

MEETING  
STATE OF CALIFORNIA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
PERFORMANCE, COMPENSATION &  
TALENT MANAGEMENT COMMITTEE  
OPEN SESSION

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

TUESDAY, FEBRUARY 18, 2025

9:24 a.m.

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

APPEARANCES

COMMITTEE MEMBERS:

Mullissa Willette, Chair

Malia Cohen, Vice Chair

Michael Detoy (Remote)

Eraina Ortega

Kevin Palkki

Theresa Taylor

Yvonne Walker

BOARD MEMBERS:

David Miller, Vice President

Fiona Ma, represented by Patrick Henning

Jose Luis Pacheco

Ramón Rubalcava

Dr. Gail Willis (Remote)

STAFF:

Marcie Frost, Chief Executive Officer

Michelle Tucker, Chief Human Resources Officer

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PROCEEDINGS

1  
2 CHAIR WILLETTE: All right. Good morning. We'll  
3 now call the Performance, Compensation and Talent  
4 Management Committee open session to order.

5 Because are not all present in the same room and  
6 Board members are participating from remote locations that  
7 are not accessible to the public, Bagley-Keene requires  
8 the remote Board members to make certain disclosures about  
9 any other persons present with them during open session.  
10 Accordingly, the Board members participating remotely must  
11 each attest either that, one, they are alone, or two if  
12 there are one or more persons present with them, who are  
13 at least 18 years old, the nature of the Board members'  
14 relationship to each person. At this time, I will ask  
15 each remote Board member to verbally attest accordingly.  
16 Please conduct the roll call attestation.

17 BOARD CLERK ANDERSON: Michael Detoy?

18 BOARD MEMBER DETOY: I am alone.

19 CHAIR WILLETTE: Thank you.

20 ACTING BOARD MEMBER HENNING: It's so sad.

21 (Laughter).

22 COMMITTEE MEMBER TAYLOR: We're sorry, Mike.

23 CHAIR WILLETTE: You're with us in spirit, Mike.

24 (Laughter).

25 CHAIR WILLETTE: The next order of business is

1 the election of the Chair and Vice Chair of the  
2 Performance, Compensation and Talent Management Committee.  
3 And for this, I will hand the gavel over to Kevin Palkki.

4 VICE CHAIR PALKKI: I will -- that will work too.  
5 I got it. We're good. Okay. I will now take nominations  
6 for Chair of the Performance, Compensation and Talent  
7 Management Committee.

8 Are there any nominations?

9 COMMITTEE MEMBER WALKER: Yes. I'd like to  
10 nominate Mullissa Willette for the Chair of the  
11 Performance, Compensation and Talent Management Committee.

12 COMMITTEE MEMBER TAYLOR: Second.

13 VICE CHAIR PALKKI: I have a nomination from Ms.  
14 Yvonne Walker and a second from Ms. Theresa Taylor. Are  
15 there any other nominations?

16 Are there any other nominations?

17 Last call, any nominations?

18 Seeing no other nominations I have a motion to  
19 approve Mullissa Willette as Chair.

20 And I need a roll call.

21 BOARD CLERK ANDERSON: Mullissa Willette?

22 CHAIR WILLETTE: Yes.

23 BOARD CLERK ANDERSON: Kevin Palkki?

24 VICE CHAIR PALKKI: Yes.

25 BOARD CLERK ANDERSON: Malia Cohen?

1 COMMITTEE MEMBER COHEN: Yes

2 BOARD CLERK ANDERSON: Eraina Ortega?

3 COMMITTEE MEMBER ORTEGA: Aye.

4 BOARD CLERK ANDERSON: Michael Detoy?

5 BOARD MEMBER DETOY: Yes.

6 BOARD CLERK ANDERSON: Theresa Taylor?

7 COMMITTEE MEMBER TAYLOR: Yes.

8 BOARD CLERK ANDERSON: Yvonne Walker?

9 COMMITTEE MEMBER WALKER: Aye.

10 VICE CHAIR PALKKI: So the motion passes.

11 Congratulations, Mrs. Willette.

12 CHAIR WILLETTE: Thank you.

13 VICE CHAIR PALKKI: I will now pass the gavel  
14 back to Mullissa.

15 CHAIR WILLETTE: Thank you. Thank you, everyone.  
16 And I will now take nominations for Vice Chair of the  
17 Performance, Compensation and Talent Management Committee.

