a waiver. And so really wanting to align
17 those outcomes with our membership and making sure that we
18 were taking the appropriate risk with every single one of
19 our practices, that would be both where we wanted to be as
20 an association and also defensible and -- defensible to
21 all of our stakeholders, and frankly trying to get to a
22 point where our stakeholders would be excited and
23 energized about the risk appetite that we -- that we were
24 taking.

25 And so those are -- those sort of details like

1 really at the practice level, and then thinking the other
2 piece of it was laying out the principles that guided this
3 work. So, we knew we wanted to be aligned with our
4 values. We did a full assessment of the mission
5 statement. We did a full assessment of our whole
6 framework, the guiding framework for the organization, and
7 we added be inclusive to our -- to your behaviors. And
8 then we integrated it into the performance expectations
9 for every executive and integrated it in different ways,
10 both qualitative and quantitatively, so that it wasn't
11 just -- it wasn't just words on a page, but it was really
12 accountability frameworks that our executive teams and
13 people leaders had to live up to, that would instantiate
14 and make real the words that we were putting on our -- on
15 paper about what the organization stood for.

16 PRESIDENT TAYLOR: Great answer. Thank you very
17 much. I'm asking question number six.

18 At CalPERS, we seek to cultivate a
19 high-performing, equitable, and diverse workforce. How
20 will you apply your experience to ensure processes are in
21 place to strengthen diversity and recruitment, retention,
22 equity, and succession planning?

23 DR. TARA LEWELING: Yeah. One of the things --
24 one place I would start is I would want to understand what
25 information that may not be in the public record, but is

1 in your private consultations that you're getting. Having
2 worked with four boards at USAA, having worked with all
3 the Allstate board, having access to data and
4 understanding what the trend lines were around that was
5 vitally important. And we made sure that we had that
6 data, not just at the organizational level, but also at
7 the appropriate level of subunit, so that people could
8 understand what's happening -- our boards frankly could
9 understand what was happening across the organization at a
10 slightly more granular level.

11 This gets back to when I made my opening remarks
12 about why I founded Sage 71. When I was at that NACD
13 event, what I found the conversation to be was around some
14 very narrow topics associated with workforce. And it was
15 not the broad conversation that I would have expected
16 about how are benefits benefiting everyone? Do we -- do
17 have a plan that enables family building for a number of
18 situations, right? There was -- there wasn't what I
19 was -- as I was talking to Board members, they weren't
20 always getting the information that they needed or felt
21 that they needed around time to first promotion, based on
22 different demographic factors and others.

23 There's nuance in the data, but the data also has
24 to be looked at from a very systems perspective of
25 understanding what is actually happening with your

1 succession planning, what is happening in terms of you
2 mentioned retention. What's happening in terms of
3 allowing people to grow and succeed in the organization
4 and how long is that taking, among different -- when you
5 compare different groups. And like -- and making sure
6 that that data and infrastructure is set proper. Once you
7 have that view, then you have a better understanding of
8 where some interventions might be helpful inside of the
9 organization in order to foster that.

10 I would also want to encourage leaders to get --
11 people leaders to get more feedback around the core value
12 of openness. So I've seen some results of your
13 engagement -- employee engagement survey. I would want a
14 deep dive into that, and understand our leaders actually
15 getting feedback about whether their -- whether their
16 teams think that they're being open, right? Because if
17 that's a core value of the organizations, the core value
18 that you have that is most connected to inclusion, the
19 leaders are they -- are they -- do they know whether
20 they're getting -- or whether they are adhering to that
21 value or not, based on their team's perspective and peer
22 perspective?

23 PRESIDENT TAYLOR: Okay. Number seven. Mr.
24 Pacheco.

25 BOARD MEMBER PACHECO: Thank you. First of all,

1 thank you for your service, ma'am.

2 At CalPERS, we seek to cultivate a high
3 performing, equitable, and diverse workforce. How will --
4 sorry, that's the -- that was -- that was number seven --
5 six. This is number seven. Excuse me for my tardiness
6 there. How -- number seven. How do you translate
7 assessment findings into measurable, achievable goals that
8 align with an organization's strategic plans, fiduciary
9 responsibilities and legal obligations. Thank you.

10 DR. TARA LEWELING: No. I appreciate that. And
11 this -- obviously from an outsider looking in, having done
12 quite a bit of work to get ready for this. This is where
13 I see the biggest -- one of the biggest opportunities for
14 CalPERS. The values are clear. The stakeholders are
15 clear. You could talk about whether community should be
16 among the stakeholders, but the stakeholders are clear,
17 the five pillars are clear.

18 What's not entirely clear from my perspective,
19 except when it comes to the health equity and health
20 outcomes, is how the DEI pillars are connecting into the
21 strategy, and in particular, connecting into the
22 strategies around the strategic -- around the strategic
23 goal of member experience. Are there -- do we know what
24 the members think about CalPERS approach to inclusion, do
25 we know what the members would want from CalPERS' approach

1 to inclusion. So I think connecting those and
2 understanding what is -- if -- are there anything holding
3 back those connections. And if so, are there barriers
4 that need to be overcome. That's one.

5 Second is around the performance framework. I
6 mean, CalPERS has a very strong program. It has the five
7 pillars. It has measures around each of those. It's a
8 good solid program to build from. Inside the performance
9 framework though, there are some measures that are
10 activity measures, like did employees take the engagement
11 survey. Wonderful. I mean, like participation is a good
12 measure, but what are the outcomes associated with that?

13 And so really thinking through, what I would hope
14 to do out of this work in partnering with you and with the
15 executive team, and frankly with the DEI team and some of
16 others inside the organization is what's that right mix of
17 activity-based measures and outcome-based measures that
18 CalPERS wants to have on a go-forward basis. And that's
19 where I think the real work will be done.

20 And then you bring it back and say, okay, if we
21 have those measures, how do you create shared
22 accountability among people leaders, among the executive
23 team, so that it becomes a shared responsibility to
24 deliver on those outcomes and not just it's with -- you
25 know, when the DEI office, or it's with the head of HR, or

1 it's with the head of procurement, or it's with the head
2 of investments, but really creating a shared
3 accountability around each of those measures, including
4 through the performance feed -- the performance framework
5 for executives and people leaders.

6 PRESIDENT TAYLOR: All right. I'm still catching
7 up.

8 Okay. That was our last question.

9 I want to know if the Board -- we have five
10 minutes now for Board -- to follow up. Does the Board
11 have any follow-up questions?

12 Deborah.

13 Maybe.

14 There we go.

15 ACTING BOARD MEMBER GALLEGOS: Thank you. I have
16 two question. I'll ask the first one and if there are no
17 other Board members, then I'll ask the second. The first
18 is would this be your first assignment as Sage 71 working
19 independently away from the organizations that you had
20 serviced previously?

21 DR. TARA LEWELING: It would not be my first
22 assign working as Sage 71. It would be my first
23 assignment at this level of complexity.

24 ACTING BOARD MEMBER GALLEGOS: And then second
25 question is how do you -- it looks like you're a sole

1 proprietor and work individually. How do you source help
2 for things outside of perhaps legal. You said you'd work
3 with CalPERS legal, but there must be other areas where
4 you might need to tap into for help. And I notice you
5 done use subcontractors either. So, just tell us how you
6 bolster the research that you're able to provide.

7 DR. TARA LEWELING: Yeah, absolutely. It's a --
8 it's a great question. I have a vast network that I tap
9 into of people that I would engage through -- that I would
10 engage to assist with. They wouldn't necessarily be
11 subcontractors by the California statute for these -- for
12 these responsibilities, but they would be people that I
13 lean on in order to help with the -- help build the
14 frameworks, help make sure we're asking the right
15 questions.

16 So as mentioned, I maintain a very strong
17 connection into not just DEI practitioners, but others who
18 touch the DEI space, whether it's from a research
19 perspective, an academic perspective or others, and so I
20 would leverage that expertise bringing it into my network
21 in order to deliver on this engagement.

22 ACTING BOARD MEMBER GALLEGOS: Great. Thank you.

23 PRESIDENT TAYLOR: Great. Thank you.

24 Do I have any other questions from the Board?

25 I'm seeing no more questions from the board, so I

1 just want to -- this concludes your interview, but I do
2 want to take a moment to thank you for coming and would
3 ask you to -- thank you very much, but please you have to
4 leave the auditorium.

5 We have one more.

6 DR. TARA LEWELING: Thank you so much. It's a
7 pleasure to meet you all.

8 (Sage 71 exited the auditorium.)

9 (The Nova Collective entered the auditorium.)

10 PRESIDENT TAYLOR: Good afternoon. So, welcome.
11 So this is everybody.

12 BECCA GLODOSKI: Yes.

13 PRESIDENT TAYLOR: Okay. I just want to make
14 sure. I have a question. Your firm was asked not to view
15 the interviews that preceded you. Can you confirm, to the
16 best of your knowledge, your firm did not view those
17 interviews?

18 BECCA GLODOSKI: Confirmed.

19 PRESIDENT TAYLOR: Okay. Great. Oh, yeah.
20 Probably had -- you all want to turn your mics on, so you
21 don't have to keep trying to turn it on

22 BECCA GLODOSKI: How is that.

23 PRESIDENT TAYLOR: There you go.

24 BECCA GLODOSKI: Confirmed.

25 PRESIDENT TAYLOR: So the Nova Collective. Thank

1 you. You will have five minutes for your presentation.
2 Staff, please start the clock for five minutes when the
3 Nova Collective staff starts to speak. So go ahead.

4 (Slide presentation).

5 BECCA GLODOSKI: Is there a clicker that we have?

6 All right. Beautiful.

7 Hello, everyone. Thank you for having us here
8 today. We are the Nova Collective and we have been
9 providing strategic, accessible, and compliant DEI
10 consulting services for over eight years. We have deep
11 public sector experience, as well as extensive experience
12 doing this work with regulated financial institutions.
13 This work has given us the insight needed to provide and
14 meet and exceed the DEI goals for this project.

15 [SLIDE CHANGE]

16 BECCA GLODOSKI: I'm very excited to be here with
17 my team and introduce some of our key personal. Everyone
18 that you have with you today has at least five years of
19 experience providing DEI consulting on assessment and
20 strategy, public-private sector culture and talent
21 management work, investment in health care sector DEI
22 strategy. Private, public, and nonprofit board advisory
23 services. And between us, we have worked hundreds of
24 corporate clients. This team has directly led work with
25 organizations such as CDSS, federal home loan bank, the

1 Federal Reserve Bank, Jackson Hole Community Foundation,
2 Delta, and Comcast.

3 My name is Becca Glodoski, and I will serve as
4 the lead consultant and strategic advisor on this project.
5 And I'm excited to let the rest of my team introduce
6 themselves.

