

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

TUESDAY, APRIL 14, 2026

9:01 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

APPEARANCES

BOARD MEMBERS:

Theresa Taylor, President

Malia Cohen, represented by Deborah Gallegos

Michael Detoy (Remote)

Monica Erickson

Troy Johnson

Fiona Ma, represented Patrick Henning

Lisa Middleton

Kevin Palkki

Ramon Rubalcava

Yvonne Walker

Mullissa Willette

STAFF:

Marcie Frost, Chief Executive Officer

Stephen Gilmore, Chief Investment Officer

Michael Cohen, Chief Operating Investment Officer

Douglas Hoffner, Chief Operating Officer

Stephenson Loveson, Chief Information Officer

Kim Malm, Deputy Executive Officer, Customer Services & Support

Donald Moulds, PhD, Chief Health Director

Michele Nix, Chief Financial Officer

APPEARANCES CONTINUED

STAFF:

Brad Pacheco, Deputy Executive Officer, Communications & Stakeholder Relations

Scott Terando, Chief Actuary

Michelle Tucker, Chief Human Resources Officer

Prashant Yerramalli, Special Advisor

Danny Brown, Chief, Legislative Affairs Division

Robert Carlin, Senior Attorney

Renee Salazar, Deputy General Counsel

ALSO PRESENT:

Ralph Ballart

Ana Facio

Timi Hunter-Pickett

J.J. Jelincic, Retired Public Employees Association

Susan McCarthy

Ruth Radetsky, Divest Tesla

Sophia Selivanoff

Monica Stinson

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PROCEEDINGS

1
2 PRESIDENT TAYLOR: All right. Good morning,
3 everybody. Welcome to the Board of Administration meeting
4 I'm calling the meeting to order and our first order of
5 business is roll call?

6 BOARD CLERK LEMUS: Theresa Taylor?

7 PRESIDENT TAYLOR: Here.

8 BOARD CLERK LEMUS: David Miller.

9 PRESIDENT TAYLOR: Excused for the moment.

10 BOARD CLERK LEMUS: Malia Cohen.

11 Mike Detoy.

12 BOARD MEMBER DETOY: Here.

13 BOARD CLERK LEMUS: Monica Erickson.

14 BOARD MEMBER ERICKSON: Here.

15 BOARD CLERK LEMUS: Troy Johnson.

16 BOARD MEMBER JOHNSON: Here.

17 BOARD CLERK LEMUS: Patrick Henning for Fiona Ma.

18 ACTING BOARD MEMBER HENNING: Here.

19 BOARD CLERK LEMUS: Lisa Middleton.

20 BOARD MEMBER MIDDLETON: Present.

21 BOARD CLERK LEMUS: Kevin Palkki.

22 BOARD MEMBER PALKKI: Good morning.

23 BOARD CLERK LEMUS: Ramon Rubalcava.

24 BOARD MEMBER RUBALCAVA: Present.

25 BOARD CLERK LEMUS: Yvonne Walker.

1 BOARD MEMBER WALKER: Here.

2 BOARD CLERK LEMUS: Mullissa Willette.

3 BOARD MEMBER WILLETTE: Here.

4 BOARD CLERK LEMUS: Dr. Gail Willis.

5 PRESIDENT TAYLOR: Excused.

6 With that, I'm going to read the open session
7 attestation language for Mr. Detoy. Mike, because we're
8 not all present in the same room, Board members are
9 participating from remote locations that are not
10 accessible to the public, Bagley-Keene requires that the
11 remote Board members make certain disclosures about any
12 other persons present with them. Accordingly, the Board
13 members participating remotely must each attest that
14 either, one, they are alone, or two, there are one or more
15 persons present with them who are at least 18 years old
16 and the nature of the Board member's relationship to each
17 person. At this time, I will ask you to verbally attest
18 one way or the other.

19 BOARD MEMBER DETOY: I attest that I am alone.

20 PRESIDENT TAYLOR: Thank you, Mr. Detoy.

21 ACTING BOARD MEMBER HENNING: He sounds so sad.

22 (Laughter).

23 PRESIDENT TAYLOR: All right. With that, I am
24 going to ask Patrick to lead us in our Pledge of
25 Allegiance. Thank you very much.

1 (Thereupon the Pledge of Allegiance was
2 recited in unison.)

3 PRESIDENT TAYLOR: Thank you, Mr. Henning.

4 So good morning, everybody. I'm going to start
5 off with the -- my report and welcome to our short Board
6 month.

7 I'd like to begin by highlighting a new video
8 that we recently released that offers a closer look at the
9 important work of the CalPERS Board. The video was
10 created by our Office of Public Affairs to help our
11 members and employer partners better understand the role
12 of the Board. As fiduciaries, we are responsible for
13 overseeing a system that serves more than two million
14 members and manages hundreds of billions of dollars. The
15 video does a great job of bringing that responsibility to
16 light.

17 We are highlighting who we are and the decisions
18 we make on behalf of our members. So it also captures
19 kind of the personal thoughts of several of our Board
20 members and why they chose to serve. So can we take a
21 look at the video right now.

22 (Thereupon a video was played.)

23 PRESIDENT TAYLOR: All right. Thank you. I hate
24 watching myself, just FYI.

25 (Laughter).

1 PRESIDENT TAYLOR: So with that I just want to
2 remind and encourage everybody to take a few minutes to
3 watch it on our website and share it with others who want
4 to better understand our purpose and our passion to serve.

5 And then finally, I want to take a moment to
6 recognize Earth Day, which we celebrate on April 22nd. It
7 is earth month right now. Earth Day is a reminder of the
8 importance of protecting our environment and building a
9 more sustainable future. That purpose closely aligns with
10 the -- with what CalPERS is doing to address climate risk
11 and invest in sustainable solutions. As a long-term
12 investor, we know that environmental stewardship is
13 essential to deliver strong, sustainable returns for our
14 members over time.

15 Finally, I want to give you guys an update. Our
16 July off-site will be on -- take place on July 13th
17 through the 15th at Monterey Beach Hotel -- at the
18 Monterey Beach Hotel in Monterey. This off-site is an
19 important opportunity for the Board to step back and focus
20 on long-term priorities. And we're still shaping the
21 agenda with our leadership team. We will share the topics
22 in the coming months.

23 With that, I will turn it over to our CEO for her
24 report, Ms. Frost.

25 CHIEF EXECUTIVE OFFICER FROST: Thank you. Good

1 morning, President Taylor and Board members. Because of
2 our size, CalPERS often attracts public attention, when we
3 make a move in the market. That's especially true when we
4 seem to be going against some of the current thinking.
5 We've seen this happening the past few weeks in private
6 credit. Our Investment team did take advantage of an
7 opportunity to buy loans that had good collateral. They
8 fit well within the portfolio and had attractive terms.
9 We are -- we were fully briefed throughout that process as
10 well.

11 And I've mentioned this before, but when we
12 brought Stephen Gilmore on as our new Chief Investment
13 Officer, he said we are going to find opportunities in the
14 market that appear to be going against the herd. So I
15 think this is an illustration of that point.

16 We do have absolute confidence in our investment
17 team. It is their job to look for those opportunities
18 they believe will generate the long-term returns that we
19 need to pay the members' benefits. With 600 billion or so
20 under management, we have added a modest amount of private
21 credit. We currently sit around four percent of the
22 portfolio. We, at one point, had a target of eight
23 percent.

24 Under TPA, we'll continue to reevaluate whether
25 those are the appropriate targets moving forward, but

1 remember, we do this to diversify the portfolio and
2 diversify the risk across the portfolio. So our
3 Investment team will continue again to look for those
4 attractive opportunities and evaluate them solely based on
5 fundamentals. As long-term investors, we don't need to
6 run scared the minute the market experiences some turmoil,
7 whether that be in the public markets and we -- as we've
8 seen over the last couple of weeks or in private credit
9 over the last month or so.

10 While our investments do get a lot of attention,
11 many of our team members, including those outside of the
12 Investment office, do amazing work behind the scenes. One
13 of these team members is Jagmeet Bhinder who is sitting
14 behind me. Jagmeet, if you want to raise your hand. We
15 just found that Jagmeet has been named as the Chief
16 Technology Officer of the year by the California Public
17 Sector CIO Academy, which chose him from a pool of CTOs
18 nominated across State service.

