

Assemblymember Susan Talamantes Eggman,
Chair
Assembly Speaker Toni G. Atkins
Senator Cathleen Galgiani
Senator Ricardo Lara
Senator Mark Leno
Assemblymember Richard S. Gordon
Assemblymember Evan Low



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**CALIFORNIA LEGISLATIVE
LESBIAN, GAY, BISEXUAL & TRANSGENDER (LGBT) CAUCUS**

March 10, 2015

Rob Feckner
Board President
CalPERS Board of Administration
P.O. Box 942701
Sacramento, CA 94229-2701

Harry Keiley
Chair
CalSTRS Teachers' Retirement Board
100 Waterfront Place
West Sacramento, CA 95605

Dear Mr. Feckner and Mr. Keiley:

I am writing on behalf of the California Legislative Lesbian, Gay, Bisexual and Transgender (LGBT) Caucus in support of State Treasurer John Chiang's call for more diversity in corporate board rooms.

We acknowledge the effort the nation's two largest pension funds have made to increase corporate board room diversity. However, we share Mr. Chiang's belief we can do more. We are also interested in the responses to questions posed by Mr. Chiang, specifically:

- How the use of proxy access (i.e., providing shareowners with means of nominating their own candidates) can help shape the composition of a board;
- What is a reasonable tenure for a board member to serve; and
- How qualified diverse candidates can be made more visible to corporate boards during search and recruitment efforts.

But more importantly, Mr. Chiang has called for the broadening of the definition of "diversity" to include sexual orientation and gender identity. CalSTRS currently limits the definition to "skills, background, experience, age, gender, cultural and ethnic composition." Similarly, CalPERS's definition narrowly reads, "skill sets, gender, age, nationality, race, and historically under-represented groups."

Board diversity is important not only for good business, but it is also crucial for good governance. A diverse board makeup can improve employee morale and productivity and sends a clear message to employees throughout the organization that a company is committed to the advancement of women, minorities and members of the LGBT community. In addition, this diversity enhances a company's reputation and attractiveness at a time when many investors are

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increasingly using a variety of nonfinancial metrics, such as board diversity, as criteria in investment decision-making.

American corporations have done an admirable job of instituting LGBT-friendly policies for their employees, but without federal protections prohibiting workplace discrimination based on sexual orientation or gender identity, millions of LGBT individuals are forced to stay in the closet. With CalPERS and CalSTRS being among the largest public pension funds in the country, we have a prime opportunity to show that real leadership and a commitment to equality can and does start from the top.

We support Treasurer John Chiang's continued advocacy for this important issue.

Sincerely,



SUSAN TALAMANTES EGGMAN
Assemblymember, 13th District
Chair, California Legislative LGBT Caucus

cc: CalPERS Board
Anne Stausboll, Chief Executive Officer, CalPERS
Ted Eliopoulos, Chief Investment Officer, CalPERS
CalSTRS Board
Jack Ehnes, Chief Executive Officer, CalSTRS
Chris Ailman, Chief Investment Officer, CalSTRS
The Honorable John Chiang, California State Treasurer
Members, California Legislative LGBT Caucus