7 DR. JACI DEVINE: Hi, everyone. I'm Dr. Jaci
8 Devine. My pronouns are she/her I'm the Research Director
9 at Nova.

10 TAYLOR WITTEN: Good afternoon, everyone.
11 Excited to meet everyone. Thank you so much, Jaci I'm
12 Taylor Witten. Pronouns are she/her/hers and I'll be your
13 operations and implementation lead, also joined by Gabe
14 Taylor, who will be your project manager.

15 NOOR ALI: Good afternoon, everyone. My name is
16 Noor Ali. My pronouns are she and her. And I would serve
17 as the facilitation and training lead for this project.

18 I'll pass it over, back to Becca.

19 [SLIDE CHANGE]

20 BECCA GLODOSKI: Thanks, everyone. We're always
21 excited to highlight the rest of our team on the screen
22 here to showcase our broad reach and extensive experience
23 doing this work in a wide variety of contexts and
24 institutions.

25 [SLIDE CHANGE]

1 DR. JACI DEVINE: So we'd like to get into our
2 proposed services a bit. First of all, we just want to
3 talk about balance. So we know that Board members and
4 leaders who are making decisions around DEI and evaluating
5 how they're working in DEI are balancing a lot. And so
6 our role here is really to offer frameworks, and tools,
7 and to help provide a clear understanding of how to make
8 those decision, all while holding those competing
9 priorities.

10 At Nova, we've worked under Prop 209. We
11 understand the environment and constraints, and we can
12 help you balance it. We also know that you're balancing
13 fiduciary doer -- fiduciary duty and stewardship pressure.
14 You're integrating ESGs and DEI as part of your long-term
15 value, while also defending investor rights, all under
16 intense public scrutiny, and we're here to help with that.

17 [SLIDE CHANGE]

18 DR. JACI DEVINE: So through the four-phased
19 approach that you see on the slide here, this is how we
20 propose to partner. Based on our experience doing similar
21 interviews, research, alignment, and implementation
22 projects with organizations, including the California
23 Department of Health and Human Services, federal Home Loan
24 Bank, the American Society of Pharmacology, and
25 experimental therapies among others, we will approach this

1 work prioritizing equity and really expertly navigating
2 those competing priorities, and the complex landscape that
3 you're working within.

4 So, with that, thank you so much for having us
5 here today and we look forward to your questions.

6 PRESIDENT TAYLOR: All right. All right,
7 questions number one.

8 Kevin. Yes. Okay. My finger is just not
9 working.

10 Go ahead, Kevin.

11 BOARD MEMBER PALKKI: Thank you. Please describe
12 your approach to reviewing CalPERS DEI framework,
13 policies, and programs, including how you will identify
14 gaps and opportunities for improvement. In your response,
15 explain how your methodology ensures that any
16 recommendations will be actionable.

17 BECCA GLODOSKI: Absolutely. Jaci, could you
18 kick us off there?

19 DR. JACI DEVINE: Yeah, absolutely. So, when we
20 do audits of this kind, it's kind of a blend of looking at
21 the materials that you are providing. So, we'll do a
22 policy and process audit where we are gathering your own
23 materials, we're talking intensely with your groups and
24 your stakeholders to really understand, not only what the
25 documents are telling us, but how they're enacted, and how

1 they're carried out in the day-to-day. So we're combining
2 that with some secondary research to really understand the
3 environment, to understand that landscape that you're
4 operating in, look at what other similar bodies are doing,
5 so that we can benchmark, we can look at best practices.

6 So it's a combined methodological approach of not
7 only doing a deep dive into your materials, but also doing
8 secondary research around relevant themes and key
9 priorities, so that we can understand how those -- how
10 your policies and process are really situated in the
11 greater environment, so that we can look more fully at the
12 gaps and opportunities.

13 Taylor, is there more you'd add to that.

14 TAYLOR WITTEN: Thanks, JaciI would also add that
15 we proactively build in capacity to make sure that we hear
16 from key stakeholders, as well as specific learning
17 learners as well, just to ensure that we're reaching the
18 demographics that are needed for this programming.

19 BECCA GLODOSKI: We're very focused when we are
20 building out those recommendations, that implementation is
21 front and center. So we do not just want to review and
22 understand what's happening, but also understand how we
23 can shift things and evolve through tangible, actionable
24 next steps. And so, we often build that through a
25 scaffolded model where our recommendations start with what

1 is doable in the short term, some things that are quickly
2 able to be wins, and then building from there upon that
3 experience, so that there's scaffolding for individuals
4 and the institution at large.

5 PRESIDENT TAYLOR: Excellent.

6 All right. Question number two, Ms. Walker.

7 BOARD MEMBER WALKER: Good afternoon. So given
8 ongoing changes in the legal environment affecting DEI
9 programs, including recent court decisions, how will your
10 firm guide CalPERS in adapting its DEI efforts, while
11 ensuring compliance with Proposition 209 and other
12 applicable laws? And please, describe your process for
13 staying current with legal and best practice developments
14 and how you incorporate these into your consulting
15 approach.

16 BECCA GLODOSKI: So this work is completely
17 rooted in what we do. And we have access, because of our
18 broad client base, to seeing what is happening across a
19 wide range of industries. And so we're working in
20 corporate, government, and nonprofit sectors. And our
21 finger is on the pulse on what is happening across states,
22 as well as across those different sectors. And so, in
23 many ways, our consistent work and the continued meetings
24 that we have on an ongoing basis, those check points that
25 are weekly or biweekly for the vast majority of our work,

1 provide us with insight into real-time changes that are
2 happening, both from a legal standpoint as well as just
3 general best practices, what is working, what are the
4 challenges, where are those patterns happening.

5 I'll pass it to Jaci to talk a little bit about
6 some of the ongoing pulse that we keep.

7 DR. JACI DEVINE: Yeah, absolutely. So I think
8 one thing to know about us is that we're kind of news
9 junkies. We are -- we are genuinely interested in what is
10 going in the world, and in our country, and we've got
11 folks who are -- who are looking around at what's going on
12 for fun and interest, but also because we know it's so
13 important to our business and so important to the ways
14 that we are working with our clients.

15 So, we have -- we have a research team and at
16 Nova. We have quantitative and qualitative researchers.
17 We do both primary and secondary research. And so
18 secondary research is a really critical component to this
19 of making sure that we are looking deeply at what is
20 happening in different parts of the country, in different
21 industries. And like Becca said, we're constantly
22 learning from our clients, we're learning from what they
23 are -- what they're facing, and what is happening around
24 our country, so that we can make sure that we are bringing
25 a rigorous methodological approach to really understanding

1 the broader landscape, staying on top of everything that's
2 happening, and being able to apply it in relevant ways for
3 the folks who we're working with.

4 BECCA GLODOSKI: Taylor, could you talk a little
5 bit about how we manage our relationships with our
6 clients, so that we have that on going touchpoint?

7 TAYLOR WITTEN: Thanks, Becca. Yeah, I'd love to
8 talk about we kind of shine when it comes to
9 collaboration. We make the commitment not to create in a
10 vacuum. We share insights and resources throughout the
11 engagement, particularly to ensure that we're keeping a
12 pulse with what's happening within your industry and the
13 industry at large.

14 BECCA GLODOSKI: Thank you.

15 PRESIDENT TAYLOR: Fantastic. Thank you very
16 much. With that, we'll move on to question number three
17 and for that, Ms. Willette, please.

18 BOARD MEMBER WILLETTE: Thank you. So CalPERS
19 Sustainable Investment Program works to deliver returns
20 through the identification, analysis, and management of
21 high-value sustainable investment risks and opportunities.
22 Included in our governance and sustainability principles
23 is the consideration of environmental and social factors
24 alongside our governance agenda. Discuss how you will
25 leverage your experience to help guide our sustainable

1 investment work and improve investment outcomes while
2 meeting our fiduciary duty.

3 BECCA GLODOSKI: Absolutely. We will draw on our
4 experience working with -- in highly regulated
5 environments with other organizations and entities that
6 have to be managing both that fiduciary duty as well as
7 their commitments and their values -- their core values in
8 balancing those things. So our work with the Federal Home
9 Loan Bank system, we were working in that highly regulated
10 environment to still achieve meaningful DEI gains with
11 decisions that both advance financial returns and have
12 significant community impact.

13 And, Jaci spoke a little bit on your presentation
14 about that idea of balance. And so when we work with
15 entities like the Federal Home Loan Bank or the Jackson
16 Hole Community Foundation, where we work directly with
17 their board to provide recommendations for how to balance
18 the values and commitments to ESG and DEI with that
19 fiduciary duty. We would apply those same best practices
20 to this work. And so, having a deep understanding and
21 rigorous approach to reviewing documentation and current
22 State, so that we can provide those specific
23 recommendations with that balance in mind would be core to
24 our approach.

25 DR. JACI DEVINE: We also have a team that is --

1 that has a background in financial services. So I know
2 personally I've worked at Allstate Insurance Company
3 working with their ESGs directly. I also have worked for
4 Scottrade, an investment brokerage. And I'm just one of
5 the folks on the team that has a bit of financial
6 background, so there are folks who have been focused on
7 this with our client work and in previous roles.

8 BECCA GLODOSKI: Anything else, team?

9 PRESIDENT TAYLOR: All right. Thank you.

10 Okay. So for question number four, we have
11 Deborah Gallegos. Go ahead, Deborah.

12 ACTING BOARD MEMBER GALLEGOS: Great. Thank you.

13 CalPERS seeks to advance equitable health
14 outcomes for its members and their families. Please
15 discuss how you will leverage your experience to help
16 support the efforts of our Health Care Program and ensure
17 our members can attain the highest level of quality health
18 care.

19 BECCA GLODOSKI: Absolutely. So, one of our
20 largest programs that we worked on over the last three
21 years was through CDSS at CalWORKs and CalFresh. We
22 delivered a strategic consulting and training program that
23 reached over 3,500 county employees in 29 counties across
24 the State of California. And that work gave us unique
25 insight into how the social determinants of health can be

1 used as an analog for providing equitable services and
2 delivery cross the state.

3 And so we would leverage our experience and our
4 understanding of those social determinants and
5 specifically how they show up across the government and
6 the state of California to deliver upon those goals, and
7 ensure that we're looking at sort of historical barriers,
8 how are we breaking down barriers, how are we finding the
9 way in, so that there is access for all, and we are still
10 working within those compliance frameworks.

11 Anything else?

12 NOOR ALI: I would simply add that, you know,
13 when we're looking at this, we looking at it through a
14 broad lens, really race-neutral strategies to really
15 increase access and keeping in mind those social
16 determinants, and those barriers to access I think is
17 really important.

18 PRESIDENT TAYLOR: All right. Thank you very
19 much.

20 Question number five goes to Mr. Detoy. Go
21 ahead.

22 BOARD MEMBER DETOY: Thank you.

23 Please provide an example of an environmental
24 scan or gap analysis that you've conducted and what
25 actionable outcomes resulted, and how do you ensure this

1 analysis is data driven?