18 I will recognize Kevin.

19 VICE CHAIR PALKKI: I would like to nominate  
20 Controller Malia Cohen.

21 CHAIR WILLETTE: Thank you.

22 And is there a second?

23 COMMITTEE MEMBER WALKER: I'll second.

24 CHAIR WILLETTE: Thank you, Ms. Walker. That has  
25 been moved by Mr. Palkki. That has been seconded by Ms.

1 Walker.

2 Are there any other nominations.

3 Are there any other nominations?

4 And a final call for other nominations.

5 I have a motion to approve Controller Cohen as  
6 Vice Chair. Please do the roll call vote.

7 BOARD CLERK ANDERSON: Mullissa Willette?

8 CHAIR WILLETTE: Yes.

9 BOARD CLERK ANDERSON: Kevin Palkki?

10 VICE CHAIR PALKKI: Aye.

11 BOARD CLERK ANDERSON: Malia Cohen?

12 COMMITTEE MEMBER COHEN: Aye.

13 BOARD CLERK ANDERSON: Michael Detoy?

14 COMMITTEE MEMBER DETOY: Yes.

15 BOARD CLERK ANDERSON: Eraina Ortega?

16 COMMITTEE MEMBER ORTEGA: Aye.

17 BOARD CLERK ANDERSON: Theresa Taylor?

18 COMMITTEE MEMBER TAYLOR: Aye.

19 BOARD CLERK ANDERSON: Yvonne Walker?

20 COMMITTEE MEMBER WALKER: Aye.

21 CHAIR WILLETTE: Okay. The motion passes.

22 Congratulations, Controller Cohen.

23 CHAIR WILLETTE: Thank you. And with that, we'll  
24 move to our Item 3 of our agenda, the Executive Report.

25 BOARD CLERK ANDERSON: Chair Willette.

1           VICE CHAIRPERSON WILLETTE: Dr. Gail Willis now  
2 online, so we will need to read the open attestation.

3           CHAIR WILLETTE: I apologize. Thank you. Good  
4 morning, Dr. Willis.

5           BOARD MEMBER WILLIS: Good morning.

6           CHAIR WILLETTE: Because we are not all present  
7 in the same room and because Board members are  
8 participating from remote locations that are not  
9 accessible to the public, Bagley-Keene requires the remote  
10 Board members to make certain disclosures about any other  
11 persons present with them during open session.  
12 Accordingly, the Board members participating remotely must  
13 each attest either that, one, they are alone, or two, if  
14 there are one or more persons present with them, who are  
15 at least 18 years old, the nature of the Board member's  
16 relationship to each person. Dr. Willis, I'm going to ask  
17 for you to verbally attest accordingly.

18           BOARD MEMBER WILLIS: I attest to the fact that I  
19 am alone. Thank you.

20           CHAIR WILLETTE: Thank you.

21           All right. Thank you so much.

22           And now we will move to our executive report.

23           CHIEF HUMAN RESOURCES OFFICER TUCKER: Good  
24 morning, members of the Committee. Michelle Tucker,  
25 CalPERS team member. Congratulations to Chair Willette



1 and Vice Chair Cohen on your election. In today's  
2 session, the Committee will receive an update on executive  
3 succession planning efforts currently underway. Then in  
4 closed session Committee members will receive the CEO's  
5 midyear status report on her incentive plan covering July  
6 1st through December 31st, 2024, as required by policy.

7 I also want to highlight what to expect in the  
8 April Committee meeting. The Board's primary executive  
9 and investment compensation consultant, Global Governance  
10 Advisors, will present their annual review of incentive  
11 metrics and any recommended adjustments for fiscal year  
12 '25-'26. Also, in April, the Committee will receive from  
13 compensation benchmarking data for statutory positions  
14 from McLagan partners, based on the comparator groups  
15 approved by the Board in November of 2022.

16 After a review of the compensation data, GGA will  
17 present their initial observations for your consideration.  
18 Lastly, in April, GGA will conduct an education session  
19 for the Committee around incentives and a total portfolio  
20 approach. At the June Committee meeting, the Committee  
21 will receive final recommendations for action on the  
22 '25-'26 incentive metrics and compensation review, if  
23 applicable.

