

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Tuesday, June 12, 2024**

The Board of Administration met on Tuesday, June 12, 2024, in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 12:09 p.m. and the following members were present:

Theresa Taylor, President
David Miller, Vice President
Deborah Gallegos for Malia Cohen
Frank Ruffino for Fiona Ma
Lisa Middleton
Eraina Ortega
Jose Luis Pacheco
Kevin Palkki
Ramon Rubalcava
Yvonne Walker
Mullissa Willette
Dr. Gail Willis

Board of Administration Members excused: None

Board Members Lisa Middleton, Yvonne Walker and Dr. Gail Willis participated remotely and attested to being alone.

AGENDA ITEM 3 – PRESIDENT’S REPORT

President Taylor reported on The White House National Economic Council Meeting she attended in April and spoke about the importance of Labor Principles.

AGENDA ITEM 4 – EXECUTIVE REPORT

a. Chief Executive Officer’s Report

Ms. Frost reported on the following:

- CalPERS efforts to support the rights of shareholders
- Upcoming CalPERS Pathways Event
- Upcoming CalPERS Employer Education Forum

Ms. Frost recognized the CalPERS APEX recipients.

AGENDA ITEM 5 – CONSENT ITEMS

Action Consent Items

- a. Approval of the April 16, 2024, Board of Administration Meeting Minutes
- b. Board Travel Approvals
- c. Approval of the June 12, 2024, Board of Administration Timed Agenda

On **MOTION** by David Miller, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, the Board approved Action Consent Item 5a-5c.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		
Theresa Taylor			X

AGENDA ITEM 6 – CONSENT ITEMS

Information Consent Items:

- a. Board Meeting Calendar
- b. Draft Agenda for the September 18, 2024, Board of Administration Meeting
- c. General Counsel’s Report
- d. Communications and Stakeholder Relations

AGENDA ITEM 7 – COMMITTEE REPORTS AND ACTIONS

a. Investment Committee

David Miller, Chair, Investment Committee presented the Committee Summary report to the Board. The Committee met on June 10, 2024.

Additional information may be found in the June 10, 2024, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Investment Committee is scheduled for September 16, 2024, in Sacramento, California.

b. Pension and Health Benefits Committee

Ramon Rubalcava, Chair, Pension and Health Benefits Committee presented the Committee Summary report to the Board. The Committee met on June 11, 2024.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the recommendation of an intent to award five-year contracts to Blue Shield of California as a third-party administrator and Included Health as the population health management vendor for CalPERS PPO Plans with an effective date of January 1, 2025. Awards are subject to final negotiations and satisfaction of all requirements, including, but not limited to, implementation activities occurring in 2024. (PHBC item 5a)

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		
Theresa Taylor			X

PUBLIC COMMENT: JJ Jelincic, representing himself spoke on risk mitigation.

Additional information may be found in the June 11, 2024, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Pension and Health Benefits Committee is scheduled for September 17, 2024 in Sacramento, California.

c. Finance and Administration Committee

The Committee did not meet.

The next meeting of the Finance and Administration Committee is scheduled for September 2024 in Sacramento, California.

d. Performance, Compensation and Talent Management Committee

Mullissa Willette, Chair, Performance, Compensation and Talent Management Committee presented the Committee Summary report to the Board. The Committee met on June 12, 2024.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the following:

- The incentive metrics for the fiscal year 2024-25 as presented by the Board's compensation consultant. (PCTM Item 5a)
- The fiscal year 2024-25 incentive plan for the Chief Executive Officer as proposed by the Board's compensation consultant, Global Governance Advisors. (PCTM Item 5b)

- Approve option 1 for the development, scope of services, selection process, and estimated timeline for the request for Proposal for the board’s primary executive and investment compensation consultant. (PCTM Item 5c)

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		
Theresa Taylor			X

Additional information may be found in the June 11, 2024, Agenda materials and transcripts of the Committee meeting.

The next meeting of the Performance, Compensation and Talent Management Committee is scheduled for September 2024 in Sacramento, California.

e. Risk and Audit Committee

David Miller, Chair, Risk & Audit Committee presented the Committee Summary report to the Board. The Committee met on June 12, 2024.

On **MOTION** by Committee, and **CARRIED**, with a roll call vote, the Board approved the following:

- The proposed 2024-25 Enterprise Compliance, Risk, & Governance Annual Plan (RAC Item5a)
- The proposed 2024-25 Office of Audit Services Plan (RAC Item 5b)
- The proposed Independent Auditor’s Annual Plan (RAC Item 5c)

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		
Theresa Taylor			X

The next meeting of the Risk and Audit Committee is scheduled for September 2024 in Sacramento, California.

f. Board Governance Committee

The Committee did not meet.

The next meeting of the Board Governance Committee is tentatively scheduled for September 2024 in Sacramento.