2 BECCA GLODOSKI: Jaci, could I pass that to you
3 to talk about ASA?

4 DR. JACI DEVINE: Yeah, absolutely.

5 So, we've done several organizational and
6 environmental scans. One that Becca mentioned is for the
7 American Statistical Association. So we are working
8 directly with their board to really understand what -- so
9 there's -- the math community is far more divisive than
10 you or I probably knew. And so, they were having some
11 real issues around DEI and equity, and some real ruptures
12 within the community. And so, we worked with them to
13 understand not only what was going on in their corner of
14 the world, but also how that fits into the institutions in
15 which their members work, and how they can bring those
16 diverse perspectives around the different institutions
17 throughout the country. They're bringing them all to ASA.
18 They're bringing those backgrounds, and so how to help the
19 organization and this board work more effectively
20 together.

21 So we did a comprehensive audit for them. We
22 also did -- we also ran focus groups with members of -- in
23 key positions. We talked extensively with their Board,
24 talked through governance, worked on communications
25 strategy. So we had a lot of different pieces in motion

1 to really help them navigate the complexity of that
2 particular situation and it was a very successful
3 partnership. We were able to walk with them kind of start
4 to finish through, hey, we've got this big rupture in the
5 community, we don't know what to do about it, all the way
6 to, okay, here's how we're moving forward and really being
7 able to work with them to move forward in a positive
8 direction.

9 BECCA GLODOSKI: Noor, could you speak a little
10 bit about the training component of that, the follow-on in
11 those conversations and how those dialogues were managed
12 by our team?

13 NOOR ALI: Yeah. So in that particular example,
14 I think the coaching and the opportunities to bring folks
15 together to think about multiple different aspects in ways
16 to address those discrepancies was an opportunity for
17 folks to hear from each other, an opportunity to reduce
18 some of those discrepancies, I guess. Excuse me. You
19 want to say more about that, Jaci. I don't know if there
20 was more.

21 DR. JACI DEVINE: Yeah. I think, you know, their
22 board was really open to learning as a way through. And
23 so, we were able to work with them, as I said, through
24 that implementation piece also of helping train the board
25 level folks and also helping them work through those

1 government -- governance issues and being able to really
2 support them in implementing throughout the organization.

3 One of the things that we really appreciate about
4 that partnership and many of the partnerships that we have
5 is that we're able to kind of start strong at the
6 beginning, but then hand over the reins to folks. You
7 know we won't -- we don't want our clients to be dependent
8 on us to be able to carry out their programming.

9 Really, our goal is to be able to make
10 organizations be able to independently work through their
11 DEI programs and being able to contact and educate their
12 own folks. And so that was a really successful example of
13 that.

14 NOOR ALI: I'll add only that when we're -- when
15 we're bringing folks together, it's really important for
16 us to create inquiry within those spaces. And so a lot of
17 times it's not presentational, but an opportunity for
18 folks to create a space. We go in as facilitation --
19 facilitators, so that folks can talk to each other. And
20 more often than not, that's really what folks are looking
21 for is an opportunity to talk to each other, rather than
22 at each other, or just hearing from each other. And so
23 just double tapping on that.

24 BECCA GLODOSKI: Jaci, would you mind speaking a
25 bit to how we present data, how we're looking at

1 demographics, and the narrative, and the story that we
2 tell with that data so that it can be actionable and
3 useful on the back end?

4 DR. JACI DEVINE: Yeah. Absolutely. So we work
5 with a great deal of data. As I mentioned, we're mixed
6 methods researchers, so we're using both quantitative and
7 qualitative methods. And working through, as Becca said,
8 some of the demographics, some of the identities that
9 folks hold and understanding how those identities can
10 shape different experiences and perspectives among the
11 group. We're always careful not to just aggregate data
12 into one big chunk and say, okay, you know, here's the
13 percentage of your folks that think XYZ. You know, those
14 overall numbers are really helpful, but also getting that
15 opportunity to dig deeper into the data and really
16 understand how different folks are having different
17 experiences, what might be contributing to that, and using
18 those qualitative examples and inputs to really hear the
19 story behind what's happening is really an important way
20 for us to understand a situation or an environment.

21 BECCA GLODOSKI: Thank you. And Jaci and Noor
22 just talked to a specific example At the American
23 Statistical Association, but we have done similar programs
24 in public sector organizations like the Village of River
25 Forest, as well as private sector organizations like at

1 Comcast and Delta, as well as financial institutions like
2 FHLBC. So carrying that experience through and being to
3 build upon what we've learned across those industries,
4 looking for patterns, as well as making sure that the work
5 that we're doing is super tailored to the experiences
6 within any individual organization.

7 TAYLOR WITTEN: Before we move on to the next
8 questions, Jaci, I would love for you to kind of share our
9 perspective on cascading communications to make sure that
10 our messaging is tailored for different audiences.

11 DR. JACI DEVINE: Yeah, absolutely. So,
12 communication is one of the things that is really critical
13 to our work. It's one of the ways that we support clients
14 throughout the process. We want to make sure there are
15 multiple touchpoints with folks in the organization. We
16 find too often that everybody says, hey, you know, we a
17 vendor. We're going to do a thing and then nobody hears
18 about it again. So making sure that stakeholders are
19 involved is the key piece of that, and that communication
20 cascade that Taylor mentioned is really making sure that
21 you understand what all the different audiences are, what
22 messages those audiences need, when they need to hear
23 them, who they need to hear them from, what format they
24 use in order to consume their communication. So really
25 putting together detailed, comprehensive plans around

1 communication and how to cascade the right information
2 throughout the organization in the right way is another
3 critical piece of what we do.

4 BECCA GLODOSKI: Thank you.

5 PRESIDENT TAYLOR: That was everything. Okay.
6 Thank you.

7 Question number six, that's Nicole Griffith. Go
8 ahead.

9 ACTING BOARD MEMBER GRIFFITH: Thank you. At
10 CalPERS, we seek to cultivate a high-performing,
11 equitable, and diverse workforce. How will you apply your
12 experience to ensure processes are in place to strengthen
13 diversity in recruitment, retention, equity, and
14 succession planning?

15 BECCA GLODOSKI: Thank you. One of the things
16 that we're most proud of are some of the structures and
17 toolkits that we've built to help make hiring and creating
18 diverse and inclusive workforces that are also centered in
19 excellence are the toolkits that are designed to be
20 leveraged through a cascade of activities. So we know
21 that a blanket statement of higher, more equitably or a
22 higher diverse workforce is not enough to get where we
23 want to go.

24 We've built these toolkits and implemented them
25 at corporate organizations, like Sally Beauty, PMG, and

1 Civitas, as well as in public sector like the Village of
2 River Forest. And these run a range of different tactics
3 and tools depending on what's available, and the
4 difference between what any organization or entity is
5 willing to do and unwilling to do, based on both the
6 compliance environment, as well as an organization what
7 the priorities and core values are.

8 So that may include anything from a comprehensive
9 staff development lifecycle toolkit, where we look at
10 everything from recruitment, to onboarding, to performance
11 management, and even succession planning, or something as
12 contained as job description audits to ensure that as many
13 people as possible feel compelled to submit applications
14 and join the organization. And so --

15 (Sneeze.)

16 BECCA GLODOSKI: Bless you. And so we're focused
17 on building structures that are easy to pull apart, so
18 that individuals know their responsibility within the
19 organization for carrying those activities forward and
20 also comprehensive. They're mutually reinforcing
21 activities that build and sustain a workforce where folks
22 cannot only join, but also stay, grow, and thrive.

23 Noor, could you speak a little bit about our
24 toolkit at -- that we implemented as CDSS, and how that
25 went for leaders there.

1 NOOR ALI: Yeah. The toolkits that we developed
2 for CDSS allowed folks to really take -- have those like
3 takeaways and those sustainable tools to continue to be
4 able to reference back to, and understanding what are the
5 best practices, and how to work with one another, and also
6 providing an opportunity for folks to come together and
7 really be able to get to know one another, and understand
8 each other's working styles.

9 So those are really valuable spaces. We got some
10 really amazing feedback and research on not only the
11 toolkits themselves, but also the spaces created to go
12 through those toolkits and opportunities for folks to
13 really have some -- again those takeaways and sustainable
14 next steps.

15 TAYLOR WITTEN: Yeah, and -- oh, go ahead, Jaci

16 DR. JACI DEVINE: Oh, okay. I was just going to
17 say, you know, part of our approach is not only to create
18 the tactical items and the processes that folks can
19 follow. You know, we'll create everything from job
20 descriptions, to interview rubrics, to all of the things.
21 And that all is tactical, and is useful, and is really
22 helpful in building that out throughout the organization.

23 But we also really work hard on the philosophical
24 elements of hiring and retention of a diverse workforce,
25 helping people shift away from that, are you a culture-fit

1 mentality to looking for more of a culture-add mentality,
2 and really shaping the way that folks think about who is
3 the right candidate for a position, what backgrounds
4 they're looking for, so that when folks come to your
5 organization, they're finding people who want them to be
6 there and believe that they should be there, and it's a
7 more welcoming environment for folks to stay.

8 So sorry. Go ahead.

9 TAYLOR WITTEN: No worries. I was going to
10 double tap on what Noor said, just around the tangible
11 assets. So a part of that program, we were able to
12 deliver toolkits and sustainment and reinforcement tools
13 as well, including job aids, takeaways, posters as well as
14 video content.

15 BECCA GLODOSKI: I think that summarizing our
16 work specifically when it comes to equitable and inclusive
17 hiring, we want to balance that sustainable values-driven
18 work with tactical tools that can be used and implemented
19 right away.

20 So, going just one click deeper, that might look
21 like reevaluating a scan of different job descriptions and
22 providing a rubric for internal scoring job descriptions
23 going forward, and making sure that those standards are
24 being upheld in providing a tangible resource there, to
25 interview guides that provide a better and easier look at

1 how folks are being compared to the role as opposed to
2 being compared to one another, so that we're building in
3 equitable systems to that process.

4 Thank you.

5 PRESIDENT TAYLOR: All right. Mr. Ruffino, you
6 have question number seven.

7 ACTING BOARD MEMBER RUFFINO: Thank you, and good
8 afternoon, and welcome.

9 BECCA GLODOSKI: Thank you.

10 DR. JACI DEVINE: Thank you.

11 TAYLOR WITTEN: Thank you.

12 NOOR ALI: Thank you.

13 ACTING BOARD MEMBER RUFFINO: And as our Madam
14 President said, I have question number seven, which
15 happens to be the last question.

16 How do you translate assessment findings into
17 measurable, achievable goals that align with an
18 organization's strategic plan, fiduciary responsibilities,
19 and legal obligations?