24 Thank you Madam Chair. The concludes my report  
25 and I'm happy to answer any questions.

1 CHAIR WILLETTE: Thank you. Are there any  
2 questions from the Committee?

3 Okay. Seeing none, thank you for that report.  
4 We will move to our action consent items.

5 COMMITTEE MEMBER TAYLOR: Move approval.

6 VICE CHAIR PALKKI: Second.

7 CHAIR WILLETTE: All right. That was been moved  
8 by Ms. Taylor and that has been seconded by Mr. Palkki.  
9 Can I get a roll call vote for the action consent items,  
10 for 4a and 4b.

11 BOARD CLERK ANDERSON: Malia Cohen?

12 VICE CHAIR COHEN: Aye.

13 BOARD CLERK ANDERSON: Kevin Palkki?

14 COMMITTEE MEMBER PALKKI: Aye.

15 BOARD CLERK ANDERSON: Michael Detoy?

16 COMMITTEE MEMBER DETOY: Aye.

17 BOARD CLERK ANDERSON: Eraina Ortega?

18 COMMITTEE MEMBER ORTEGA: Aye.

19 BOARD CLERK ANDERSON: Theresa Taylor?

20 COMMITTEE MEMBER TAYLOR: Aye.

21 BOARD CLERK ANDERSON: Yvonne Walker?

22 COMMITTEE MEMBER WALKER: Aye.

23 CHAIR WILLETTE: Okay. And I have not received  
24 any request to pull any information consent items.

25 So we will move to our information agenda items,

1 which is our executive session planning update. Ms.  
2 Tucker.

3 CHIEF HUMAN RESOURCES OFFICER TUCKER: Thank you,  
4 Chair Willette. I'll just give -- take a moment to pull  
5 up our PowerPoint.

6 (Slide presentation).

7 CHIEF HUMAN RESOURCES OFFICER TUCKER: And I'll  
8 go ahead and get started with my talking points.

9 So good morning. I'm excited today to present an  
10 update on our 2025 executive succession planning program.  
11 Of course, you all likely know that we do succession  
12 planning. And I'm so pleased today to showcase some of  
13 our talent management strategies. This is an information  
14 item, so again nothing is expected from you, but we really  
15 appreciate the opportunity to provide a glimpse into our  
16 body of work and share some of the efforts that we're very  
17 proud of.

18 Succession planning is an investment in our team  
19 members and the future of CalPERS. By preparing today's  
20 leaders for tomorrow's challenges, we're not just planning  
21 for continuity, we're building a legacy that aligns with  
22 our mission and values. But I do want to thank you again  
23 for your interest in this topic and the chance to showcase  
24 it. With that, I will segue into our update.

25 [SLIDE CHANGE]

1 CHIEF HUMAN RESOURCES OFFICER TUCKER: So to  
2 briefly recap our September presentation to the Committee.  
3 During that session, we introduced the concept of  
4 succession planning. We shared industry best practices  
5 and outlined a high level approach for implementing  
6 executive succession planning at CalPERS. Succession  
7 planning is a strategic process that ensures leadership  
8 continuity by identifying and developing potential leaders  
9 for critical roles. It is also a compliance requirement  
10 from the California Department of Human Resources and a  
11 recognized industry best practice to enhance  
12 organizational stability and resilience. It was also one  
13 of the priorities identified in the March 2024 review by  
14 the National Association of Corporate Directors. This  
15 assessment includes identification of the CEO succession  
16 plan and talent oversight as key initiatives.

17 The Board's commitment so succession planning  
18 aligns with industry research. A Gartner study found that  
19 79 percent of Board members rated executive succession  
20 planning as a very or extremely important talent issue.

21 Beyond operational benefits, executive succession  
22 planning strengthens external confidence in our  
23 leadership. According to Ernst & Young Center for  
24 Business Innovation study, leadership quality constitutes  
25 an average of 35 percent of an investor's decision in

1 valuing a firm. By setting clear leadership criteria and  
2 preparing for smooth transitions, we reinforce trust and  
3 demonstrate long-term organizational stability.