19 We are proud to have Jagmeet on the team. He has
20 helped make CalPERS a leader in technology and innovation,
21 and has deployed new solutions and real-time monitoring to
22 protect sensitive member data. He has fostered a culture
23 of trust and has empowered his team members. His type of
24 leadership helps make CalPERS a place where people want to
25 work. We've been building this workplace culture for

1 years. And one important way that we know if we're
2 succeeding is through our annual employee engagement
3 survey.

4 So let's just do a quick round of applause for
5 Jagmeet before we go into that.

6 (Applause).

7 CHIEF EXECUTIVE OFFICER FROST: Thank you.

8 So next, I'd like to share some of the key
9 takeaways from our annual employee engagement survey.
10 First, our participation rate was just at -- just. It was
11 at 78 percent, which is a very high participation rate in
12 a survey. So we're very proud of the team for trusting
13 that we were going to take action on the feedback that we
14 were receiving.

15 So first -- or second, I'm also happy to say
16 scores continue to improve and we're getting back to where
17 we were prior to COVID. This year, they rose in every
18 category compared to 2024. And the highest scores were in
19 customer focus, manager relationships, clarity of
20 direction, and respect and dignity. Eighty-six percent of
21 team members noted that their team leaders support skill
22 and career development and 85 percent reported their
23 leaders recognize their achievements.

24 Our net promoter score rose to 25.5 this year.
25 At one point, we were in negative net promoter score.

1 This is a 16.4 point increase from our 2024 results. This
2 score reflects how likely our own team would refer someone
3 to work at CalPERS. And so that's a really important
4 indication of the health of the organization.

5 But we think we can do better. We'll continue to
6 find opportunities for improvement in the following areas:
7 career growth and development, team member empowerment, a
8 sense of belonging, and feeling valued and recognized.
9 For us, these surveys are also action items. I think that
10 is the secret to getting the participation rate up.
11 People do believe that we'll take action based on that
12 feedback and we've proven that over the last -- I would
13 say the last four years.

14 Our individual department leaders do get their
15 own scores as long as they have enough of their team
16 responding to the survey. And they are currently
17 collaborating with their teams on how they want to address
18 some of the lower scoring areas. And it is different
19 across the organization. Some teams score higher in a
20 particular area, others may score a little bit lower so
21 we'll see action plans that are customized to the feedback
22 that that team leader is receiving.

23 Our hope always is that we see our scores
24 continue to rise until we get to a sustainability level.
25 But even then, the work isn't done. We need to sustain

1 that for long periods of time and continue to listen to
2 our team.

3 And, of course, our goal is really to create and
4 sustain that culture where everyone feels they can bring
5 their whole selves into CalPERS that they have rewarding
6 work to do, that they are aligned to our mission, and that
7 they have a work-life balance. These conditions will
8 empower our team to do their best work on behalf of our
9 members and the participants in our Health program as
10 well.

11 So that does conclude my report, President
12 Taylor, but I am happy to take any questions. Thank you.

13 PRESIDENT TAYLOR: I'm not seeing any questions
14 for, Ms. Frost. Thank you very much.

15 With that, I'm going to move on to the next item
16 on the agenda, which is our action consent items. We're
17 approving April 14th, 2026 Board of Administration timed
18 agenda, approval of the April 18th, 2026 Board of
19 Administration meeting minutes, Board travel, approval of
20 Committee delegations.

21 Do I have a motion?

22 ACTING BOARD MEMBER HENNING: Motion to approve.

23 PRESIDENT TAYLOR: I have a motion by Mr.
24 Henning.

25 Do I have a second?

1 BOARD MEMBER JOHNSON: Second.

2 PRESIDENT TAYLOR: Oh, I'm sorry, second by Troy.

3 With that, I know that we have to do a roll call
4 vote. Thank you.

5 BOARD CLERK LEMUS: David Miller?

6 PRESIDENT TAYLOR: Excused.

7 BOARD CLERK LEMUS: Deborah Gallegos?

8 ACTING BOARD MEMBER GALLEGOS: Aye.

9 BOARD CLERK LEMUS: Michael Detoy?

10 BOARD MEMBER DETOY: Aye.

11 BOARD CLERK LEMUS: Monica Erickson?

12 BOARD MEMBER ERICKSON: Aye.

13 BOARD CLERK LEMUS: Troy Johnson?

14 BOARD MEMBER JOHNSON: Aye.

15 BOARD CLERK LEMUS: Patrick Henning?

16 ACTING BOARD MEMBER HENNING: Aye.

17 BOARD CLERK ANDERSON: Lisa Middleton?

18 BOARD MEMBER MIDDLETON: Aye.

19 BOARD CLERK LEMUS: Kevin Palkki?

20 BOARD MEMBER PALKKI: Aye.

21 BOARD CLERK LEMUS: Ramon Rubalcava?

22 BOARD MEMBER RUBALCAVA: Aye.

23 BOARD CLERK LEMUS: Yvonne Walker?

24 BOARD MEMBER WALKER: Aye.

25 BOARD CLERK LEMUS: Mullissa Willette?

1 BOARD MEMBER WILLETTE: Yes.

2 BOARD CLERK LEMUS: Dr. Gail Willis?

3 PRESIDENT TAYLOR: Excused.

4 So with that, that -- the motion carries.

5 We will move on to the information consent items.
6 I have not received any requests to take any items off and
7 talk about them

8 So with that, we will move on to Item 6, the
9 infor -- I'm sorry Item 7 the reports and actions. And
10 first up is -- you got it? -- Lisa Middleton For finance
11 and Administration.

12 BOARD MEMBER MIDDLETON: Thank you, Madam Chair.
13 The Finance and Administration Committee met on April 13,
14 2026. The Committee recommends and I move the Board
15 approve the following:

16 Do you want us to do all of these together or one
17 at a time?

18 PRESIDENT TAYLOR: Is that okay?

19 SENIOR ATTORNEY CARLIN: Yes.

20 PRESIDENT TAYLOR: All together is fine.

21 BOARD MEMBER MIDDLETON: Thank you.

22 Agenda Item 3c, approve April 2026 prospective
23 report on solicitations, contracts, purchase orders and
24 Letters of Engagement.

25 Agenda Item 3d, approve 1959 Survivor Benefit

1 Program actuarial valuation report as of June 30, 2025,
2 and the corresponding transmittal letter to the Governor
3 and Legislature, and adopt the employer and employee
4 monthly premiums for fiscal year 2026-27.

5 Agenda Item 3e, approve the June 30, 2025 Judges'
6 Retirement System actuarial valuation report and the
7 corresponding transmittal letter to the Governor and
8 Legislature and encourage the Governor and Legislature to
9 adopt an employee contribution schedule that includes
10 advanced funding of the Judges' Retirement System.

11 Agenda Item 3f, approve the June 30, 2025
12 Legislators' Retirement System actuarial valuation report,
13 and the corresponding transmittal letter to the Governor
14 and the Legislature, and adopt the employer contribution
15 amount of \$505,688 for the period of July 1, 2026 through
16 June 30, 2027 for the Legislators' Retirement System.

17 Agenda Item 5a, approve the funding of 70.9
18 million for project-specific work and 3.5 million for five
19 percent contingency buffer as part of the 2026-27
20 Investment Office budget to continue the progress the
21 Investment Data and Technology Initiative during 2026-27.

22 Agenda Item 5b, approve the 2026 annual budget in
23 the amount of 3.45 billion and 2,843 positions.

24 Agenda Item 5c, approve the proposed elected
25 Board member percentages of time to be spent on Board

1 related duties based on Board and Committee selections
2 held in February and March of 2026.

3 Agenda Item 5d, adopt the actuarial determined
4 employer contribution rates and approve the member
5 contribution rates for State plans for the period July 1,
6 2026 through June 30, 2027.

7 Agenda Item 5e, approve the employer contribution
8 of 26.40 for the schools pool for the period July 1, 2026
9 to June 30, 2027.