20 BECCA GLODOSKI: Kick us off.

21 DR. JACI DEVINE: Yeah, I'll kick that one off.

22 So really, you know, for us, it starts with what
23 are your strategic priorities, what are your fiduciary
24 obligations, and what are your legal constraints, because
25 we want to understand the environment and we want to make

1 sure that we're tying all of the measurement that we're
2 doing to your overall objectives.

3 So starting there, we will design custom
4 assessments that will -- that ladder up to those
5 particular priorities. So with any research, we always
6 want to start with what do you want to know. So once we
7 figure out what we need to know, we can design the
8 instruments that we need, either qualitative, or
9 quantitative, or both in order to really achieve those
10 objectives. And then it becomes kind of a circular
11 process, because we start with what are you trying to do?

12 We design research in order to achieve those
13 objectives. We complete our assessments. We've got our
14 data and then we tie that analysis right back to where we
15 started, because it's really critical that we are
16 situating our results and making sure that they are
17 actionable and that we are putting together structures
18 that make the assessments -- that make them make sense,
19 but also make them sustainable for your organization.

20 So one of the things that we do a lot of is
21 strategic measurement planning, where we'll help you --
22 you know, we'll do -- we'll do the first round, right, but
23 we'll help you put together structures and systems for
24 data collection that fit into your existing processes.
25 We're not looking to add work. We know your people have

1 enough work to do. And so we want to understand what your
2 existing processes are and ways that we could slip a
3 little bit of data collection into those processes, so
4 that you can have more data moving forward and you can
5 continued with your ongoing assessment, have a more
6 longitudinal approach, while minimizing the lift to the
7 organization.

8 So, in general, we are looking at this cyclical
9 process where we're tying everything back to your
10 organization, but we're also looking to make sure that
11 those results are actionable, and that they are something
12 that is sustainable for your organization to carry
13 forward.

14 BECCA GLODOSKI: I think an important component
15 of that that often sits outside of the measurement and
16 assessment that is really deeply connected is relationship
17 building and trust. And that is a really key component
18 for us and how we work. We are a relational a team. We
19 work together very closely and we also work with our
20 clients very closely.

21 So being able to quickly establish and continue
22 to build and sustain that trust as we start to explore the
23 organization through a mixed methodology, but some of
24 those are one-on-one conversations, some of them are group
25 dialogues. We want to make sure we are hearing what's

1 true and real for folks in that current state. And that's
2 a really component to how we approach particularly the
3 qualitative components, but also our day-to-day work, the
4 way that the deliverables get provided, the hand-off of
5 those materials, so that they are actionable. When we
6 think about something actually happening, what we don't
7 want is for a measurement or an assessment report to just
8 live on the digital shelf. We want there to be actions
9 tied to it always.

10 We always say that the worst thing someone could
11 walk away from an engagement with us is someone saying, so
12 what, what now? That really grounds all of the work that
13 we do. We want you to know why this matters and what to
14 do with it. And that really guides our approach. So data
15 is critical. And I say that sitting next to my data
16 person who knows I believe it.

17 (Laughter).

18 BECCA GLODOSKI: It's really important to us, and
19 that relationship is just as critical in making those
20 actions possible. We need you to have the tools that are
21 necessary within the context that you work in day to day
22 to be able to take that and move forward with it. And so
23 that relationship building and deep review of materials
24 and context up front is what provides us with the
25 container for that data to then fit within, so that we're

1 not providing you with a recommendation to do something
2 that's totally outside of what's possible, or reasonable,
3 or useful to you and the teams that you work with.

4 NOOR ALI: And I think I'll just add that we take
5 that -- all that data and that information to create
6 sustainable thoughtful engagements that will serve folks
7 for the future for many years to come.

8 PRESIDENT TAYLOR: Thank you. Anything else?

9 BECCA GLODOSKI: Taylor, anything from your end
10 when it comes to thinking about the implementation piece?
11 And when we think -- you know, Frank, you asked
12 specifically about that -- that sustainment and action
13 planning. And when we think about moving folks to action,
14 is there anything that you would add to that?

15 TAYLOR WITTEN: Jaci spoke to it a little bit
16 earlier, but again working within systems that work for
17 you, I deem very important and reasonable from the
18 perspective of like the last thing you want to do is
19 create a tool that no one uses. And so, we're really
20 adamant to make sure that anything that we are able to
21 develop for you all and hand off, that your teams are able
22 to use it.

23 PRESIDENT TAYLOR: All right.

24 BECCA GLODOSKI: Thank you.

25 PRESIDENT TAYLOR: Thank you very much. So time

1 has expired. So right now, we're going to move on to any
2 questions the Committee may have, and I have two so far.
3 So Ms. Gallegos, go ahead.

4 Hold on.

5 Okay.

6 ACTING BOARD MEMBER GALLEGOS: Okay. Great.
7 Thank you. Could you just tell us a little bit about the
8 genesis of your organization, how it was started, and
9 current ownership. Is it still a sole proprietorship? Is
10 it employee owned? What does it look like?

11 BECCA GLODOSKI: Yes. So your business was
12 founded by a group of women almost nine years ago now.
13 It's wild to say. And we were really rooted in DEI in
14 this work from the start. Our organization began through
15 a lens explicitly of learning. We came from backgrounds
16 that brought together organizational development work as
17 well as training and learning in corporate and government
18 spaces. And we felt like we could bring a different
19 perspective to that work, because of the Identities that
20 we hold and the experiences that we had both in the
21 workplace and our lived experiences.

22 We are an LLC partnership, so not a sole
23 proprietorship, but we maintain that LLC partnership. We
24 are certified WBE and we are women owned and operated.

25 ACTING BOARD MEMBER GALLEGOS: Thank you.

1 PRESIDENT TAYLOR: Excellent.

2 Ms. Griffith, go ahead.

3 ACTING BOARD MEMBER GRIFFITH: Thank you. I have
4 a couple questions. I'll ask them all, because maybe
5 they're intertwined. You talked a lot about your toolkit
6 and training. I'm putting these two together. Are they
7 customized or are these things that would be like off your
8 shelf, and if so, either/or like how do you go about
9 identifying which one would be best to use? That's two
10 questions.

11 And then my other question is you also talked
12 about leadership development in executive training. Can
13 you talk a little bit about that more, like what that
14 would include for CalPERS?

15 BECCA GLODOSKI: Absolutely. I'm just going to
16 take a quick note so we catch both.

17 ACTING BOARD MEMBER GRIFFITH: Sorry.

18 BECCA GLODOSKI: No, that's perfect.

19 Great. So to your first question. Everything
20 that we build is custom, except for we have a couple
21 off-the-shelf products. We do not think that they would
22 apply for our work on this project with CalPERS. They are
23 more explicitly and some digital tools from like
24 e-learning and off-the-shelf learning products. So we do
25 have those, but they're not part of our recommendation for

1 this, because the context we feel is more research and
2 databased at the front end, as well as in the CalPERS
3 setting we think that custom learning and training is most
4 valuable and can be contextualized.

5 That said, all of our toolkits and training build
6 upon our breadth of experience, so we have some standard
7 frameworks and approaches to learning, and also the
8 toolkits that we build, where we have some components.
9 So, for example, that employee lifecycle toolkit. The
10 components of that remain the same when it comes to
11 recruitment, onboarding, performance management,
12 succession planning. But how those play out that's where
13 everything is highly tailored and customized, so that we
14 are building it to your current state and that future
15 goals perspective.

16 Noor, could you add a little bit on the training
17 front just to talk about frameworks?

18 NOOR ALI: Really similar in terms of training.
19 We have our frameworks. We have specific pedagogy that we
20 really are tied to. And in doing so, we'd very much
21 tailor it to the needs of, you know, what's going on at
22 CalPERS and the folks that are at CalPERS, it's very
23 important to us to be informed about who's here, what are
24 the dynamics at play, what are things that need to be
25 done, what are the conversations that need to be had. All

1 of those things are taken into consideration.

2 The pedagogies that we really look at are not
3 race specific, really identify -- identity specific in
4 terms of really looking at a whole person and a whole
5 community from different facets and different aspects, in
6 order for it to be kind of a bigger picture, in order --
7 and that will allow us to really achieve a lot of the
8 equity goals in mind without it being narrow into one
9 specific identity.

10 BECCA GLODOSKI: Yeah. Speaking to your second
11 questions, which if I could just restate it to make sure
12 I'm answering it correctly. It was about leadership and
13 executive training and how that might apply at CalPERS.

14 ACTING BOARD MEMBER GRIFFITH: (Nods head).

15 BECCA GLODOSKI: So for this particular piece of
16 work and the way that we're thinking about this. I think
17 that the most critical piece, especially in phases one and
18 two, is being able to build, as Noor mentioned earlier,
19 inquire and dialogue amongst the Board or leaders as we
20 start to explore current state and analyze and assess
21 that.

22 When we look to future state, we look to provide
23 training and recommendations for training. Often that is
24 cohort based stratified by role. So we find that folks
25 are able to learn most effectively, particularly on those

1 topics when they are working with their peers. That way
2 the scenarios and applications can be highly tailored to
3 their experiences. And what's most relevant to them. So
4 what might be relevant for this group here today might be
5 different than what's relevant -- likely is different than
6 what's relevant for folks who are working more in the
7 day-to-day leadership roles.

8 And so, we are focused on finding where we can
9 bifurcate to provide the most possible tangible value and
10 understanding of why that training is relevant to them.

11 PRESIDENT TAYLOR: Thank you very much.

12 So this does conclude your interview. We want to
13 thank you very much for coming today. If you could please
14 exit the auditorium.

15 BECCA GLODOSKI: Thank you for having us.

16 DR. JACI DEVINE: Thank you.

17 (Nova Collective exited the auditorium.)

18 PRESIDENT TAYLOR: So this is where we discuss
19 the scoring now without anybody up here.

20 BOARD CLERK ANDERSON: We also need just a minute
21 just get back online as well.

22 PRESIDENT TAYLOR: I'm sorry. Say that again.

23 BOARD CLERK ANDERSON: We need a minute to get
24 back online.

25 PRESIDENT TAYLOR: Yeah. So. Okay. So, we're

1 being recorded. We just don't have the live feed, is that
2 correct?

3 BOARD CLERK ANDERSON: Yes.

4 PRESIDENT TAYLOR: Okay. Thank you.

5 That's fine. Let's take five minutes.

6 (Off record: 1:55 p.m.)

7 (Thereupon a recess was taken.)

8 (On record: 2:00 p.m.)

9 PRESIDENT TAYLOR: Okay. So I want to make sure
10 that we're on, correct, the livestream is started again?

11 BOARD CLERK ANDERSON: Hold on one second.

12 PRESIDENT TAYLOR: Okay. So thank you for those
13 watching this meeting over the internet. The interviews
14 have concluded and we are moving now to the Board
15 discussion and scoring. Board members, we will now
16 determine an interview score as a group for each of the
17 finalists. Maximum number of points for each finalist is
18 700 points. That's 100 points per question. After we've
19 discussed each of the firms, I'd like for us to use a
20 single motion, assigning a score to each of the finalists.