4 At CalPERS, we have a strong leadership pipeline  
5 that's equipped to meet the evolving needs of our  
6 organization. The approach that I'll be going over today  
7 is integrated with broader talent and culture initiatives.  
8 It draws from our incentive programs, performance  
9 management, employee engagement, and leadership  
10 development. By aligning succession planning with all of  
11 these foundational HR practices, we're not just  
12 identifying future leaders, we're building a framework for  
13 sustained organizational success.

14 So we last again presented to you in September of  
15 2024 and shared an overview. Since then, we've refined  
16 our approach to meet some updated CalHR requirements  
17 released in January of 2025. And to align with new  
18 functionalities that are available to us in our HR  
19 technology. So let's get started and identify our first  
20 group up.

21 [SLIDE CHANGE]

22 CHIEF HUMAN RESOURCES OFFICER TUCKER: So our  
23 first group will include the roles on this slide here for  
24 part of our executive succession plan. On the left-hand  
25 side, you'll see the list of positions that we're focusing

1 on. And we chose to start here for several reasons.  
2 Executive positions drive strategy, guide operations, and  
3 shape organizational outcomes. Leadership at this level  
4 has a direct impact on employee sentiment, influencing  
5 satisfaction, commitment, and engagement. A strong  
6 executive leadership pipeline sets the tone for the entire  
7 organization and reinforces stability and long-term  
8 success. These roles also have a high-impact focus.

9 Leadership affects firm performance by 12 to 14  
10 percent, according to a recent research by Alison Mackey.  
11 And we also see that 51 firms over 10 years found that  
12 CEOs accounted for a 29.2 variance in firm performance.  
13 So these are all just some external factors and facts  
14 highlighting how important this work is.

15 Now, that we've established the scope of our  
16 executive succession planning efforts initially, I also  
17 want to let you know that we'll begin rolling out  
18 succession planning efforts throughout the organization.  
19 My work partnering with Stephen Gilmore in the Investment  
20 Office is going to allow us to focus there as well. And  
21 so that and the executive team will be some of our first  
22 areas. And then it will filter through the rest of the  
23 organization. So now, I'll that about our environmental  
24 scans.

25 [SLIDE CHANGE]

1 CHIEF HUMAN RESOURCES OFFICER TUCKER: So in  
2 order to begin this work, we needed to do some  
3 environmental scans. The importance of succession  
4 planning and in terms of candidate preparation really  
5 requires that we know what the current and the future  
6 demands are of each position. To achieve this, we began  
7 by completing a environmental scan, which contained  
8 multiple components. Some of these items included key  
9 programs within the position oversight, so we looked at  
10 all of the different programs reporting to the executives  
11 to -- and discussed if there would be any changes.

12 I looked at the essential functions. What are  
13 the most critical functions that these roles have to  
14 perform? We, again, did an industry scan and examined  
15 CalPERS organizational priorities to determine how roles  
16 might be expected to evolve and what future skills might  
17 be necessary.

18 We also looked at our CalPERS leadership  
19 competencies and behaviors, and looked at what was most  
20 critical for success in each role. And finally, we  
21 examined the employee engagement results associated with  
22 the program areas and looked for trends. We looked for  
23 action plans created by the executives, as well as the  
24 results. The goal here was to ensure alignment with our  
25 organizational culture and leadership priorities. So with

1 that, I think we can talk about some incumbent interviews.

2 [SLIDE CHANGE]

3 CHIEF HUMAN RESOURCES OFFICER TUCKER: So once we  
4 completed our environmental scan, we moved on to incumbent  
5 interviews. So this was an interview with all of our  
6 current incumbents and we're incredibly grateful for their  
7 time and participation. They really brought this process  
8 to life and added critical context and depth. So on this  
9 slide, you'll see some of the element that we asked during  
10 these interviews. So we talked about what were the  
11 critical knowledge, skills, abilities, and perspectives to  
12 do the work? What are the anticipated changes? So we  
13 talked about anticipated changes in areas because of  
14 technology, stakeholder expectation, Board expectation,  
15 other environmental factors, as well as social and  
16 political aspects. This gave us a clearer understanding  
17 of future leadership needs. We also explored the  
18 experiences, training programs, and development  
19 opportunities that can contribute to success in these  
20 roles.

21 So all of that information gleaned from all of  
22 those elements that I described will be included in our  
23 position profiles, which you'll see on the next slide.