10 Agenda Item 5f, approve the Judges' Retirement
11 System II actuarial valuation report as of June 30, 2025
12 and the corresponding transmittal letter to the Governor
13 and the Legislature, and adopt the employer contribution
14 rate of 22.18 percent and a member contribution rate of
15 16.75 percent of salary for members subject to the Public
16 Employee's Pension Reform Act 2013, PEPRRA, for the period
17 July 1, 2026 through June 30, 2027 for the Judges'
18 Retirement System number II.

19 PRESIDENT TAYLOR: Okay. Thank you, Ms.
20 Middleton. On all 10 items, the motion was made by the
21 Committee Chair.

22 Any discussion on the motion?

23 If not, can we call a roll call vote, please.

24 BOARD CLERK LEMUS: David Miller?

25 PRESIDENT TAYLOR: Is excused.

1 BOARD CLERK LEMUS: Deborah Gallegos?

2 ACTING BOARD MEMBER GALLEGOS: Aye.

3 BOARD CLERK LEMUS: Michael Detoy?

4 BOARD MEMBER DETOY: Aye.

5 BOARD CLERK LEMUS: Monica Erickson?

6 BOARD MEMBER ERICKSON: Aye.

7 BOARD CLERK LEMUS: Troy Johnson?

8 BOARD MEMBER JOHNSON: Aye.

9 BOARD CLERK LEMUS: Patrick Henning.

10 ACTING BOARD MEMBER HENNING: Aye.

11 BOARD CLERK LEMUS: Lisa Middleton?

12 BOARD MEMBER MIDDLETON: Aye.

13 BOARD CLERK LEMUS: Kevin Palkki?

14 BOARD MEMBER PALKKI: Aye.

15 BOARD CLERK LEMUS: Ramon Rubalcava?

16 BOARD MEMBER RUBALCAVA: Aye.

17 BOARD CLERK LEMUS: Yvonne Walker?

18 BOARD MEMBER WALKER: Aye.

19 BOARD CLERK LEMUS: Mullissa Willette?

20 BOARD MEMBER WILLETTE: Yes.

21 BOARD CLERK LEMUS: Dr. Gail Willis?

22 PRESIDENT TAYLOR: Excused.

23 Motion carries for all 10 items on the Finance
24 and Administration Committee.

25 With that, please, Ms. Middleton, continue.

1 BOARD MEMBER MIDDLETON: Thank you. The
2 Committee received reports on the following topics:
3 long-term care valuation report; semiannual health plan
4 financial report; asset liability management: first
5 reading Judges', Judges' II, and Legislators' actuarial
6 assumptions.

7 The Committee heard public comment on the
8 following topics, the 2026-27 annual budget process.

9 At this time, I'd like to share some of the
10 highlights of what to expect at the June Finance and
11 Administration Committee meeting:

12 Asset liability management: second reading,
13 Judges', Judges' II, Legislators' actuarial assumptions;
14 Modernizing Investment Data and Technology Update.

15 The next meeting of the Finance and
16 Administration Committee is scheduled for June 2026 in
17 Sacramento, California.

18 Thank you.

19 PRESIDENT TAYLOR: Thank you, Ms. Middleton for
20 your report.

21 With that, we will move on to the Performance,
22 Compensation and Talent Management Committee. With that,
23 Mr. Palkki.

24 BOARD MEMBER PALKKI: Thank you, Madam President.
25 The Performance, Compensation and Talent

1 Management Committee met on April 13th, 2026. While there
2 were no actions items at yesterday's meeting, there is one
3 action item from the February meeting that the Committee
4 approved, but was not ratified by the Board, and that we
5 need to take action on.

6 This pertains to revisions to the Compensation
7 Policy that staff prepared to line with AB 692's new legal
8 requirements regarding repayment terms and obligations
9 that take effect this year. And so with that, the
10 Committee recommends and I move that the Board approve the
11 following: Agenda Item 4e from the February PCTM Committee
12 agenda, revisions to the Board's Compensation Policy for
13 executive and investment management positions to comply
14 with Assembly Bill 692, including updated repayment
15 requirements for recruitment differential payments.

16 PRESIDENT TAYLOR: On motion by Committee.

17 Is there any discussion on the motion?

18 Hearing none.

19 With that, can we have a roll call vote.

20 BOARD CLERK LEMUS: David Miller?

21 Deborah Gallegos?

22 ACTING BOARD MEMBER GALLEGOS: Aye.

23 BOARD CLERK LEMUS: Michael Detoy?

24 BOARD MEMBER DETOY: Aye.

25 BOARD CLERK LEMUS: Monica Erickson?

1 BOARD MEMBER ERICKSON: Aye.

2 BOARD CLERK LEMUS: Troy Johnson?

3 BOARD MEMBER JOHNSON: Aye.

4 BOARD CLERK LEMUS: Patrick Henning.

5 ACTING BOARD MEMBER HENNING: Aye.

6 BOARD CLERK LEMUS: Lisa Middleton?

7 BOARD MEMBER MIDDLETON: Aye.

8 BOARD CLERK LEMUS: Kevin Palkki?

9 BOARD MEMBER PALKKI: Aye.

10 BOARD CLERK LEMUS: Ramon Rubalcava?

11 BOARD MEMBER RUBALCAVA: Aye.

12 BOARD CLERK LEMUS: Yvonne Walker?

13 BOARD MEMBER WALKER: Aye.

14 BOARD CLERK LEMUS: Mullissa Willette?

15 BOARD MEMBER WILLETTE: Yes.

16 BOARD CLERK LEMUS: Dr. Gail Willis?

17 PRESIDENT TAYLOR: Excused.

18 Motion carries. With that, Mr. Palkki.

19 BOARD MEMBER PALKKI: Thank you.

20 The Committee received reports on the following

21 topics: aligning incentives through a Total Portfolio

22 Approach, and annual review '26-'27 incentive metrics.

23 The Chair directed staff to provide additional

24 information regarding restrictions on the CEO and CIO

25 providing input on incentive programs.

1 The Committee her public comment on the following
2 topics: Incentive metrics and reward structures,
3 acceptable levels of performance for incentive payouts,
4 and conflict of interest laws.

5 At this time, I'd like to share some highlights
6 of what to expect on the June '26 Performance,
7 Compensation and Talent Management Committee meeting. The
8 Committee will review the '26-'27 incentive metrics and
9 the '26-'27 incentive plan of the Chief Executive Officer.

10 The next meeting for the Performance,
11 Compensation and Talent Management Committee is scheduled
12 for June 16th, 2026 in Sacramento, California.

13 PRESIDENT TAYLOR: Thank you, Mr. Palkki.

14 That's all our committee reports.

15 With that, we will move on to Action Agenda items
16 8. And, Mr. Palkki, you're still -- oops. Yeah, you're
17 still on.

18 BOARD MEMBER PALKKI: Yep. Thank you.

19 So it is my understanding that staff and the
20 members at Agenda Item 8a4, therefore I move to withdraw
21 Agenda 8a4 from further consideration by the Board and
22 adopt the proposed decisions at Agenda Items 8a1 through 3
23 as the Board's own decision with the minor modifications
24 argued by staff to Agenda Item 8a1.

25 PRESIDENT TAYLOR: Okay. On the motion.

1 BOARD MEMBER WALKER: Theresa, could we pull 4, I
2 just have a question.

3 PRESIDENT TAYLOR: Four is out. It's been
4 removed because a settlement was --

5 BOARD MEMBER WALKER: I understand that, but I
6 have a question that I want to ask. I'm not asking us to
7 read --

8 PRESIDENT TAYLOR: Microphone. Okay.
9 Okay. Go ahead.

10 BOARD MEMBER WALKER: I'm sorry. I said I had a
11 question on 4 before we voted. I know that it's out and
12 we're not voting on it, but I just had a question on it.

13 PRESIDENT TAYLOR: All right.

14 BOARD MEMBER WALKER: Because -- and I'm -- so
15 I've received emails saying that this should be -- the
16 Board should look at making this a precedential decision,
17 even if people make -- even if they got to a settlement.
18 And so I just wanted a little more background on this. I
19 mean, I'm not -- I don't know one way or the other, but
20 I'd just like to hear a little bit more about this about
21 why we should or should not.