21 But with that in mind, I'm going to start with --
22 let me get a -- kind of a temperature of the Board. I'd
23 like to start with Mr. Miller, what is your top three?

24 Hold on. My fingers too fat.

25 There you go.

1 VICE PRESIDENT MILLER: This was very tight. I
2 mean, I'm really, really impressed with the quality of the
3 candidates. But not in particular order, but my top three
4 were Nova, BCT, and Chanin.

5 PRESIDENT TAYLOR: And Chanin Kelly-Rae?

6 VICE PRESIDENT MILLER: Yeah, by quite a long
7 shot over the other three.

8 PRESIDENT TAYLOR: Chanin Kelly-Rae is your
9 number one?

10 VICE PRESIDENT MILLER: I didn't put them in --
11 not in order --

12 PRESIDENT TAYLOR: Oh, you're just saying these
13 three?

14 VICE PRESIDENT MILLER: There are those three.

15 PRESIDENT TAYLOR: Okay.

16 VICE PRESIDENT MILLER: If you just wanted -- if
17 you want them in order, I would probably go Chanin
18 Kelly-Rae, BCT, and Nova in that order, with Chanin at the
19 top.

20 PRESIDENT TAYLOR: Got it. Okay. I'm going to
21 go down the line here.

22 Mr. Pacheco, do you want to hit your mic, please?

23 BOARD MEMBER PACHECO: I also want to concur that
24 I was very impressed by all the candidates. I think they
25 were all very well qualified and very, very, you know,

1 participating. They had a very -- they had a very good
2 understanding of the material and I think they are --
3 would be all good. But in my top three is -- are the
4 following order. I would say Sage 71, LLC, BCT Partners
5 is number two, and Nova Collective number three.

6 Thank you.

7 PRESIDENT TAYLOR: Okay. Kevin.

8 BOARD MEMBER PALKKI: Thank you. I try not to
9 sugarcoat too many things here, but I will say that I was
10 impressed by quite a bit of people here. If I have to
11 pick three, I'll -- basically this order, Nova being
12 number one, Chanin Kelly being number two, and BCT, three.

13 PRESIDENT TAYLOR: Okay.

14 Ms. Walker, go ahead.

15 BOARD MEMBER WALKER: I had Ferdman, Kerry
16 Mitchell Brown, and Sage.

17 PRESIDENT TAYLOR: In that order?

18 BOARD MEMBER WALKER: No.

19 PRESIDENT TAYLOR: You mean, just your top three.

20 BOARD MEMBER WALKER: Those are my three -- top
21 three.

22 PRESIDENT TAYLOR: Let's see.

23 Mullissa. I don't have you up here.

24 There you go.

25 BOARD MEMBER WILLETTE: Thank you. In no order,

1 my top three are Chanin, Ferdman, and Kerry Mitchell.

2 PRESIDENT TAYLOR: All right. Deborah, go ahead.

3 I need your mic.

4 Go ahead.

5 ACTING BOARD MEMBER GALLEGOS: Okay. In order of
6 preference, BCT, Chanin, and Ferdman. Ferdman.

7 PRESIDENT TAYLOR: Ferdin -- Ferdman.

8 ACTING BOARD MEMBER GALLEGOS: Ferdman.

9 (Laughter).

10 PRESIDENT TAYLOR: Okay. Mike Detoy.

11 BOARD MEMBER DETOY: Thank you. Chanin, BCT,
12 Nova.

13 PRESIDENT TAYLOR: Nicole.

14 ACTING BOARD MEMBER GRIFFITH: Thank you. Oh,
15 sorry. Nova.

16 PRESIDENT TAYLOR: Um-hmm

17 ACTING BOARD MEMBER GRIFFITH: I'm still
18 thinking. No. Chanin and Ferdman.

19 PRESIDENT TAYLOR: Frank. Whoops.

20 Go ahead.

21 ACTING BOARD MEMBER RUFFINO: BCT, Chanin, Nova.

22 PRESIDENT TAYLOR: Okay. And Lisa.

23 Whoops. Sorry. I'm just staring at you like
24 what?

25 BOARD MEMBER MIDDLETON: That's all right. In

1 alphabetical order --

2 (Laughter.)

3 BOARD MEMBER MIDDLETON: -- Chanin, Ferdman, and
4 Sage.

5 PRESIDENT TAYLOR: Okay. Now, I'm going to do it
6 this way. Hold on a second. Give me just a second. I'm;
7 going to hashtag everybody here. Hold on one second. I
8 didn't do me.

9 Okay. Hashtagging it. Based on everybody's
10 thing and you guys -- I hope you all kept track too.
11 Chanin Kelly-Rae has eight. BCT and the Nova Collective
12 have seven. After that, it's Ferdman for four, Kerry
13 Mitchell two, Sage two.

14 So it looks like, Chanin Kelly-Rae is the winner
15 here. So now, we have to -- hold on a second. Let me get
16 my other sheets of paper out.

17 So Chanin Kelly-Rae --

18 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
19 Ms. Taylor.

20 PRESIDENT TAYLOR: Yeah.

21 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:

22 Really quick. I know some folks gave their
23 answers based on prior -- they prioritized them one
24 through three and some folks just gave the names of the
25 films without their priority. So if we're going to go

1 that without, then we probably should ask them what the
2 priority is, one through three, because they might -- in
3 terms of how they would score them.

4 PRESIDENT TAYLOR: It doesn't change the
5 hashtags. I just counted every single one of them with a
6 hashtag each of -- each, right? So each person, Nova 3,
7 BCT, and Chanin, just hashtag, hashtag, hashtag. Does
8 that matter?

9 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:

10 Well, each one is going to have to be assigned a
11 consensus score from the group. So if somebody, let's
12 say, actually preferred BCT, but they gave them as their
13 third option, when they -- when they really liked Nova as
14 an example, right, we're going to change the scoring.

15 PRESIDENT TAYLOR: Well, now, we're complicating
16 it. Sure, we can do that. So now -- so then we should
17 have been very specific. We should have had a first,
18 second, and third. So -- because I didn't give a first,
19 second and third.

20 SENIOR ATTORNEY CARLIN: Ms. Taylor, what I
21 would -- what we ultimately need to converge is a
22 consensus score among all the firms. So what this will
23 need to ultimately take the form of is a motion for a
24 point allocation to each firm.

25 PRESIDENT TAYLOR: Right.

1 SENIOR ATTORNEY CARLIN: Seven hundred points for
2 each, so that's where we ultimately need to go. We have a
3 lot of different ways that we can get there.

4 PRESIDENT TAYLOR: So, do -- does it matter to
5 everyone that we have priority, number one, number two,
6 numbers three, because then it just makes it go longer.
7 It will take us longer to figure this out.

8 VICE PRESIDENT MILLER: If we want to invest the
9 time, we should invest the time.

10 PRESIDENT TAYLOR: That's fine. I'm just trying
11 to figure out -- Jose Luis, go ahead.

12 BOARD MEMBER PACHECO: Yes. Thank you, Mr.
13 Carlin. You're here. Can I ask you a question about the
14 small business preference score on the -- on this sheet.
15 What is --

16 PRESIDENT TAYLOR: We're not there yet.

17 BOARD MEMBER PACHECO: Oh, we're not there yet.

18 PRESIDENT TAYLOR: Yeah, we're not even there
19 yet.

20 BOARD MEMBER PACHECO: Okay. Very good.

21 PRESIDENT TAYLOR: We haven't decided who we want
22 to be --

23 BOARD MEMBER PACHECO: Okay. No worries then.
24 So I'll wait until -- I'll defer until then. Thank you
25 very much.

1 PRESIDENT TAYLOR: Ms. Gallegos.

2 ACTING BOARD MEMBER GALLEGOS: Just a suggestion.
3 We do have to ultimately come up with a -- for a score for
4 everyone, even, if they're not our reference, correct?

5 SENIOR ATTORNEY CARLIN: Yes.

6 ACTING BOARD MEMBER GALLEGOS: But perhaps we can
7 start with the top three and have a discussion about the
8 top three, and assign scores, and then move on from that
9 to the --

10 PRESIDENT TAYLOR: So we have to be very careful
11 when we're assigning scores --

12 ACTING BOARD MEMBER GALLEGOS: I understand.

13 PRESIDENT TAYLOR: -- which is what --

14 ACTING BOARD MEMBER GALLEGOS: Understand.

15 PRESIDENT TAYLOR: -- remember what we talked
16 about, so --

17 ACTING BOARD MEMBER GALLEGOS: I understand. I
18 understand. That's why I'm suggesting we talk about the
19 top three, since we are -- it seems like we have a
20 consensus around the top three for the most part.

21 PRESIDENT TAYLOR: Yeah, the top three then are
22 BCT, Chanin Kelly-Rae, and the Nova Collective. So, yes,
23 we're -- I'm happy to do a discussion around the top
24 three. If we can get to consensus round the top of the
25 top three, that would be great.

1 Ms. Walker, go ahead.

2 BOARD MEMBER WALKER: So I'm confused, so I need
3 this explained again, what exactly we're doing and why,
4 because it seems like it's -- so, one, we're trying to
5 shortcut stuff or not or -- I'm confused. So could you
6 just run through it one more time for me.

7 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:

8 The end goal is that we are able to assign a
9 score for every single firm. Given that there were six
10 firms that we have to assign scores for, I think we were
11 trying to look for a general way to start the discussion
12 to see if there was a consensus in terms of who maybe the
13 top firm might be amongst the Board. But if there is no
14 clear-cut consensus winner in terms of scoring -- we are
15 trying to get to a top three, and then allow the Board to
16 deliberate there to find a top firm, and then -- and then
17 discuss scores from there for each -- for all the other
18 firms to ensure that the firm that the Board does want to
19 move forward with is assigned the appropriate score, given
20 the other variables that need to be taken into account in
21 terms of fees, DVBEs, and then small business.

22 Does that help?

23 BOARD MEMBER WALKER: No, but okay. It just
24 seems to me like if everybody has to have a score, why
25 aren't we going down the list and given a score, and then

1 whoever winds up with whatever the score is, the highest
2 score, then that's the person -- that's the --

3 PRESIDENT TAYLOR: So the problem with that is
4 the small business score -- if we don't want -- if
5 everybody votes for somebody besides the small business
6 person, we have to score it so that person doesn't get the
7 highest score, because they already have the highest
8 score.

9 SENIOR ATTORNEY CARLIN: Ms. Walker, I would
10 say -- I don't know if I'll be answering your question,
11 but I'll take a stab at it.