24 [SLIDE CHANGE]

25 CHIEF HUMAN RESOURCES OFFICER TUCKER: And so





1 implemented, but it is well underway. We're about into  
2 the homestretch here. And so we've made sure that our  
3 structure is aligned with its future capabilities. This  
4 will ensure a smoother transition once our Oracle system,  
5 which we're calling myHR is fully launched and will allow  
6 us to integrate our succession plans into a long-term  
7 scalable system.

8           To support this, we've aligned this year's  
9 executive succession planning efforts with the same  
10 three-step structure that we'll be able to continue using  
11 in our online system. This ensures that we maintain all  
12 of the commitments that we made and prepare  
13 implementation. So, on the left this side of this slide,  
14 you'll see some of the initial inputs, which is prepare  
15 review content. So this step represents our succession  
16 candidate application review process. So they're building  
17 things out. This will include a candidate's  
18 self-evaluation, a talent review panel assessment, which  
19 I'll talk about more in a minute, and then a review of the  
20 applicant's potential performance and talent score.

21           After the candidate and all of the advanced  
22 material is done we'll move on to a talent review meeting.  
23 And so these meetings will include HR representatives,  
24 incumbents, key stakeholders who will bring a wide variety  
25 of perspectives to ensure that decisions thoughtful,



1 team member, and that we'll want them to complete their  
2 full application.

3 [SLIDE CHANGE]

4 CHIEF HUMAN RESOURCES OFFICER TUCKER: So this is  
5 the industry standard 9-box grid. There are a number of  
6 different tools that are available. This is the most  
7 common. And so, candidate readiness will be determined by  
8 their placement on this 9-box grid, which is considered an  
9 industry best practice for measuring performance and  
10 potential. And it provides some objectivity in doing so.

11 Performance evaluates how well candidates have  
12 demonstrated success in their current roles and how their  
13 professional expertise and experience align with  
14 requirements of the succession position. So this should  
15 provide insight into their ability to consistently deliver  
16 results and meet organizational expectations.

17 At CalPERS, this measure aligns with our  
18 performance evaluations. The potential evaluates a  
19 candidate's capacity to take on future leadership  
20 responsibilities. It assesses adaptability, learning  
21 agility, and readiness to meet the anticipated needs of  
22 the roles as we've updated them in our position profiles.  
23 And while performance and potential are critical  
24 components of succession planning, research also suggests  
25 that they really need to be evaluated in context with

1 strategic alignment and desire. So this means that we  
2 will consider a candidate's contributions to their  
3 business plan initiatives, the achievement of their  
4 incentive plan goals, as well as employee engagement  
5 results and business continuity processes amongst other  
6 factors.

7           Candidates who are scored and placed in those top  
8 three categories on the top there, which are the top  
9 talent, ready for new opportunities, and emerging leaders  
10 will receive targeted training and development actions to  
11 prepare them for future leadership opportunities. I'll  
12 just give one or two examples of what those might be.

13           For example, if you were rated a top talent,  
14 where you have high performance and high potential, you'll  
15 be assigned enterprise-wide leadership initiatives. You  
16 might be provided with executive coaching and mentorship,  
17 or you might be given temporary assignments or  
18 opportunities to gain hands-on leadership experience.

19           If you're in that middle grid where you're ready  
20 for new opportunities, we might again enroll you in  
21 executive leadership programs, give you opportunities to  
22 lead projects, and again assign those mentorship  
23 opportunities to deepen exposure to enterprise level  
24 leadership challenges.

25           And for emerging leaders, we might provide them

1 with structured career development planning to accelerate  
2 readiness for future leadership roles, giving them stretch  
3 assignments to broaden their experience, and again pair  
4 them with executive mentors to provide personalized  
5 guidance.

6           So next, we'll look at how we evaluate each of  
7 these factors, starting with the performance rating.

8                               [SLIDE CHANGE]

9           CHIEF HUMAN RESOURCES OFFICER TUCKER: So this is  
10 a screen dis -- or a display of one of our current  
11 evaluation tools, which is the leader competency  
12 assessment. So the performance evaluation is going to  
13 assess a candidate's performance history to provide  
14 insights into their ability to deliver future results,  
15 meet organizational expectations, and align with strategic  
16 goals. One of the mos common ways that we think about  
17 hiring team members for any opportunity is what is past  
18 behavior and how will that predict success and future  
19 behavior. So this sort of indicates what the past  
20 performance has been.