22 PRESIDENT TAYLOR: All right.

23 SENIOR ATTORNEY CARLIN: So, Ms. Walker, I think
24 we -- you could ask questions from staff about the
25 decision or your independent counsel, Chirag Shah, if he's

1 on the line, but whether or not to make it a precedential
2 decision has not been agendize, and so it wouldn't be in
3 order for a discussion about it at this meeting.

4 BOARD MEMBER WALKER: Okay. Thank you.

5 PRESIDENT TAYLOR: All right. Thank you very
6 much.

7 Did we finish that?

8 BOARD MEMBER PALKKI: I made a motion and I need
9 a second.

10 PRESIDENT TAYLOR: Okay. A motion has been made.
11 I need a second.

12 BOARD MEMBER RUBALCAVA: Second.

13 PRESIDENT TAYLOR: All right. Motion has been
14 made by Mr. Palkki, seconded by Mr. Rubalcava.

15 I need a roll call vote, please.

16 BOARD CLERK LEMUS: David Miller?

17 PRESIDENT TAYLOR: Excuse.

18 BOARD CLERK LEMUS: Deborah Gallegos?

19 ACTING BOARD MEMBER GALLEGOS: Aye.

20 BOARD CLERK LEMUS: Michael Detoy?

21 BOARD MEMBER DETOY: Aye.

22 BOARD CLERK LEMUS: Monica Erickson?

23 BOARD MEMBER ERICKSON: Aye.

24 BOARD CLERK LEMUS: Troy Johnson?

25 BOARD MEMBER JOHNSON: Aye.

1 BOARD CLERK LEMUS: Patrick Henning?

2 ACTING BOARD MEMBER HENNING: Aye.

3 BOARD CLERK LEMUS: Lisa Middleton?

4 BOARD MEMBER MIDDLETON: Aye.

5 BOARD CLERK LEMUS: Kevin Palkki?

6 BOARD MEMBER PALKKI: Aye.

7 BOARD CLERK LEMUS: Ramon Rubalcava?

8 BOARD MEMBER RUBALCAVA: Aye.

9 BOARD CLERK LEMUS: Yvonne Walker?

10 BOARD MEMBER WALKER: Aye.

11 BOARD CLERK LEMUS: Mullissa Willette?

12 BOARD MEMBER WILLETTE: Yes.

13 BOARD CLERK LEMUS: Dr. Gail Willis?

14 PRESIDENT TAYLOR: Excused.

15 Motion carries. Thank you very much.

16 Let me make sure -- I'm not -- I don't have any
17 public requests to speak. With that, we will move on to --

18 BOARD MEMBER PALKKI: I've got one more with 8b.

19 PRESIDENT TAYLOR: Oh, you do have one more.

20 BOARD MEMBER PALKKI: So on 8b1.

21 PRESIDENT TAYLOR: Lean closer to the mic,
22 please.

23 BOARD MEMBER PALKKI: Thank you. I move to deny
24 the petition at Agenda 8b1.

25 PRESIDENT TAYLOR: All right. On motion by

1 Kevin, I'll -- I need a second.

2 BOARD MEMBER JOHNSON: Second.

3 PRESIDENT TAYLOR: Second by Mr. Johnson.

4 All those in favor, please take a roll call vote.

5 BOARD CLERK LEMUS: David Miller?

6 PRESIDENT TAYLOR: He's excused.

7 BOARD CLERK LEMUS: Malia -- Deborah Gallegos?

8 ACTING BOARD MEMBER GALLEGOS: Aye.

9 BOARD CLERK LEMUS: Michael Detoy?

10 BOARD MEMBER DETOY: Aye.

11 BOARD CLERK LEMUS: Monica Erickson?

12 BOARD MEMBER ERICKSON: Aye.

13 BOARD CLERK LEMUS: Troy Johnson?

14 BOARD MEMBER JOHNSON: Aye.

15 BOARD CLERK LEMUS: Patrick Henning?

16 ACTING BOARD MEMBER HENNING: Aye.

17 BOARD CLERK LEMUS: Lisa Middleton?

18 BOARD MEMBER MIDDLETON: Aye.

19 BOARD CLERK LEMUS: Kevin Palkki?

20 BOARD MEMBER PALKKI: Aye.

21 BOARD CLERK LEMUS: Ramon Rubalcava?

22 BOARD MEMBER RUBALCAVA: Aye.

23 BOARD CLERK LEMUS: Yvonne Walker?

24 BOARD MEMBER WALKER: Aye.

25 BOARD CLERK LEMUS: Mullissa Willette?

1 BOARD MEMBER WILLETTE: Yes.

2 BOARD CLERK LEMUS: Dr. Gail Willis?

3 PRESIDENT TAYLOR: And she's excused.

4 The motion carries.

5 With that, now are you sure we're done?

6 BOARD MEMBER PALKKI: Yes.

7 Okay. We'll move on to Agenda Item 9,

8 information agenda items, State and federal legislative

9 update. And that is Mr. Brown. Please take over.

10 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: All

11 right. Good morning, Madam President and Board members.

12 Danny Brown, CalPERS team member. This is the State and

13 federal legislative update.

14 On the State side, the Legislature reconvened

15 last week from their spring recess, which started a

16 three-week sprint to next Friday's policy committee

17 deadline. As we are still relatively at the beginning of

18 the legislative session, legislative bills and their

19 content continue to change rapidly. I have a couple

20 examples of that, which I will discuss with you shortly.

21 But first, I wanted to mention that the Board sponsored

22 Bill, SB 939, passed out of Senate Labor Public Employment

23 and Retirement Committee last week on consent, and is

24 scheduled to be heard in Senate Appropriations next week.

25 Next, I want to highlight two bills that were

1 recently gutted and amended starting with SB 1089 by
2 Senator Richardson, which creates a GLP-1 mandate that
3 only applies to CalPERS. Based on the actual bill
4 language, it appears to require every CalPERS health plan
5 to offer optional coverage of GLP-1s for weight loss at
6 the most favored nation price. However, based on
7 conversations with the author and our staff, they
8 indicated the intent of the bill is to have only one of
9 the CalPERS health plans include coverage for GLP-1s.

10 This model is inconsistent with the way CalPERS
11 health plans operate. And if it creates enough migration
12 to the one plan offering GLP-1s, it would jeopardize the
13 stability of the entire CalPERS Health Program. Based on
14 what the health program has shared, regardless of the
15 author's intent, in either case if the bill became law,
16 CalPERS would need to apply it to all of its plans. The
17 reason is if you applied the benefit to only a subset of
18 the plans, it would attract higher cost members to those
19 plans ultimately destabilizing them.

20 Also, the bill assumes that GLP-1s can be
21 provided at the most favored nation price, but doesn't
22 include any mechanism in the bill to guarantee that the
23 health plans can obtain the GLP-1s from the drug companies
24 at these prices. And a drug mandate bill like this one
25 without a workable cost control mechanism will result in

1 CalPERS having to pay whatever price a drug company wants
2 to charge.

3 The bill has only been in print for a couple
4 weeks, so we are early in the process and we should expect
5 changes to the bill as it moves through its first policy
6 hearings. We will continue to work with the author and
7 the Legislature in the coming weeks, but the bill is
8 concerning, and we will be prepared to recommend a
9 position at the next Board meeting, if necessary.

10 The second bill is SB 1391 by Senators Cortese
11 and Durazo. This bill is sponsored a by UFCW and UNITE
12 HERE Local 11 and will amend the California Public Records
13 Act to require CalPERS, along with all other California
14 Public Retirement Systems to disclose additional
15 information regarding their private investments.

16 According to the author's fact sheet, the bill
17 will specifically require the disclosure of the following
18 information, a direct comparison of after-fee private
19 equity returns with public market benchmarks, reasonable
20 disclosure of reductions and asset values for private
21 credit investments, disclosure of the companies controlled
22 through private investments, and disclosure of those
23 companies -- where those companies operate and the number
24 and types of workers at those companies.