AGENDA ITEM 8a – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by David Miller, and **CARRIED**, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items 8a1 through 8a8 as the Board’s own decisions with the minor modifications argued by staff to agenda items 8a2, 8a4, 8a6, and 8a7.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		
Theresa Taylor			X

AGENDA ITEM 8b – PETITIONS FOR RECONSIDERATION

On **MOTION** by David Miller, and **CARRIED**, the Board moved to deny the petitions at Agenda Item 8b1 through 8b3.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		

Dr. Gail Willis	X		
Theresa Taylor			X

AGENDA ITEM 9a – STATE AND FEDERAL LEGISLATION UPDATE

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

On **MOTION** by Jose Luis Pacheco, and **SECONDED** by Theresa Taylor, and **CARRIED**, with a roll call vote, the Board approved to support AB 3129 with amendments to be broader in scope and apply to all consolidations, not just private equity-led consolidations.

PUBLIC COMMENT: JJ Jelincic, representing himself spoke in support of AB 3129.

Name	Yes	No	Abstain
David Miller	X		
Deborah Gallegos for Malia Cohen		X	
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega			X
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker		X	
Mullissa Willette		X	
Theresa Taylor			X

AGENDA ITEM 9b – SUMMARY OF BOARD DIRECTION

No direction was given.

AGENDA ITEM 9d – PUBLIC COMMENT

The Public meeting adjourned at approximately 1:36 p.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration Agenda Item 5b

REVISED

June 12, 2024

Item Name: Board Travel Approvals

Program: Board of Administration

Item Type: Action Consent

Recommendation

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

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

Board Member	Date	Destination	Purpose	Estimated Costs
Kevin Palkki	July 9-13, 2024	Amsterdam, Netherlands	Pacific Pension & Investment Institute 2024 Summer Roundtable	\$5,983.39
Malia Cohen	June 16-20, 2024	New York, NY	GreenFin 24	\$6,043.13
Jose Luis Pacheco	August 17-20, 2024	Boston, MA	National Conference on Public Employee Retirement Systems Public Pension Funding Forum	\$2,056.96
Jose Luis Pacheco	October 25-27, 2024	Palm Springs, CA	National Conference on Public Employee Retirement Systems Accredited Fiduciary Program Modules 3 & 4	\$2,116.86
Jose Luis Pacheco	December 10-12, 2024	Las Vegas, NV	CORPATH 2024 Summit	\$874.02
Ramon Rubalcava	November 9-14, 2024	San Diego, CA	International Foundation of Employee Benefit Program 70th Annual Conference	\$3,705.55

Kevin Palkki	October 7-11, 2024	Toronto, ON, Canada	Principles for Responsible Investment in Person 2024	\$3,061.77
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There are Board Member Travel Reports attached.

- Attachment 1
- Attachment 2
- Attachment 3
- Attachment 4
- Attachment 5

Theresa Taylor
President
Board of Administration



Investment Committee

Meeting Summary

June 12, 2024

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

The Investment Committee met on June 10, 2024.

The Committee approved the following:

- AGENDA ITEM 6a – Asset Liability Management Mid-Cycle Review: Affiliate Funds
- AGENDA ITEM 6b – Total Fund Policy Review – Second Reading

The Committee postponed approval of Agenda Item 6c - Policy Changes for Responsible Contractor Policy, for a future Investment Committee meeting to include additional concepts aligning with the Labor Principles.

The Committee received reports on the following topics:

- Trust-Level Review, Interim Quarter,
- Private Equity Annual Program Review,
- Private Debt Annual Program Review,
- Real Assets Annual Program Review, and
- Implementation of Labor Principles.
- The Chair directed staff to:
 - Create a reporting system that will regularly update the Board on stakeholder engagements regarding Labor Principles, and
 - Work with the Investment Committee Chair and Vice Chair to develop a 3rd reading of the Responsible Contractor Policy.

The Committee heard public comment on the following topics:

- Management of the total portfolio, labor issues, climate change, and the Responsible Contractor Policy.

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

- CalPERS Trust Level Review,
- Global Fixed Income Annual Program Review, and
- Global Public Equity Annual Program Review.

The next meeting of the Investment Committee is scheduled for September 16, 2024, in Sacramento, California.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Tuesday, July 16, 2024**

The Board of Administration met on Tuesday, June 16, 2024, at the Portola Hotel & Spa at Monterey Bay in Monterey, California.

The relevant portion of the meeting was called to order at approximately 9:55 a.m. and the following members were present:

Theresa Taylor, President
David Miller, Vice President
Malia Cohen
Frank Ruffino for Fiona Ma
Lisa Middleton
Eraina Ortega
Jose Luis Pacheco
Kevin Palkki
Ramon Rubalcava
Yvonne Walker
Mullissa Willette
Dr. Gail Willis

Board of Administration Members excused: None

ACTION ITEM – APPROVAL OF 2025 HEALTH MAINTENANCE ORGANIZATION PREMIUMS AND PREFERRED PROVIDER ORGANIZATION PLAN PREMIUMS

PUBLIC COMMENT:

JJ Jelincic representing himself provided a comment about risk adjustment based on health characteristics.