21           So we can either use our annual performance  
22 appraisal process. We can use our leadership competency  
23 assessment, or if these team members are in incentive  
24 eligible positions, which includes our executive team and  
25 invest managers, as well as our CEAs, we would also look

1 to see what the outcomes have been from their incentive  
2 plans for the past few cycles.

3 So that bottom slide is just a graphical  
4 representation of an LCA question illustrating the format.

5 [SLIDE CHANGE]

6 CHIEF HUMAN RESOURCES OFFICER TUCKER: So next,  
7 let's talk about the potential element. So the potential  
8 element evaluates a candidate's ability to meet the future  
9 needs of their desired role. This is a critical component  
10 as it identifies not only who is prepared for leadership  
11 today, but who has the adapt to grow, adapt, and take on  
12 greater responsibilities. To assess potential, we will  
13 use a potential assessment tool that's tailored to the  
14 requirements of each position. Because each role has  
15 unique demands, we will work through a separate  
16 position-specific assessment for each of these succession  
17 candidates.

18 So the process consists of four steps, each  
19 assessment will look at the position-specific  
20 requirements. So again, this could be mean several unique  
21 demands of the role that we went over in some of the  
22 previous work. The individual themselves along with the  
23 panel will evaluate them on a three-point scale. And then  
24 the final potential score will be a weighted average of  
25 all those other ratings.

1           Each panelist on our talent review team will have  
2 the opportunity to talk and -- through and adjust their  
3 ratings, once they go through them all. And the insights  
4 gained from the potential rating will be used to develop  
5 individualized training plans for selected candidates,  
6 equipping them with the skills and experiences they need  
7 to prepare for future roles.

8           In terms of strategic alignment, our application  
9 process is going to rely on several valuable data sources  
10 that we already have available, which includes again their  
11 performance on their annual incentive plans. These goals  
12 are already tied to performance expectations that reflect  
13 strategic priorities and follow best practices,  
14 emphasizing linking individual goals with enterprise-wide  
15 objectives. We'll also look at their contributions to our  
16 enterprise performance and strategic planning. And we'll  
17 review how well candidates have executed employee  
18 engagement action plans.

19           Overall, in terms of the future state, we want to  
20 make sure that we have development plan goals, so that in  
21 the succession planning program, candidates can develop  
22 goals, focus on areas of improvement, aspirations, and  
23 alignment with organizational priorities. By analyzing  
24 these factors looking at comprehensive understanding of  
25 how the candidates approach goal setting and ensure their



1 objectives align with ours.

2 So then in terms of the talent profiles --

3 [SLIDE CHANGE]

4 CHIEF HUMAN RESOURCES OFFICER TUCKER: -- this  
5 will be a new component of our new technology solution,  
6 which will allow team members to build out their own  
7 talent profile containing all those elements on the slide.  
8 So this is something that you might currently now have  
9 people submit a resume for, but in our new system, people  
10 will be able to build a talent profile. So that's pretty  
11 exciting. We're excited to see that rolled out.

12 And this will also allow us to use the tools to  
13 evaluate candidate's past performance and match them to  
14 ensure alignment. We also will contain an optional  
15 demographic survey.

16 [SLIDE CHANGE]

17 CHIEF HUMAN RESOURCES OFFICER TUCKER: So this  
18 won't be anything that is used for the selection or really  
19 part of the application process per se, but it is  
20 something that we want to make sure that we're tracking.  
21 One of our goals, of course, is to match our workforce  
22 composition to the workforce of California and to the  
23 members that we serve. So this is an important component  
24 that will allow us to aggregate and make sure that this  
25 program reflects our community.

1 [SLIDE CHANGE]

2 CHIEF HUMAN RESOURCES OFFICER TUCKER: And then  
3 once we have all of those elements completed, a complete  
4 application process -- package is required so this sort of  
5 evaluates what all of those different components are. So  
6 we'll be having a look at their potential assessments. It  
7 will be assigned a talent score. We'll also look at the  
8 outcomes of their self evaluations and we'll look at all  
9 the additional information that we talked about, those  
10 profiles, all of those different indicators.