25 When CalPERS co-sponsored legislation back in

1 2005 to establish a clear standard on what private
2 investment information should be subject to public
3 disclosure by public retirement systems, it represented a
4 compromise between protecting confidential financial
5 information and respecting the public's legitimate interest
6 to investment information. The 2005 legislation
7 specifically protected records containing information
8 regarding the portfolio positions. This proposal will
9 rollback this protection, and like in 2005, the concern is
10 this change would put CalPERS at a competitive
11 disadvantage with other institutional investors outside of
12 California who don't have the same disclosure
13 requirements.

14 Right now, CalPERS is considered a preferred
15 limited partner for the most coveted general partners. If
16 this bill limits our access to these general partners and
17 their top-performing private funds, there could be several
18 negative consequences. First and most important, it could
19 negatively impact the overall returns of the retirement
20 fund resulting in increased contributions. It could limit
21 our access to venture and growth funds that drive
22 innovation and job growth in California. It could -- it
23 could jeopardize our ability to grow our investments and
24 partnerships with emerging and diverse managers. And
25 finally, limit our opportunities to invest in climate

1 solutions and reach our hundred billion climate action
2 goal by 2030.

3 The bill also creates several legal, reputational
4 and operational risks. If this bill continues to move, we
5 will bring you a complete bill analysis in may as we are
6 looking to add a full Board meeting next month.

7 Madam President, I can pause there or I can move
8 to the federal update.

9 PRESIDENT TAYLOR: I do have a question from
10 Board Member Walker and Board Member Willette.

11 Ms. Walker first.

12 BOARD MEMBER WALKER: Thank you. I'm assuming on
13 the bill that referenced the GLP-1s that they didn't
14 include funding to pay for how it would impact us. If
15 they did that, I'd be fine with it. But until they do,
16 I'm not.

17 PRESIDENT TAYLOR: Thank you, Ms. Walker.

18 Ms. Willette.

19 BOARD MEMBER WILLETTE: Thank you. I hope it's
20 not out of order. I have a question on another bill,
21 1383, the PEPRA amendments. I was just wondering if
22 there's a staff assessment on the fiscal impact to our
23 public agency employer contribution rates and if we've
24 modeled what that formula change would be for those safety
25 members or is that something that our Pension Outlook Tool

1 does for our employers?

2 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Yes.
3 So we are in the -- we did prepare a cost analysis that
4 kind of gave the employers and idea of how it might impact
5 them. The bill was amended in January and so the
6 actuarial team is in the process right now of updating the
7 analysis based on those amendments. But hopefully that
8 will be ready next month, but I will -- if Scott has
9 something to add.

10 CHIEF ACTUARY TERANDO: Yeah. As Danny
11 mentioned, with the amendments, we're recosting the impact
12 to the agencies and we should have our analysis ready next
13 month. Right now, you can't use Pension Outlook to, you
14 know, change benefits and analyze that. That's
15 basically -- you know, we have to basically be able to
16 program it based on what comes in. But if it goes through
17 obviously anything that gets legislated, we'll add to the
18 Pension Outlook, so agencies can look at the impact that
19 this would have on their pension plan.

20 BOARD MEMBER WILLETTE: Thank you. I just --
21 yeah, I think that for employer partners just being able
22 to model and, you know, think about the future is really
23 important. And I appreciate looking forward to the impact
24 next month. Thank you.

25 PRESIDENT TAYLOR: All right. Mr. Brown.

1 No other questions, if you want to move forward.

2 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Sure.

3 Thank you.

4 On the federal side, the House and Senate have
5 recently returned from their two week spring recess. The
6 Republican leadership will focus on their efforts to meet
7 President Trump's June 1st deadline for a budget
8 reconciliation package narrowly focused on funding ICE and
9 Customs and Border Patrol. This could be followed by a
10 second reconciliation bill to fund the war and won't leave
11 much time in the legislative calendar to accomplish
12 anything else prior to the mid-terms.

13 Despite this, the Legislative committees continue
14 to work, some of it even on a bipartisan basis. But at
15 this point, it's really viewed as setting the stage for
16 next year. So we will continue to look for opportunities
17 to engage with committees, as well as federal regulatory
18 agencies.

19 In closing, I will mention two comment letters we
20 recently submitted. The first one was submitted last
21 month to CMS in response to a Request for Information
22 regarding its proposed comprehensive regulations to
23 uncover suspicious health care. In this letter, we
24 address current issues Medicare Advantage is experiencing,
25 including upcoding, prior authorization, and deceptive

1 marketing. In addition, we offer ways in which CMS can
2 leverage data transparency and data analysis to maintain
3 program integrity, assess anomalies, and/or detect fraud
4 as CalPER -- as CalPERS achieves through its data
5 warehouse.

6 The second letter was submitted last week to SEC
7 on their comprehensive review to reform regulation SK.
8 While we support Chairman Atkins initiative to streamline
9 compliance and reduce unhelpful boilerplate language, we
10 raise concerns with eliminating critical disclosures that
11 strengthen investor protection and foster corporate
12 accountability, such as efforts to dilute executive
13 compensation disclosures, any narrative characterizing
14 human capital disclosures as a form of social engineering
15 or regulation by shaming. Both letters can be found on
16 our external website.

17 And that concludes my update and I'm avail for
18 any other questions.

19 PRESIDENT TAYLOR: So I'm -- before I go on, I
20 have Ms. Walker, but I just wanted ask about 34 -- HR 3402
21 and 4098. These are very specific bills that are -- I
22 don't know how to do this without saying it incorrectly.
23 They're wrongly making accusations about how proxy voting
24 works. Are we making a stand on that? Are we talking to
25 people on these bills, because this is ridiculous. Sorry.

1 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: We are
2 talking to people on the policy. I don't think we've
3 weighed in on specific bills, because these specific bills
4 probably aren't, you know, have a chance of really going
5 through.

6 PRESIDENT TAYLOR: Because of how much time they
7 have.

8 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: And
9 they're going to stop in the -- you know, the Senate -- a
10 lot of this is being done in the House and Senate really
11 isn't going to take these up. But, yes, we've -- when we
12 have opportunities, we talk about the policy concerns with
13 the attacks on the proxy advisors and how, you know, we --

14 PRESIDENT TAYLOR: So we did already write a
15 letter. I think, I remember.

16 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Well,
17 I would'nt say we wrote a letter, but when we meet with
18 folks in person and then our --

19 PRESIDENT TAYLOR: Okay.

20 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: And
21 K&L Gates on our behalf also provides our messaging.

22 PRESIDENT TAYLOR: Okay. Because one is asking
23 specific -- for specific voting recommendations, which
24 gets to, you know, whether or not they'll attack our
25 institution itself, right? And the other is just making a

1 ridiculous argument that -- well, it's in the title,
2 Stopping Proxy Advisor Racketeering Act. I don't know if
3 we need to send a letter. I -- it's up to you guys and
4 our folks in Washington.

5 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: And I
6 know we are also working in conjunction with CII --

7 PRESIDENT TAYLOR: Okay.

8 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:
9 -- who's weighing in on these --

10 PRESIDENT TAYLOR: That's right.

11 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:
12 -- these topics.

13 PRESIDENT TAYLOR: Okay. Thank you. I
14 appreciate that.

15 Ms. Walker, go ahead.

16 BOARD MEMBER WALKER: Thank you.

17 I'm pretty sure I know what it is, but I want
18 to -- when you said suspicious health care, I just wanted
19 to know what the definition of that was.

20 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Well,
21 that's a good question. I'm not sure I can answer what
22 suspicious health care is, but I mean, that was in the
23 name of the title obviously that the administration put in
24 the -- in the -- in the regulation, RFI. So I think that,
25 you know, we view it as some of the things that we like

1 talked about is upcoding some of the deceptive marketing,
2 things like that, but yeah, sometimes the terminology
3 obviously the Administration uses on -- when they're
4 putting things out there wouldn't be the terminology we
5 use.

6 BOARD MEMBER WALKER: Yeah, because I think it's
7 problematic to find -- to say something and not define it,
8 because then that gives them the opportunity for however
9 they want to define it, whether it's fraud or whatever,
10 they could just stick whatever they wanted in there. So
11 there should be a lot more specificity than just
12 suspicious health care.