12 BOARD MEMBER WALKER: Please do.

13 SENIOR ATTORNEY CARLIN: What we're trying to
14 figure out right now is sort of -- we're at the discussion
15 stage for the Board to get a sense of where everyone is at
16 I think. When there's more of a convergence around the
17 opinion of the ranking, I think at that point probably a
18 motion would be in order to say this firm so many points,
19 that firm so many points, and so on down the list. If
20 that motion gets a second, it will be available for
21 discussion for the rest of the Committee. That would be
22 open for amendments to be made at that point or things of
23 that sort, votes to be taken. That's kind of where we're
24 trying to get to. I don't know if that directly answers
25 your question.

1 BOARD MEMBER WALKER: No. I will just say it
2 just kind of seems like we're making it up. We're
3 probably not, because this is a process. This is my first
4 time in this kind of process, but it just kind of seems
5 like we're making it up to fit into whatever box we want
6 to have it in, and then going back. And it just seems odd
7 to me, that's all.

8 SENIOR ATTORNEY CARLIN: To address that. This
9 is certainly the process that we've followed with the
10 other three Board RFPs that we've done in the last couple
11 months now. We've gone through, over the last several
12 decades, multiple different variations. We've had very
13 mathematically driven formulas, where we've -- each Board
14 member would come up with an actual allocation. We'd know
15 out the high and the low point and average out the rest.
16 This has been designed to give the Board as much
17 flexibility as possible to reach a consensus and reach the
18 consultant that they're ultimately interested in to carry
19 out the work, recognizing that being able select the
20 consultant that will be able to best assist the Board is
21 really the ultimate objective here.

22 BOARD MEMBER WALKER: Well, thank you though.

23 PRESIDENT TAYLOR: David.

24 VICE PRESIDENT MILLER: Oh, I was just going to
25 suggest that it sounds like from the initial information

1 that we have, kind of who the top three might be, and at
2 this point maybe just having people tell us of those top
3 three who's their -- you know, how do they rank might help
4 us get to who the top -- you know, a consensus --

5 PRESIDENT TAYLOR: For number one.

6 VICE PRESIDENT MILLER: -- on the number one at
7 least.

8 PRESIDENT TAYLOR: All right. Let me change
9 pages. I could go down the line again and say -- out of
10 the top three, which is --

11 VICE PRESIDENT MILLER: Yeah. So just read off
12 who the top three --

13 PRESIDENT TAYLOR: BCT, Chanin Kelly-Rae, and the
14 Nova Collective. Hold on. Chanin and Nova. If -- go
15 ahead, Yvonne.

16 BOARD MEMBER WALKER: Okay. So I'm not trying to
17 be difficult. I'm just trying to make it make sense in my
18 head. So, at what point do we say -- like, we just said
19 off the cuff, ooh, I like one, two, three, right? But at
20 what point do we say like it might be that Mike says, oh,
21 this really stood out for me, for blah, blah, blah, and
22 that could sway me. You know, but we're not talk -- we're
23 just throwing something out, but there's nothing --
24 there's nothing behind it to just throw it out. Like, it
25 could make a difference. I grant that those were the

1 three top ones, right, but it doesn't necessarily mean
2 they will still be the three top ones, if we don't -- if
3 we haven't put out why, right, because, you know, I mean,
4 it could be that I might have heard something, Mike might
5 have heard something that I didn't. And then I could say,
6 oh, oh, yeah, that's right, and then I want to change, you
7 know. It just -- anyway, not trying to be difficult. I'm
8 just saying.

9 SENIOR ATTORNEY CARLIN: I think that's fair.
10 Your colleagues have definitely heard your interest in
11 hearing more about why they've ranked order the order that
12 they have. I think that's perfectly appropriate for the
13 Board members who feel comfortable offering that up. I
14 don't think it's required for the process. We tried to
15 make the process as open-ended as possible to accommodate
16 the Board.

17 PRESIDENT TAYLOR: Okay. So last question from
18 Kevin Palkki and then if we want to -- if you want to go
19 ahead, Yvonne, get back online and then tell us why you --
20 those aren't your top, and what your top one is. And we
21 can do that for each Board member.

22 Go ahead, Kevin.

23 BOARD MEMBER PALKKI: Thank you. I think I was
24 the only one that actually ranked them in a specific
25 order.

1 PRESIDENT TAYLOR: Yeah, you were.

2 BOARD MEMBER PALKKI: And so I'm sort of standing
3 behind my thought of Nova being number one just for the
4 mere fact that they were really the only one that talked
5 about balance. And to me, that is sort of the essential
6 definition of this work that we're asking them to do.

7 PRESIDENT TAYLOR: Okay. Raise your hands, guys,
8 if you want to talk about the other ones besides the top
9 three. We can do that. All right, do you guys have any
10 particular -- oh, here we go.

11 David.

12 VICE PRESIDENT MILLER: Yeah. I mean, as far as
13 the top three, I thought they were very close, but the
14 ones beyond the top three, I thought -- and I do this, you
15 know, very kind of -- I'm a goofy scientist, so I do it in
16 a very kind of systematic way. But I find -- like, for
17 example, Ferdman, I had at the bottom by a long shot. I
18 felt so many of their answers were like generic, you know,
19 first-year business school kind of answers, that would be
20 great for a very low maturity client. But for someone
21 like us, I think our staff could teach them a lot.

22 And referring to some of their clients, these
23 are -- some of their clients were not high performance
24 organizations, you know. And so the kind of answers and
25 the things they were saying just were not striking me as

1 stuff that would be very valuable for an already pretty
2 high performance organization. And they -- so I thought
3 they were missing on more than one cylinder.

4 And with Kerry, I think that firm they just
5 simply didn't answer some of that -- parts of some of the
6 questions, which, you know, the pressure of the inter -- I
7 don't know what, but I just thought they didn't make a
8 very good showing, and the ended up, you know, knocked
9 down because of it as well.

10 PRESIDENT TAYLOR: Mr. Pacheco, you're up next.

11 BOARD MEMBER PACHECO: Thank you, President
12 Taylor. You know, when I first started this morning, I
13 had the impression of BCT Partners, because I -- they were
14 very impressive and so forth. But then this afternoon,
15 when principal from Sage 71, LLC presented, she presented
16 very -- you know, very honestly and very collaboratively.
17 And her collaboration was -- it touched me, because I feel
18 like it needs to be -- you know, with her working --
19 engaging with CalPERS and CalPERS staff is -- it's a
20 partnership, right? And I -- and I felt that -- I felt
21 that from her presentation.

22 Moreover, I also felt that, you know, I -- you
23 know, and again, this is my own opinion, my own -- my own
24 opinion about it. But, you know, I strongly feel, you
25 know, because of her service in the U.S. -- in the United

1 States Air Force and her -- and her dedication to board
2 development and so forth, I felt that was also something I
3 wanted to consider, because that's something important for
4 me to recognize that in an individual.

5 And she just seemed to be very authentic in terms
6 of her presentation. I think the other two are also -- my
7 other two that I had ranked, so I had ranked it this way.
8 I had ranked as first Sage, 71 LLC, number two would be
9 DCT -- BCT Partners, and number three would be Nova
10 Collective. And another thing too, that -- you know,
11 again this is just an observation, is the cost. You know,
12 one of our duties of -- one of our fiduciary duties of
13 responsibility is to make sure that we are -- we are
14 stewards of the cost -- the reasonable expenses associated
15 with our -- with out process, so -- and based on the cost
16 and so forth, she's very reasonable in terms of how we
17 would go about allowed the cost.

18 So I see that -- I see her enthusiasm, her
19 dedication, and her collaboration would be the same thing.
20 So that's I scored. So now I can provide the scores later
21 when we go through the process.

22 PRESIDENT TAYLOR: Ms. Walker.

23 BOARD MEMBER WALKER: All right.

24 PRESIDENT TAYLOR: Hold on. It's just not --
25 there we go.

1 BOARD MEMBER WALKER: So I thought that with
2 Sage, right, they -- she's comfortable in this space. She
3 talked about being partners and collaborative. She talked
4 about stakeholders. I think that to me I was listening
5 for that for everybody, because it's not just us. Like
6 it's the stakeholders, and everybody else we have to talk
7 to. So that was what hit -- what I was listening for and
8 things.

9 With Kerry Mitchell Brown, the depth of their
10 experience in this space, some of the things that -- they
11 talked about not being -- you didn't -- can't just be
12 morally right, you have to be fiscally responsible.
13 Health equity aligns with our fiduciary duties. Peer
14 convos. I'm trying to read what I wrote.

15 Oh, the fact that they have helped set a lot of
16 these standards in the different places that they were,
17 that's a breadth of experience that I don't think we --
18 there is a difference between doing and actually like
19 being a, you know, reading about -- being theoretical,
20 right? There is a difference between theoretical and
21 actual. So that's why they spoke to me.

22 And then I said Nova. Again, they were ones that
23 talked about collaboration, and what you do, and how you
24 do it, right? It's not necessarily -- they can come up
25 with a whole laundry list of things, but they weren't

1 interested. It was about what can work, right, what can
2 we do, and really working with the Board and talking to
3 the Board, which I think, for me, makes a difference. So,
4 that was my thoughts on the ones that I put forward.

5 PRESIDENT TAYLOR: All right. Deborah Gallegos.

6 You turned it off. All right. Hold on.

7 Let's try again. All right, go ahead.

8 ACTING BOARD MEMBER GALLEGOS: Okay. Great.

9 Thanks. So I'll just run through the points that I had --
10 the key things that stood out for me for the different
11 ones that I scored.

12 So BCT was my number one. One, there -- I
13 thought the team dynamic was amazing. They were succinct.
14 They really worked together well. I think some of them
15 may have been subcontractors. But especially in light
16 that they were subcontractors, they worked together really
17 well, almost finishing each other's sentences.
18 Twenty-five years of dedicated DEI consultant. I don't
19 think you can beat that. And that was true for Chanin
20 Kelly as well. They really focused on data, data-driven
21 DEI.

22 They mentioned more than once one they have an
23 attorney on team. They're a federal contractor. They
24 advise federal entities. So they are well versed in what
25 is happening nationally as well as locally. Let's see.

1 So I was just really, really impressed. They kept talking
2 about how to hold people accountable. And that, I think
3 in this space, is particularly important.

4 Chanin Kelly-Rae. She talked about Board KPIs,
5 which I liked. Her -- currently -- it's -- there's doubt
6 that she's very well qualified. My only concern was that
7 she didn't bring anybody with her, so it's difficult to
8 understand how the team dynamics would be working with her
9 partners. And in this space, I think you're going to need
10 to have a lot of partners, which brings me to Sage 71, who
11 was not on my top list.

12 I really, really liked her a lot, but there's no
13 depth that. We would be her first major client. There
14 was no depth. And I think with this assignment, for
15 her -- from her perspective and from our respective --
16 perspective, we wouldn't want to be set up to fail in any
17 way.