11 [SLIDE CHANGE]

12 CHIEF HUMAN RESOURCES OFFICER TUCKER: And then  
13 to bring us full circle, this is again our succession  
14 candidate selection process, which will provide a summary  
15 of how candidates will be selected. Again, we'll curate  
16 some specific content, including self and panel  
17 evaluations. We'll create talent review meetings, which  
18 of course, if -- for the CEO or the CIO, obviously, the  
19 Board is the really critical role there. For our  
20 executive team members, they would include our CEO, of  
21 course, as well as any other business partners and an HR  
22 representative. And then in terms of outcomes, candidates  
23 will receive a talent score, a readiness level, and we'll  
24 work with them on development plans.

25 So that does conclude my presentation today. I

1 provided and in-depth overview of our 2025 executive  
2 succession plan. I just really want to thank you again  
3 for this chance to highlight our work on succession  
4 planning. I'm happy to take any questions that you may  
5 have.

6 CHAIR WILLETTE: Thank you. We do have some  
7 questions. First, I'd like to recognize Ms. Taylor.

8 COMMITTEE MEMBER TAYLOR: Thank you very much.  
9 Ms. Tucker, excellent presentation and I will say it was  
10 very detailed. So, I think when we took our survey, I  
11 think the Board was looking more at CIO/CEO, but it's nice  
12 to know that you guys took it seriously enough to really  
13 drill down on this for the whole organization, so -- and  
14 something that, you know, it's important that we are  
15 making sure that we have talent from the pool of our own  
16 employees. So I really, really appreciate that.

17 It's a very, very good plan. I think you've  
18 got -- I mean, it would be hard to say that you aren't  
19 being fair with all of these steps and stuff. So, I look  
20 forward to seeing how this works out for us and hopefully  
21 we'll have a huge pool of really qualified folks, so thank  
22 you very much.

23 CHAIR WILLETTE: All right. Thank you.

24 Next, I have from Jose Luis Pacheco.

25 COMMITTEE MEMBER PACHECO: Yes. Thank you.

1 Thank you, Chairman Willette, and thank you, Ms. Tucker,  
2 for your presentation. I want to go back to number -- the  
3 graph on page 14 on the application process, demographic  
4 survey, and so forth. And with respect to the disability  
5 status, how robust is the disability status information in  
6 this survey? Does it take into account the mental,  
7 physical, a variety of different categories or is it very  
8 broad based?

9 CHIEF HUMAN RESOURCES OFFICER TUCKER: So this  
10 survey is something that we would be creating just for  
11 this process. And so we are going to mirror the  
12 categories that are available on the CalHR tool. So we're  
13 not coming up with anything unique in terms of  
14 measurements for this. There's currently language now  
15 where we ask regularly about team members or State  
16 employee's disability status. It was going to -- it's  
17 going to mirror those fields. So it does allow you  
18 generally to just select if you have a disability or if  
19 you do not, and then it provides examples of what those  
20 would be. So, we're not going to track the specific  
21 disability. We're just asking do you have a disability  
22 status and then we'd list what some of those are.

23 COMMITTEE MEMBER PACHECO: But with respect to  
24 the disability -- with respect to the survey, would you be  
25 able to -- will the individual be able to write in what

1 specific disability they have, or is that something that's  
2 not available, or that's going to be a part of the  
3 roadmap?

4 CHIEF HUMAN RESOURCES OFFICER TUCKER:

5 Typically, we had just meant to indicate whether  
6 or not team members have a disability status or not. Even  
7 though, as Ms. Taylor said, we hope this will be a large  
8 pool. It's still small enough that we don't know the --  
9 we don't expect to have -- no, we're not going to be  
10 tracking.

11 (Laughter).

12 COMMITTEE MEMBER PACHECO: Okay. I just wanted  
13 to verify whether or not, and so forth.

14 (Laughter).