13 I know you didn't write it, but --
14 (Laughter).

15 PRESIDENT TAYLOR: Mr. Palkki.

16 BOARD MEMBER PALKKI: Thank you. Just really
17 quickly. I'm sort of trying to jot some notes on this
18 1319 that you talked about earlier, but if there's a way
19 to bring this forward for like a deep discussion on true
20 effects of that bill on the fund. I know that I've talked
21 to several school employees and knowing that they retire
22 with a \$600 check every month is not a lot. So, hearing
23 something like that that might have some detrimental
24 effect on the total fund itself is quite alarming to me.

25 And so I'm hoping we can maybe set up an

1 Investment Committee in May or something.

2 CHIEF EXECUTIVE OFFICER FROST: We can schedule a
3 Board of Administration meeting, because we do have a
4 Pension and Health Benefits Committee meeting scheduled
5 for May, so we'll just add on a Board of Administration
6 and put this bill on for discussion and action.

7 BOARD MEMBER PALKKI: And if -- I don't know if
8 it would be appropriate to have Wilshire also sort of --

9 CHIEF EXECUTIVE OFFICER FROST: Sure. Yeah. You
10 bet. We can invite Tom.

11 BOARD MEMBER PALKKI: -- provide some comments as
12 well.

13 CHIEF EXECUTIVE OFFICER FROST: Um-hmm. And
14 likely Meketa, since they are your private markets
15 consultant.

16 BOARD MEMBER PALKKI: Thank YOU.

17 CHIEF EXECUTIVE OFFICER FROST: We'll extend an
18 invitation.

19 PRESIDENT TAYLOR: And then, Marcie, I'm thinking
20 that are we asking the authors to do anything right now or
21 are we waiting on that?

22 CHIEF EXECUTIVE OFFICER FROST: I met last week
23 with the author and explained where we saw problems with
24 the bill as it was currently written. I did extend an
25 offer to meet with some of the sponsors to explain why we

1 see these as problematic -- or the language being
2 problematic for us. We will also meet with the PERS
3 Chairs over the next few weeks. It is scheduled in
4 Judiciary today -- Senate Judiciary and then next week in
5 Senate PERS. So we'll reach out to see if
6 Smallwood-Cuevas can take some time and meet with us
7 and --

8 PRESIDENT TAYLOR: Okay.

9 CHIEF EXECUTIVE OFFICER FROST: Right?

10 And then if it does get out of the Senate, then
11 we'll start working on the Assembly side and work with
12 Assemblymember McKinnor on expressing our concerns. But
13 we'll do a full session on this. We will invite your
14 consultants, and then we'll have our investment team go
15 through where we see the issues. And likely, some of that
16 may have to be in closed.

17 PRESIDENT TAYLOR: Okay. Okay. Is that okay?

18 All right. Sounds good. I appreciate it.

19 Danny, anything else?

20 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN:

21 Nothing else, Madam President.

22 PRESIDENT TAYLOR: Thank you very much for your
23 report. I appreciate it.

24 I do have public comment right now for 9c.
25 Summary of Boar direction comes first though, so...

1 CHIEF EXECUTIVE OFFICER FROST: Just the
2 direction that I just noted was scheduling the May Board
3 of Administration relative to Senate Bill 1319.

4 PRESIDENT TAYLOR: Great. Thank you. Perfect.

5 So 9c I have -- I'm going to call all three
6 in-person speakers. Sophia Selivanoff -- and excuse me
7 for not saying that correctly -- J.J. Jelincic and Ruth
8 Radetsky to come down to the front.

9 J.J. is already here. I do have Sophia first on
10 my list. So if you want to go first, then J.J., then
11 Ruth. And everyone has three minutes.

12 SOPHIA SELIVANOFF: Thank you. Honorable Members
13 of the Board, I would like to call your attention to the
14 removal of Agenda Item 8a4. Today, you have been deprived
15 as a Board of the opportunity to consider and decide for
16 yourselves what is right. This matter involves
17 post-retirement employment. The proposed decision from
18 ALJ Juliet Cox addressed your staff's practices in
19 declining to apply the three-year statute of limitations
20 legislated in Government Code 20164.

21 This matter was moved because it was settled.
22 The settlement provided the annuit -- the impacted
23 annuitants with the ALJ's remedy, restoration of their
24 pension benefits as they were before your staff's
25 seven-year long effort to forcibly reinstate them.

1 CalPERS staff spent seven years, and wasted hundreds of
2 thousands of taxpayer dollars, and subjected your retirees
3 to enormous distress to no end.

4 This case is not unique and so I ask you today to
5 turn your attention to post-retirement employment and
6 rebalance delegation to your staff with your
7 responsibility for CalPERS' policies. Public
8 administrators and retirees are at a loss because of a
9 lack of clarity and transparency. Many call-in scenarios,
10 such as hiring independent contractors, lack discernable
11 guidelines to apply to ensure compliance. Your staff says
12 that they use certain test factors, but these test factors
13 contain no bright lines and completely opposite
14 interpretations are made and tolerated with regard to
15 these factors.

16 There is an important role for you to play here
17 besides investment management. Article 16, section 17 of
18 the California Constitution calls on you to discharge your
19 duties solely in the interest of and for the exclusive
20 purpose of providing benefits to participants, minimize
21 the employer contributions, and defraying reasonable
22 expenses of administering the system.

23 A retirement board's duty to its participants and
24 their beneficiaries shall take precedence over any other
25 duty. Your Governance Policy Section 6C also calls you to

1 actively engage, noting that the Board is to monitor the
2 performance of delegates and take corrective action when
3 appropriate. I urge you to read the proposed decision,
4 consider the performance of your delegates, and take the
5 necessary steps to set appropriate policy or take
6 APA-compliant regulatory action.

7 It is time to acknowledge the practical necessity
8 of agencies hiring annuitants. Agencies and retirees want
9 to follow rules on post-retirement employment, but as Cal
10 Cities, CSAC, and CSDA noted in their recent letter to
11 you, they need to have clear rules that are consistently
12 applied in order to do this.

13 It is your duty to members and member agencies to
14 set clear boundaries and direct staff to proportional, not
15 punitive, administrative enforcement.

16 Thank you, Ms. Walker, for your interest in this
17 matter specifically, and thank all of you for your
18 attention

19 PRESIDENT TAYLOR: Thank you.

20 Mr. Jelincic.

21 J.J. JELINCIC: J.J. Jelincic, RPEA.

22 March 16th was James Madison's birthday. The
23 week of March 15 to 21 was Sunshine Week. CalPERS posted
24 about both the importance of and its commitment to
25 governmental transparency. On March 18th, you and your

1 agents released this response to a public records request.
2 The Epstein report was less redacted. You offered no
3 reason for the specific redactions, but did cite
4 Government Code section 7922.000, "An agency may justify
5 withholding any record by demonstrating that the record in
6 question is exempt under expressed provisions of this
7 Division or that on -- on the facts of the particular
8 case, the public interest served by not disclosing the
9 record clearly outweighs the public interest served by
10 disclosure of the record." You offered no such
11 demonstration.

12 7927.705, "Except as provided in sections
13 7924.510, 7924.700, and 7929.610, this Division does not
14 require the disclosure of records, the disclosure of which
15 is exempted or prohibited pursuant to federal or State
16 law, including, but not limited to, provisions of the
17 Evidence Code related to privilege." You offered no
18 citation. And 2928.710, your all-time favorite.

19 However, 7928.710 covers only an investment in a
20 private equity fund, a venture fund, a hedge fund or an
21 absolute return fund. There is nothing here to suggest
22 that any of those investments were involved. The -- one
23 of the things you chose not to -- you chose to hide was
24 the peer group you were compared to. I find no federal or
25 State law that prohibits such disclosure. I do not

1 understand how the public interest served by not
2 disclosing the record clearly outweighs the public
3 interest served by disclosure of the record.

4 Three cheers for sunshine and transparency. What
5 are the trustees hiding from the beneficiaries and why?
6 Who was guarding the guards?