Sammy Casas provided a comment about the change of the drug prescription coverage.

Al Darby, CalPERS member, provided a comment on the cost increase with the Medicare Advantage plan.

Kimberly provided a comment on the rising costs of the United HealthCare Medicare Advantage Edge PPO.

On **MOTION** by Kevin Palkki, and **SECONDED** by Jose Luis Pacheco, **CARRIED**, with a roll call vote, the Board moved to adopt the 2025 Health Maintenance Organization, HMO and Preferred Provider Organization, PPO, premiums with full transition to single risk pool for Basic plans and the removal of the UnitedHealthcare Group Medicare Advantage Edge PPO from the CalPERS Benefits Program.

Name	Yes	No	Abstain
David Miller	X		
Malia Cohen	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		
Theresa Taylor			X

The action item from the Public meeting concluded at approximately 11:10 a.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer

**CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
OPEN SESSION
Tuesday, July 17, 2024**

The Board of Administration met on Tuesday, June 17, 2024, at the Portola Hotel & Spa at Monterey Bay in Monterey, California.

The relevant portion of the meeting was called to order at approximately 9:02 a.m. and the following members were present:

- David Miller, Vice President
- Deborah Gallegos for Malia Cohen
- Frank Ruffino for Fiona Ma
- Lisa Middleton
- Eraina Ortega
- Jose Luis Pacheco
- Kevin Palkki
- Ramon Rubalcava
- Yvonne Walker
- Mullissa Willette
- Dr. Gail Willis

Board of Administration Members excused: Theresa Taylor

ACTION ITEM – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

On **MOTION** by Lisa Middleton, **SECONDED** by Kevin Palkki, and **CARRIED**, the Board moved to adopt the proposed decision of Administrative Law Judges (ALJ) for Agenda Items A through D as the Board’s own decisions with minor modifications argued by staff.

Name	Yes	No	Abstain
David Miller			X
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		

ACTION ITEM – PETITION FOR RECONSIDERATION

On **MOTION** by Lisa Middleton, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, the Board moved to deny the petition at Agenda item A.

Name	Yes	No	Abstain
David Miller			X
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		

ACTION ITEM – BOARD TRAVEL APPROVALS

On **MOTION** by Ramon Rubalcava, **SECONDED** by Deborah Gallegos, and **CARRIED**, the Board approved Board Travel.

Name	Yes	No	Abstain
David Miller			X
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		

ACTION ITEM - PROPOSED AMENDMENT TO REGULATION: DEFINITION AND REPORTING OF FULL-TIME EMPLOYMENT

On **MOTION** by Jose Luis Pacheco, **SECONDED** by Kevin Palkki, and **CARRIED**, the Board approved the submission of the final rulemaking package amending section 574 of Chapter 2 of the Division 1 of Title 2 of the California Code of Regulation to the Office of Administrative Law.

Name	Yes	No	Abstain
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David Miller			X
Deborah Gallegos for Malia Cohen	X		
Frank Ruffino for Fiona Ma	X		
Lisa Middleton	X		
Eraina Ortega	X		
Jose Luis Pacheco	X		
Kevin Palkki	X		
Ramon Rubalcava	X		
Yvonne Walker	X		
Mullissa Willette	X		
Dr. Gail Willis	X		

PUBLIC COMMENT:

Margaret Brown, representing RPEA provided comment thanking the team for helping to clarify how the full-time employment is calculated.

Debb Jachens, representing CSEA provided a comment thanking the team for clarifying the reporting.

The action items from the Public meeting concluded at approximately 9:18 a.m.

Prepared by: KARA BUCHANAN
Committee Secretary

MARCIE FROST
Chief Executive Officer



Board of Administration

REVISED

July 17, 2024

Item Name: Board Travel Approvals

Program: Board of Administration

Item Type: Action Consent

Recommendation

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

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

Board Member	Date	Destination	Purpose of Travel	Estimated Costs
Frank Ruffino	October 25-27, 2024	Palm Springs, CA	National Conference on Public Employee Retirement Systems Accredited Fiduciary Program Modules 3 & 4	\$1,739.51
Jose Luis Pacheco	July 29-August 1, 2024	Boston, MA	International Foundation of Employee Benefit Plans (IFEBP) Certificate of Achievement in Public Plan Policy (CAPPP) Part 1 - 2024	\$3,429.82
Jose Luis Pacheco	September 9-11, 2024	Brooklyn, NY	Council of Institutional Investors 2024 Fall Conference	\$1,398.02

There are Board Member Travel Reports attached.

Attachment 1

THERESA TAYLOR, President
Board of Administration