15 CHIEF HUMAN RESOURCES OFFICER TUCKER: Yeah.

16 COMMITTEE MEMBER PACHECO: Thank you so much for  
17 your comments there.

18 CHIEF HUMAN RESOURCES OFFICER TUCKER: Thank you.

19 CHAIR WILLETTE: All right. Thank you. We have  
20 a few more comments here. I will go to Ms. Ortega.

21 COMMITTEE MEMBER ORTEGA: Thank you, Madam Chair.  
22 For the questions about the disability survey, I just  
23 thought I would point out that the survey is available on  
24 the CalHR website. So you could take a look at what gets  
25 sent out. Employees can go and update at any time and

1 there's usually a big push in October of every year to  
2 have everyone refresh the survey or have new employees the  
3 complete the survey.

4 Thank you.

5 CHAIR WILLETTE: Thank you.

6 Next, Mr. Palkki.

7 COMMITTEE MEMBER PALKKI: Thank you, Madam Chair.  
8 Great work. I'm really excited that we're starting to see  
9 sort of like all the pieces of the puzzle come together on  
10 this one. And I appreciate the amount of effort going  
11 into all the work that's being done. I did have a  
12 question. The panel evaluations on page 15 of 17. How  
13 is -- I've never heard of that. How is that done?

14 CHIEF HUMAN RESOURCES OFFICER TUCKER: Yeah, I'm  
15 happy to answer that question. So in terms of the talent  
16 review panel, so once all of the different elements have  
17 come in, so that was the panel evaluations, and the  
18 self-evaluations. This is a group that would ensure that  
19 the applications are considered fairly and neutrally, so  
20 it would be kind of like a team getting together. So it  
21 might be Marcie. It might be either myself or another HR  
22 representative. And then she might want to bring in a  
23 partner. So, for example, if she was going to fill the  
24 role of our, you know, Chief Financial Officer, perhaps  
25 she might want to bring in Michele Nix. Perhaps, she

1 might want to bring in someone else.

2           So it's just kind of designed to ensure a panel  
3 approach in evaluating the applications and confirming  
4 their placement on that 9-box grid, and whether or not  
5 they're proceeding into the more advanced stages of our  
6 succession planning process.

7           Did that answer the question?

8           COMMITTEE MEMBER PALKKI: Yeah. No, thank. I've  
9 never heard of it. So thank you.

10           CHAIR WILLETTE: All right. Thank you. I also  
11 just want to say thank you for the comprehensive and  
12 really well thought out presentation on this -- on  
13 succession planning. I think it's really clear that the  
14 whole team is well prepared, future looking, and dedicated  
15 to ensuring like smooth transitions at every level of the  
16 organization. I do support and have confidence in the  
17 staff's approach, but similarly to Ms. Taylor, I think the  
18 Board can take a higher level view going forward on this  
19 item.

20           Thank you.

21           CHIEF HUMAN RESOURCES OFFICER TUCKER: Thank you  
22 for your comments and the opportunity to present.

23           CHAIR WILLETTE: Thank you. So, is there public  
24 comment. I don't have any public comment, phone comment  
25 on this item.

1 BOARD CLERK ANDERSON: (Shakes head).

2 CHAIR WILLETTE: Okay. Thank you so much.

3 The next item on the agenda is the summary of  
4 Committee direction. I don't think we had any.

5 Microphone.

6 COMMITTEE MEMBER TAYLOR: You microphone is not  
7 on.

8 CHIEF HUMAN RESOURCES OFFICER TUCKER: I pushed  
9 the wrong button. Thank you. There's only one button,  
10 and yet -- I did not record any Committee direction, other  
11 than just your comments that, which I appreciate that  
12 we're doing well. And in the future, more focus on the  
13 CEO and the CIO for the Board, so thank you.

14 CHAIR WILLETTE: Thank you.

15 And I do not have any public comment.

16 So with that, we will recess now into closed  
17 session for items 1 through 3 from the closed session  
18 agenda, and we'll immediately reconvene in open session  
19 after the closed session.

20 Thank you, everyone.

21 (Off record: 9:57 a.m.)

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

24 (Thereupon the meeting reconvened  
25 open session.)



1 (On record: 11:00 a.m.)

2 CHAIR WILLETTE: So thank you, everyone. We are  
3 back in open session. And this adjourns this meeting. We  
4 will now take a 15-minute break and return into the Risk  
5 and Audit Committee at 11:15.

6 (Thereupon the California Public Employees'  
7 Retirement System, Board of Administration,  
8 Performance, Compensation, & Talent Management  
9 Committee open session meeting adjourned  
10 at 11:00 a.m.)

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