7 I thank you for your time and attention.

8 PRESIDENT TAYLOR: Thank you, Mr. Jelincic.
9 Ms. Radetsky.

10 RUTH RADETSKY: Good morning. I'm Ruth Radetsky
11 here from San Francisco to ask you to sell Tesla. You're
12 probably getting bored with me. I've got to say the drive
13 from San Francisco isn't getting any shorter.

14 In the years since we started asking you to sell
15 Tesla, the stock price has been as high as 490, but closed
16 at 352 yesterday, a loss of over 28 percent from its
17 52-week high. Meanwhile, the Dow Jones Industrial Average
18 is down only four percent and the S&P 500 are down less
19 than one percent from their 52-week highs. You might have
20 thought that a threat to the free flow of oil would have
21 caused the price of the preeminent electric car company to
22 go up. But no, since February 28th when the U.S. and
23 Israel started the current war against Iran, while the Dow
24 and the S&P 500 have stayed essentially flat, the price of
25 a share of Tesla has actually fallen a bit more than \$50,

1 over 12 percent.

2 We've told you over and over in many different
3 ways how terribly shaky the four and a half million share,
4 still almost \$1.6 billion as of yesterday, CalPERS
5 investment in Tesla is. Tesla's fundamentals are no
6 better than they were a year ago. Musk is still
7 manipulating its price and Musk is still using his
8 Tesla-based wealth to try and manipulate elections around
9 the U.S. and Europe -- thankfully he was not successful in
10 Hungary -- and to spread his racist ideology.

11 If you didn't decide to sell Tesla at the last
12 meeting, it's not too late. Please, instruct the
13 Investment staff to unchain themselves from the index and
14 use their expertise to take a critical company-specific
15 look at your 20 largest public equity holdings, at least
16 twice a year. I'm confident that if you did, you would
17 sell Tesla. It is more crucial than ever that you do
18 before you lose California's public servants' shirts.

19 Thank you.

20 PRESIDENT TAYLOR: Thank you.

21 With that, we will move on to the callers on the
22 phone.

23 We have five callers now. So go ahead.

24 CALPERS STAFF: Yes. President Taylor. We have
25 Monica Stinson to comment on Item 9c. Monica Stinson, you

1 are now live and can proceed with your comments.

2 MONICA STINSON: Thank you. Good morning, Board
3 members. My name is Monica Stinson.

4 I'm calling because I have an objection. My
5 appeal letter was swapped. The appeal letter that you've
6 been dealing with is not my appeal letter. I've spent so
7 much time to have the correct appeal letter, you know,
8 placed in the -- you know be given to you, but I think it
9 has not been done.

10 So everything that you have -- you have been
11 dealing with is false. There has been a lot of attempt to
12 stop me from going ahead with this appeal. All my
13 exhibits have been held. They are not being sent to you.
14 The attorney Wakily is the one who is sabotaging me. And
15 yet, she's the same person who is receiving the documents
16 for the Board. That's conflict of interest. So she's
17 picking and choosing what she's supposed to put in my --
18 that's sent to the Board.

19 I've gone through a lot of harassment, a lot of
20 bullying, causing a lot of fear so I cannot go out and try
21 to get help for my appeal. I'm requesting that the Board
22 cannot go forward with false information. I have not had
23 a hearing. The attorney tells me that I did not agree
24 with -- I totally agree that I needed, you know, different
25 days, because we could not argue on the -- we could not

1 agree on the statement of issues.

2 And now, I know why we couldn't agree, because
3 she -- they were based on a different appeal letter. So
4 all this time, everything you have there I'm trying to
5 fight, I'm trying to tell you that the appeal letter that
6 you have is fake. This is obstruction of justice. I've
7 tried to talk to everybody in the Department. Everybody
8 is saying that the -- let it just go through, because they
9 are trying to let everything just pass through you
10 without -- I need to give -- that's -- I've waited for 10
11 good years. I need a hearing, I need a new judge, and I
12 need a new attorney -- another attorney. This is not
13 acceptable, you know. This should be free. I should be
14 able to say what I want to say and you Board members
15 decide. What do they -- what do they have to fear? Why
16 this sabotage. The sabotage is not necessary here.

17 PRESIDENT TAYLOR: Ma'am, can you wrap up?

18 MONICA STINSON: I'm not --

19 PRESIDENT TAYLOR: Can you wrap up? Your three
20 minutes is over.

21 MONICA STINSON: Oh, it's over. Board members,
22 please don't go forward with a fake appeal, because then
23 justice will not be -- will not have been served.

24 Thank you so much and sorry for the -- oh, I
25 wanted to say one more thing. All my documents are very

1 faint, because of the way they made the copies.
2 Everything is sabotaged. And there the copies are --
3 this -- the exhibits you have are not what I sent. They
4 showed a few. I sent over 50 exhibits and they chose --

5 PRESIDENT TAYLOR: Ma'am. Ma'am, how about I
6 have somebody contact you.

7 MONICA STINSON: Okay. Thank you.

8 PRESIDENT TAYLOR: I need you to stop.
9 We have other people waiting online. Okay?

10 MONICA STINSON: Yes. Thank you.

11 PRESIDENT TAYLOR: Thank you.

12 MONICA STINSON: I'm sure the Board members have
13 gotten my high message. Thank you.

14 PRESIDENT TAYLOR: Thank you.

15 Next caller, please.

16 CALPERS STAFF: Next, we have Ana Facio to
17 comment on Item 9c. Ana Facio, you are now live and can
18 proceed with your comments.

19 ANA FACIO: Good morning. I'm Ana Facio, a
20 30-year State peace officer investigator with the State of
21 California. And I'm now a current retiree.

22 I was appalled when I saw that Elon Musk spent
23 \$250 million to support Donald Trump's 2024 election, as
24 quid pro quo with Trump's appointment of Musk to lead DOGE
25 enabling Musk to slash all entities investigating Tesla

1 and his other companies. This is really corruption in
2 plain sight. And Musk companies face at least \$2.37
3 billion in potential liability from pending agency
4 enforcement actions. This 2.37 billion liability was
5 eliminated with a DOGE magic wand when the Department of
6 Transportation demonstrated that the software and AI
7 technology wasn't as good as advertised. Trump's recent
8 rules on self-driving cars benefiting Tesla but risking
9 the safety of other U.S. drivers and pedestrians.

10 Tesla's own data confirms the crash rate of
11 self-driving cars roughly nine times worse than human
12 drivers even with a trained safety monitor in the car. So
13 please think about divesting from Tesla to protect the
14 public and do away with the corruption of the Musk
15 enterprise. Thank you very much.

16 PRESIDENT TAYLOR: Thank you.

17 I want to make a request that everybody that's
18 calling in on Tesla, if you have nothing new to add,
19 please just say "me too" or "I agree with the previous
20 caller," and let's move on. Thank you.

21 Go ahead.

22 CALPERS STAFF: Next, we have Ralph Ballart to
23 comment on Item 9c. Ralph Ballart, you are now live and
24 can proceed with your comments.

25 RALPH BALLART: Yes. This is Ralph Ballart. I

1 do agree with the previous speakers on Tesla. Let me just
2 make one strategic point. Tesla is one of your largest
3 holdings. And if Tesla is so overvalued, if you consider
4 your top 20 holdings, how many of those other holdings
5 have ridiculous price earnings ratio. If there are, you
6 really need a process by which annually you evaluate your
7 largest holdings and evaluate whether it makes sense for
8 CalPERS to continue to hold them.

9 One item I would bring up very quickly. SpaceX
10 is going public. Last year, it's income was 18.5 billion.
11 It had a net loss of five billion. Musk plans for
12 evaluation of about a trillion and a half dollars. With
13 this effort to rush SpaceX into the S&P 500 and Nasdaq
14 indexes, you may end up holding a ridiculous amount of
15 SpaceX in the next six months or nine months.

16 You should consider whether that's going to be a
17 wise move. As always, I appreciate the Board's attention.
18 I'm sorry I can't be there in person.

19 Thank you very much.

20 PRESIDENT TAYLOR: Thank you. Let's move on to
21 the next caller. Do we have -- is this the fifth one or
22 do we have more?