18 And then third was Ferdman. Ferdman did not seem
19 quite as polished as some of the others. But again,
20 clearly a lot of experience in this space. And whereas
21 Nova, not on my top list, presented really well, I'm not
22 sure they have the depth of experience to deal with an
23 institution that's been around as long as CalPERS has had.
24 They seemed -- NOVA seemed to me to be a little bit more
25 cookie cutter-ish. And, you know, the toolkits are great,

1 but if you apply them across the -- everybody that you
2 work with, then they don't -- they're meaningless.

3 Whereas, Ferdman didn't come across as polished,
4 but clearly they've been doing this for a long time and
5 really understand the nuances of how to implement a DEI
6 policy. So those -- again, BCT, Chanin Kelly-Rae, and
7 Ferdman were my number one picks.

8 PRESIDENT TAYLOR: Okay. Great. Mike Detoy.

9 BOARD MEMBER DETOY: Thank you. Since Director
10 Walker called me out, I have to give my thoughts.

11 (Laughter).

12 BOARD MEMBER DETOY: So I really liked BCT. And,
13 you know, it was a touch act to follow from there. You
14 know, it's no secret to anyone in this room or anyone
15 watching, the complexities that CalPERS is. And that's
16 not just the fiduciary side on investments, but the health
17 care piece as well. And I thought that BCT brought all of
18 that to the table. A very broad staff. Their experience
19 has been setting the policies and setting the benchmarks
20 for years, having a civil rights attorney on staff. You
21 know, kind of already doing something with the New York
22 City pension, the health care experience, et cetera. So I
23 thought what they built out and what they described was --
24 they are -- it seems like they're one of the industry
25 leaders. I have not researched this space thoroughly

1 though, so...

2 Before I -- I'm going to back up a little bit. I
3 hear what a lot of my fellow directors are saying
4 regarding, you know, the Veterans piece, the cost piece.
5 But keep in mind, that has already been calculated into
6 scoring thus far, so just off the presentation itself.

7 Chanin, I thought, did a phenomenal job. Again,
8 I do hear Director Gallegos's concerns about we don't know
9 who else is on the team, but I thought she did phenomenal.
10 I could listen to her speak all day long, her experience
11 with Fortune 50 companies, you know, with the DOL, the
12 EEOC, fiduciary duties. Again, another -- knowing the
13 health outcomes with Saint Jo's and Providence that she
14 mentioned, et cetera, very impressive.

15 And that brings me to my lowest marks of both
16 Kerry Mitchell Brown and Sage 71, kind of the fact that
17 this would be, you know, one of the first either joint
18 ventures or one of the first big projects. I don't doubt
19 either of their capabilities. I think everyone that came
20 before us is very highly qualified, educated, has a ton of
21 experience. But knowing the arms that are going to have
22 to wrap around this, they need a team. And those are some
23 of my concerns about both of those.

24 And then Nova is kind of -- you know, a
25 younger -- younger kids on the block. I thought they had

1 an amazing presentation, knowing that they worked with the
2 State, and CalWORKs, and CalFresh. And then the fact that
3 they even had to do this with the American Statistical
4 Association, I was like oh, my gosh. Like you're going
5 toe to toe with the people who do this -- numbers for a
6 living. That would be an interesting story.

7 So as I said, my top three were, one, two, and
8 six. Thank you, Madam President.

9 PRESIDENT TAYLOR: One, two, and six. Okay. Did
10 you have a particular one that you liked the most. It
11 sounded like BCT.

12 BOARD MEMBER DETOY: Going back and forth between
13 BCT and Chanin.

14 PRESIDENT TAYLOR: Okay. Thank you.

15 Okay. Thank you.

16 Ms. Middleton, you're next.

17 BOARD MEMBER MIDDLETON: Thank you.

18 Well, of the top three that I had only Chanin
19 makes the top three for what seems to be the consensus of
20 my colleagues. I'm not going to spend a whole of time
21 debating the people -- the other two that I had in my top
22 three, other than to say I was very, very impressed with
23 Sage and her presentation. And Deborah nailed it. This
24 would be her first big project. And we're too big an
25 organization. There's too much risk associated with this

1 to try somebody who is breaking into an industry, as
2 opposed to somebody who's established themselves.

3 I was incredibly impressed with Chanin Kelly-Rae.
4 I thought she handled herself amazingly well. One of the
5 things that is really tough in an environment like this is
6 to get a sense of who is the person and the persons who
7 have the ability to listen. And while everybody talked
8 about that they were going to do interviews right off at
9 the start, one of the things that came across to me from
10 Chanin Kelly-Rae is if you got into a conversation with
11 her, it would be a conversation. She would be listening
12 as much as she would be talking, if not more. And again,
13 that's impressionistic at this point, but it came across
14 to me.

15 I was very impressed by her recognition of our
16 fiduciary responsibilities, of our responsibilities of
17 trust. And while she did this alone, which is different
18 than everyone else, except one firm, she let us know who
19 would be a part of her team. And I think Max may be a
20 ploy or whatever, but it established something about the
21 humanity of this group of people that was very important.

22 Let me talk a little bit about the two firms that
23 I did not have in my top three that everybody else does
24 have in the top three. My colleagues are seeing something
25 that I just didn't see, but I was not impressed with Nova.

1 I didn't get an impression that they could come in and be
2 change-makers within this organization, with the Board,
3 and with the membership. I thought their values were
4 incredibly strong and very good. But the truth in success
5 in this area is going to be the person, and persons, and
6 organization that can change the minds of the people who
7 need to have minds changed. It is not being able to come
8 in and wow the people who are already converted. And I
9 just did not get a sense from Nova that they would be
10 successful with individuals that are resistant to the
11 message.

12 BCT is absolutely top-notch professional. There
13 was no question about their ability to come in and deliver
14 a product, but I did not get a sense that they would be
15 listening to us, as much as I got a sense they would be
16 waiting for us to listen to them.

17 Thank you.

18 PRESIDENT TAYLOR: Nicole Griffith.

19 ACTING BOARD MEMBER GRIFFITH: Well, I don't want
20 to follow Ms. Middleton. That was really hard.

21 (Laughter).

22 PRESIDENT TAYLOR: No one does, yeah.

23 ACTING BOARD MEMBER GRIFFITH: Let me start with
24 what I agree with her on. I do like what you said around
25 Sage. I think that definitely a strong candidate, but

1 just being that this would be the first that she'd be in
2 this area, I think that's where I did not have Sage
3 scored.

4 I am a little torn between BCT and Chanin. I
5 could go either/or. So I think I agree with everything
6 Mr. Detoy, Ms. Gallegos said around their strong points.

7 I do have Nova as a top candidate, as my number
8 one. And where that came from, I would just say is taking
9 a step back and saying this is the human-centered work
10 that needs to be done. I think that with the end goal of
11 having CalPERS as an organization be able to support and
12 sustain this work on their own, that's where we would
13 ultimately hopefully like to see this organization be, and
14 not saying now, but somewhere in the future, not
15 necessarily need a consultant.

16 I think where you get there is through training,
17 and through executive support, and through the
18 partnership. And for those that were here with us on
19 Thursday during the other RFP, one of the questions that I
20 asked was, you know, where is your passion in this work?
21 I didn't get to get it in the first candidate that we had,
22 so I didn't ask the question. But ultimately, with the
23 presentations, that's what I was looking for. Were the
24 people in front of us sitting here to give us a business
25 pitch of I can come in and do this work with you or for

1 you? Yes. But really, I was looking behind the scenes to
2 see is there passionate of connection to the work that
3 they're going to be doing, because that's where you get
4 the most bang for your buck, or the most partnership, and
5 the most value. So, that's where the Nova came as number
6 one for me.

7 PRESIDENT TAYLOR: All right.

8 Frank Ruffino.

9 ACTING BOARD MEMBER RUFFINO: Thank you, Madam
10 Chair. It's almost World Cup, by the way. And I love --
11 I love World Cup. And the main thing is to get to the
12 final. And once you get to the final, you're in good
13 shape. So, two teams got to the finals in my book, BCT,
14 which I think we all agree and Chanin Kelly-Rae perhaps
15 not in -- but those were my two teams in the final.

16 And I was watching the game really, really close.
17 First half, tied. We get into the second half and we get
18 almost at the 87th minute. Remember, there's 90 minutes
19 of game.

20 (Laughter).

21 ACTING BOARD MEMBER RUFFINO: And, man, Chanin
22 Kelly-Rae, they could show -- she could show her talent.
23 She could show her skills. And I was impressed not about
24 her intellect, but the firm commitment to the community,
25 which she was the one -- the only firm, by the way, that

1 mentioned that they're making a community. And I don't
2 recall exactly, but I thought I heard 30, 40 percent.
3 That's huge. That's a big commitment. That striked my
4 heart. I mean, that's -- that's tells a lot about the --

5 PRESIDENT TAYLOR: Ten to forty percent. I wrote
6 it down.

7 ACTING BOARD MEMBER RUFFINO: Ten to forty.

8 PRESIDENT TAYLOR: They donate 10 to 40 percent
9 back to the community.

10 ACTING BOARD MEMBER RUFFINO: Hey, that's a good
11 goal. That's a hell of a good goal. So I don't know.
12 Perhaps others do as well, but that was something that I
13 appreciated. They have experience in California,
14 Washington, Oregon. They definitely -- in my opinion,
15 they score big time on question number four, VPO the
16 health system. They're a California-based businesses.

17 Yes, my colleagues are absolutely right, I wish
18 she would have brought -- what was the name, Max?

19 PRESIDENT TAYLOR: Max, yeah.

20 ACTING BOARD MEMBER RUFFINO: That would have
21 been cool to watch Max in action.

22 PRESIDENT TAYLOR: Maximus.

23 ACTING BOARD MEMBER RUFFINO: That would have
24 been cool.

25 PRESIDENT TAYLOR: Spartacus.

1 ACTING BOARD MEMBER RUFFINO: But I wish she
2 would have brought someone else, you know, but -- and so
3 that's sort of like something for -- to discover. But in
4 terms of presentation, in terms of -- oh, and by the way,
5 they were the only one that they mentioned LGBT. I
6 remember writing it down. I don't know -- the context.

7 Again BCT, they are the -- nothing to knock them
8 down. They were -- they wrote the book. They said it.
9 They show it to us. Data-Driven DEI, they wrote the book,
10 so I don't have no reason to believe that they -- if they
11 would have played five more minutes more of extra time,
12 maybe they could score another goal.