23 Two more. Okay.

24 CALPERS STAFF: Next, we have Susan McCarthy to
25 comment on Item 9c. Susan McCarthy, you are now live and

1 can proceed with your comments.

2 SUSAN McCARTHY: Hi. I'm Susan McCarthy. I live
3 in San Francisco. I'm in CalPERS through my husband's
4 work. Thank you for the chance to speak. I ask that
5 CalPERS divest from Tesla stock because of the bizarre
6 partisan political activities of its CEO, Elon Musk, which
7 is making the company an unusually risky investment. I
8 would like to remind you of the working paper put out by
9 the National Bureau of Economic Research. That's Working
10 Paper number 34413, if you're wondering. And let me know
11 if I can get you a copy. The researchers looked at how
12 Musk's polarizing and partisan actions affected Tesla
13 sales in the U.S. over two and a half years from October
14 2022 to April 2025. Here's a hint, Tesla sales went down.

15 They found that the Musk partisan effect caused
16 sales to go down between 67 and 83 percent. That's about
17 one to one and a quarter million cars not sold because of
18 the way Elon Musk was acting. The sales of other electric
19 cars went up, but not enough to make up for the unsold
20 Teslas, only 17 to 22 percent. In other words, some
21 people thought I'm not going to buy a car from that guy's
22 company. I'll buy a Rivian or a lease, but other people
23 just thought I'm not going to buy a car from that guy's
24 company and did not buy another electric car. These had
25 three results. Fewer Teslas were sold, more EVs from

1 other companies were sold, but the gap between how many
2 Teslas were not sold and how many other electric cars were
3 sold meant that fewer electric cars were sold.

4 As a result, California will not meet its 2026
5 zero-emission vehicle target. If Elon Musk had not
6 engaged in highly publicized partisan political
7 activities, California would have been able to meet its
8 goals. His hijinks had a negative environmental impact.
9 Since then, Musk has been repeatedly quarreling with the
10 U.S. President and then making up with him again. He has
11 been making sweeping announcements about changes at Tesla
12 and his other companies, which he sometimes proposes to
13 merge with Tesla. It's crazy.

14 It's easy to see that Elon Musk's unprecedented
15 and unpredictable behavior has seriously damaged his
16 company. We shouldn't be invested in it. I'm grateful to
17 the National Bureau of Economic Research for doing the
18 numbers. Tesla is a very risky investment and it's
19 getting worse. I ask that CalPERS consider divesting
20 Tesla stock as part of your fiduciary duty to California
21 pension holders.

22 And I agree with previous callers in asking that
23 CalPERS perform annual review of its top 20 investments.

24 Thank you.

25 PRESIDENT TAYLOR: Thank you. Next caller,

1 please.

2 No more calles. Okay. All right. With that, we
3 have one person in the auditorium Timi Hunter -- oh, I'm
4 sorry. Timi Hunter-Pickett.

5 If you want to come down to the front.

6 TIMI HUNTER-PICKETT: I've never been where.
7 Where am I supposed to go?

8 TIMI HUNTER-PICKETT: Oh, right there. Okay.

9 I'm a little bit nervous. I've never gotten -- I
10 have three minute though, right?

11 PRESIDENT TAYLOR: You do. As soon as you sit
12 down and introduce yourself, they'll start the clock.

13 TIMI HUNTER-PICKETT: Timi Hunter-Pickett. And I
14 retired from the California Department of Corrections.
15 And I've been associated with CalPERS for over 50 years
16 before I was even born. Both of my parents had insurance
17 through CalPERS. And then I went to work for the State of
18 California, specifically so that I can get the benefits
19 for my special needs child.

20 And I've never had one problem with CalPERS in
21 over 50 something years until now. And what happened was
22 you guys allowed Included Health to be the go-between
23 between Blue Shield and the covered person. And Included
24 Health misunderstood me. And I had no idea that because
25 they misunderstood me, they had the power to discontinue

1 my health care coverage.

2 Now, I can understand it -- you know,
3 discontinuing the relationship with Included Health, but
4 for them to go and discontinue the particular health care
5 that I pay for and I earned -- I worked over 15 years as a
6 first responder for CDCR. And I did it on purpose, so
7 that I can help my child. Included Health didn't like my
8 tone on the line. And I believe they were intimidated
9 because I'm a health care provider. A lot of the customer
10 service representatives that I was talking to I believe
11 they were intimidated by me, because I have a lot of
12 health care knowledge and I was trying to help them to do
13 their job.

14 So what has happened is my child has to go in the
15 hospital in two weeks. We need the insurance that I'd
16 been having for him for the last 15 years, and they said,
17 no, it's not going to be offered to you, because you were
18 rude. We didn't like your tone. And it was prejudicial.
19 It was unfair. And I think the least you can do is to
20 allow me to have an appeal process.

21 And I truly apologize. I had no idea that
22 CalPERS would give a third party that much power. I
23 didn't even talk to Blue Shield and they canceled my
24 service. And I couldn't even -- I couldn't even get on
25 the website. And these people promised to help me. I was

1 looking for a doctor. They never did help me. They got
2 tired of me cause I kept calling every day. And they
3 said, we don't -- we don't like -- we don't like you, so
4 we're going to cancel your insurance.

5 I'm begging you to help me, because whatever I
6 need to do to get my PPO insurance back, I need to do that
7 as soon as possible. I didn't --

8 PRESIDENT TAYLOR: Timi.

9 TIMI HUNTER-PICKETT: I didn't threaten anybody
10 or cuss --

11 PRESIDENT TAYLOR: Timi.

12 TIMI HUNTER-PICKETT: -- anybody out or anything
13 like that.

14 PRESIDENT TAYLOR: I'd like to have somebody from
15 our Health Care office contact you.

16 TIMI HUNTER-PICKETT: Oh, thank you.

17 PRESIDENT TAYLOR: So I don't know how to get her
18 information. Should she --

19 CHIEF EXECUTIVE OFFICER FROST: We are aware of
20 the case and so it is being actively worked by the team.

21 PRESIDENT TAYLOR: Okay.

22 TIMI HUNTER-PICKETT: Yeah, but you canceled my
23 insurance.

24 PRESIDENT TAYLOR: No. Wait --

25 TIMI HUNTER-PICKETT: You canceled my insurance.

1 PRESIDENT TAYLOR: Ma'am.

2 TIMI HUNTER-PICKETT: And my son has to go to the
3 hospital in two weeks.

4 PRESIDENT TAYLOR: Yeah, let's -- I understand.
5 And let's -- I'll have somebody get in contact with you.

6 TIMI HUNTER-PICKETT: It was not fair at all.

7 PRESIDENT TAYLOR: All right.

8 TIMI HUNTER-PICKETT: I want an appeal.

9 PRESIDENT TAYLOR: With that, I believe we have
10 no further public comment, phone or in person, so we will
11 adjourn now into closed session for items 1 through 3 from
12 the closed session agenda. This will include the
13 following litigation matters: BDO U.S.A. PC versus
14 CalPERS, Sacramento County Superior Court, case number --
15 wow 26WM000055; Granda V CalPERS, Eastern District of
16 California, case number 221-CV-01256. And we will also
17 receive the General Counsel's update on pending
18 litigation.

19 After closed session, the Board will reconvene in
20 open session. Thank you, everybody. And we will see you
21 next month.

22 (Off record: 10:12 a.m.)

23 (Thereupon the meeting recessed
24 into closed session.)

25 (Thereupon the meeting reconvened

1 open session).

2 (On record: 10:46 a.m.)

3 PRESIDENT TAYLOR: We are back in open session.

4 And with that, I adjourn open session till next month.

5 And if -- I wish everybody a great weekend. Have a good
6 one you guys.

7 (Thereupon, the California Public Employees'
8 Retirement System, Board of Administration
9 meeting open session adjourned at 10:47 a.m.)

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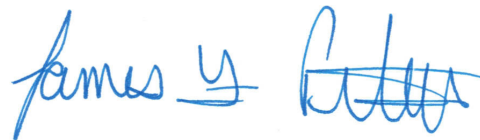
CERTIFICATE OF REPORTER

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 22nd day of April, 2026.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
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