13 But at the end of the game in the 87th minute, it
14 was 2-1, and Chanin Kelly-Rae wins that game. Thank you.

15 PRESIDENT TAYLOR: Wow. I don't think I've ever
16 heard it put that way.

17 CHIEF OPERATING OFFICER HOFFNER: Madam Chair,
18 can I just make one quick comment --

19 PRESIDENT TAYLOR: Sure.

20 CHIEF OPERATING OFFICER HOFFNER: -- to Mr.
21 Ruffino's comment. It's -- Chanin Kelly-Rae is not a
22 California based business. They're licensed to do
23 business in California. They're a Washington State based
24 business. So I just want to make sure there's a clarity
25 there on that point.

1 ACTING BOARD MEMBER RUFFINO: Thank you for
2 clarifying.

3 PRESIDENT TAYLOR: That's okay. We got you.

4 ACTING BOARD MEMBER RUFFINO: Thank you for
5 clarifying. I had that in my notes, but thank you for
6 clarifying that.

7 PRESIDENT TAYLOR: Yeah. I'm going to give mine
8 as well. So I had BCT, Chanin -- Chanin, whatever, and
9 Nova. I will say that BCT was really impressive, but
10 Chanin blew my socks off. And I've got to tell you, she
11 used a lot of different language in DE&I that I thought
12 was very interesting as well. So she used, suffrage
13 democracy. I thought that was really, really important,
14 because that's part of making sure we have a fair and
15 justice system, right?

16 You know, she talked about policing, housing,
17 health care, that all impacts health care. And I think --
18 honestly, I think that she was probably the most
19 impressive. The fact that she didn't bring anybody
20 including Max, I thought was because she probably is used
21 to doing this herself. But I also think it would have
22 been good if she'd brought one her staff members as well.

23 I think it's interesting that two of our top
24 tiers is people from Washington State. I think that's
25 kind of funny.

1 Nova -- you know what I really liked about Nova,
2 yeah, they seemed cookie-cutter. When they talked about a
3 toolkit, it reminded me of a class that I went to that had
4 a little box with a toolkit for DE&I. And it was way
5 back, and when I first got on the Board. And I'm like --
6 I think I still have that box, but I don't ever even look
7 at it.

8 So -- but I just love their interactions, because
9 they were excited to answer the questions. They were
10 like, ooh, you can answer that one. And I thought that
11 was really good.

12 So while I think BCT was probably the slickest,
13 my vote is for Chanin for the first, so -- with -- oh,
14 hey, David. Oh, maybe not. Apparently my pen does not
15 want to push the right button.

16 There you go.

17 VICE PRESIDENT MILLER: Yeah. Well, I won't
18 repeat what everyone was said, but when we first started
19 this conversation, I think I was only answering about the
20 bottom three. But my top three were Chanin, BCT, and
21 Nova, and they're in that order. Yeah. And so for the
22 same reasons that other people -- they're so very close
23 for Chanin and BCT. But I think Chanin just hit it out of
24 the park. And in looking at my scoring, there were three
25 or four questions where her -- just the content of her

1 answers edged out BCT on content as well.

2 And Nova was in there, but certainly not quite in
3 the same league in terms of the content of their answers,
4 so --

5 PRESIDENT TAYLOR: Yeah.

6 VICE PRESIDENT MILLER: And I also think, you
7 know, just in terms of for us as a Board, who do we want
8 advising us, because they're our consultant. They're not
9 necessarily who we're hiring to actually, you know, build
10 our DEI program and do all the work that staff is going to
11 be doing. They're here to review it, to help us, you
12 know, find strengths, opportunities for improvement, you
13 know, all that engagement, stakeholders, all the -- bring
14 those -- all those views that we might miss in-house. And
15 again, I think she just brought that, you know, just in a
16 very, very impressive way.

17 PRESIDENT TAYLOR: Thank you.

18 Mike, I got you.

19 BOARD MEMBER DETOY: Thank you. I would like to
20 make a motion, if you will.

21 PRESIDENT TAYLOR: Go ahead.

22 BOARD MEMBER DETOY: Listening to all the
23 conversation, and I'll do the scoring in order from top to
24 bottom on the sheet, if that is okay.

25 PRESIDENT TAYLOR: We can try, because I have the

1 sheets based on who we want, so go ahead.

2 BOARD MEMBER DETOY: So I move that BCT will be
3 at 600, Chanin at 700, Ferdman at 400, Kerry Mitchell
4 Brown at 400, Sage 71 at 400, and Nova at 600.

5 And then if there's a seconds I will speak to the
6 reason why.

7 PRESIDENT TAYLOR: Okay. Wait. Wait. Wait. Go
8 over it again.

9 BOARD MEMBER DETOY: 600, 700, 400, 400, 400,
10 600.

11 ACTING BOARD MEMBER GALLEGOS: I'll second that.

12 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
13 Really quick, can I get you one more time, but
14 with the firms' names --

15 PRESIDENT TAYLOR: Yeah, you went really fast
16 that last time.

17 OPERATIONS SUPPORT SERVICES DIVISION CHIEF STONE:
18 -- associated with that. Thank you.

19 PRESIDENT TAYLOR: But I think it works. I
20 look -- I think it works, but go ahead.

21 BOARD MEMBER DETOY: BCT, 600; Chanin Kelly-Rae,
22 700; Ferdman, 400; Kerry Mitchell Brown, 400; Sage 71,
23 400; Nova Collective, 600.

24 PRESIDENT TAYLOR: That appears to work, does it
25 not?

1 ACTING BOARD MEMBER GALLEGOS: I'd happy to
2 second.

3 PRESIDENT TAYLOR: All right. Motion has been
4 made by Mr. Detoy, seconded by Ms. Gallegos. Mr. Palkki,
5 go ahead or not. We'll figure this out eventually. There
6 we go.

7 BOARD MEMBER PALKKI: I was just going to second
8 it.

9 PRESIDENT TAYLOR: It's already been seconded.
10 Okay. So I need a roll call vote for this?

11 Okay. Is there any further discussion on this?

12 Then all those in favor, please say aye?

13 (Ayes.)

14 PRESIDENT TAYLOR: All opposed?

15 Any abstentions?

16 Motion carries unanimously. Thank you very much.

17 For Chanin Kelly-Rae Consulting, LLC, second we
18 had BCT -- well, we have a tie for BCT and Nova
19 Collective, so we may eventually have to get back together
20 to figure that one out.

21 CHIEF OPERATING OFFICER HOFFNER: No. No. Let's
22 take a little bit of a break, so --

23 PRESIDENT TAYLOR: Oh, yeah, let's wait. That's
24 right.

25 CHIEF OPERATING OFFICER HOFFNER: We have to do

1 the final scoring and roll in the fee structures, plus the
2 small business or DVBE, et cetera, and then we'll come
3 back with a final total.

4 PRESIDENT TAYLOR: Oh, that's right, because one
5 of them does have small business.

6 CHIEF OPERATING OFFICER HOFFNER: Yeah.

7 PRESIDENT TAYLOR: Five minutes?

8 CHIEF OPERATING OFFICER HOFFNER: Like a
9 five-minute break.

10 PRESIDENT TAYLOR: All right. So 2:51.

11 (Off record: 2:46 p.m.)

12 (Thereupon a recess was taken.)

13 (On record: 2:52 p.m.)

14 PRESIDENT TAYLOR: All right. The livestream
15 back up?

16 BOARD CLERK ANDERSON: (Nods head.)

17 PRESIDENT TAYLOR: Okay.

18 Staff has now completed calculating the total
19 scores. And at this time, I'd like to ask Justin Heeb,
20 CalPERS Contractors and Procurement Manager to please
21 announce the final total score for each finalist.

22 OPERATIONS SUPPORT SERVICES ASSISTANT DIVISION

23 CHIEF HEEB: Thank you, Madam President. I will now read
24 the interview scores for each of the finalists in
25 alphabetical order. BCT Partners received 600 points for

1 their interview score, Chanin Kelly-Rae Consulting LLC
2 received 700 points for their interview score, Ferdman
3 Consulting received 400 points for their interview score,
4 Kerry Mitchell Brown, LLC received 400 points for their
5 interview score, Sage 71, LLC received 400 points for
6 their interview score, and the Nova Collective received
7 600 points for their interview score.

8 The small business reference added to the three
9 firms, BCT Partners, Ferdman Consulting, and the Nova
10 Collective -- or, sorry the Sage 71 LLC was 48.9 points.

11 Combined with their preliminary total score, the
12 interview score, and the small business preference, BCT
13 P -- Partners received a total score 879.5 points, Chanin
14 Kelly-Rae Consulting LLC received 978.9 points, Ferdman
15 Consulting received 630 points, Kerry Mitchell Brown, LLC
16 received a total score of 441.8 points, Sage LL -- 71, LLC
17 received a total of 798.9 points, and the Nova Collective
18 received a total score 859.2 points. The finalist with
19 the highest total score is Chanin Kelly-Rae consulting,
20 LLC, second place was BCT Partners.

21 PRESIDENT TAYLOR: All right. Thank you.

22 It is now time for a motion. I move that the
23 Board awards the contract to Chanin Kelly-Rae Consulting,
24 LLC as the highest ranking finalist subject to final
25 negotiations and satisfaction of all requirements, and

1 directs staff to begin contract negotiations for the
2 contracts with Chanin Kelly-Rae --

3 BOARD MEMBER PACHECO: I'll second.

4 PRESIDENT TAYLOR: I have to finish reading it,
5 okay? Thank you. If staff, in its direction, concludes
6 that negotiations are unsuccessful, staff shall begin
7 contract negotiations with BCT Partners, the next highest
8 scoring finalist.

9 And it was seconded by Jose Luis Pacheco.

10 Any discussion on the motion?

11 All right. Seeing no discussion, all those in
12 favor say aye?

13 (Ayes.)

14 PRESIDENT TAYLOR: All those opposed?

15 Any abstentions?

16 The motion carries unanimously. Thank you.

17 I do remind all the members of the Board and the
18 finalists of the restricted contract policy under
19 Government Section 20153.

20 Agenda Item 4a, Summary of Board Direction.

21 Agenda, Item 4b, public -- any public comment? I
22 don't think we had Board direction, correct?

23 CHIEF OPERATING OFFICER HOFFNER: (Shakes head).

24 PRESIDENT TAYLOR: Okay. I don't believe we
25 have public --

1 BOARD CLERK ANDERSON: (Shakes head).

2 PRESIDENT TAYLOR: Nope -- public comment.

3 The meeting of the CalPERS Board of
4 Administration is adjourned. So I want to thank you all.
5 And we will see you Board week.

6 Thank you.

7 (Thereupon, the California Public Employees'
8 Retirement System, Board of Administration
9 meeting open session adjourned at 2:55 p.m.)

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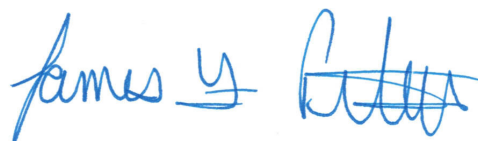
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration open session meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of November, 2025.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063