

Governor’s Council on Women and Girls

Subcommittee on Leadership

MEETING MINUTES

Thursday, December 15th, 2022 | 3:00 p.m.

Microsoft Teams Virtual Meeting

I. Call to Order /Greetings and Opening Remarks

Lieutenant Governor, Susan Bysiewicz called the meeting to order at 3:00 p.m.

II. Connecticut Inclusive Investment Initiative (Ci3) Overview (*see Attachment 1, page 5*)

Christine Shaw, the principal investment officer of corporate governance and sustainable investment at the Treasurer's Office is giving a presentation on the Connecticut Inclusive Initiative.

She begins the presentation by providing some background on what the Treasury does as it relates to the investment of the Connecticut retirement plans and trust funds. \$46 billion in assets are invested for the benefit of not only state workers and their families and beneficiaries, but also there are trust funds.

Christine Shaw shares that the state treasurer is responsible for managing the invested assets for approximately 300,000 state and municipal employees, teachers, retirees, and survivorships, as well as trust funds that support academic programs, grants, and initiatives throughout Connecticut. The Pension Funds Management Division administers the six state pension funds and twelve trusts known collectively as the CRPFT.

Lieutenant Governor Susan Bysiewicz asked if the current unfunded liability is known, to which Christine Shaw replied that exact specifics are not known, however, she did share the funded ratio. She shared that the ratio of assets to liabilities before the extraordinary or the extra deposit of contribution stood at roughly 51% for the Teachers’ Retirement fund.

Christine Shaw shared the origins of the CHF program:

The Connecticut Horizon Fund was an initiative created in 2004 to diversify the management of the State’s pension assets and enhance portfolio returns while providing opportunities for minority and or women-owned, Connecticut-based, and emerging investment management firms.

The CHF program was initially launched by hiring four fund-of-fund managers in the public market asset classes. Over time, the CHF program was expanded to other asset classes. The Connecticut Inclusive Investment Initiative (Ci3) developed in 2020, to build upon and enhance the CHF program. Allocating funds to diverse managers has to do with how they graduate to bigger amounts of capital, such that they can attract investments from other institutional investors.

Managers that participate in the Connecticut Investment Inclusive Investment Initiative are selected by way of a competitive bid process. There were four original managers as part of the Connecticut Horizon Fund; that number has now grown to seventeen managers who either manage other smaller managers or have received a direct investment from the state.

Christine Shaw shared the distinction between an emerging manager and a diverse manager. An emerging manager is generally smaller, newly formed that meets the criteria for assets under management and/or length of track record. A diverse manager describes an asset management firm that is owned in a majority form by either minority individuals, women, veterans, or persons with a disability. She has attempted to structure the program in the definition of emerging management.

Christine Shaw explains that they have endeavored to make sure that diversity can be broadly defined; diverse firms will be defined as firms headed by veterans, those with a disability, or those who are identified as diverse based on their sexual orientation.

Christine Shaw shares the overall objective of the Ci3 initiative, which is to ensure that anywhere between 5 and 10% of the total assets under management are managed by firms that participate in this program and are also defined as diverse or emerging or Connecticut-based. Another main goal identified is for the participating firms to grow to a point where they can compete for these mandates on their own and that they're outside of the regulated process that has been created.

Lt. Governor Bysiewicz asked if there should be a greater percentage than 5 percent considering that the General Services Administration of the federal government has a goal of having 33 percent of all goods and services that are purchased by the federal government be from smaller minority-owned businesses or women-owned businesses.

Christine Shaw responded that she believed this would cause problems in managing too many of Connecticut's assets at one time. She does not want to run the risk of putting too much of Connecticut's capital into one firm.

Lt. Governor Susan Bysiewicz asked compared to other treasurer offices around the country, how are we doing in terms of being intentional about making sure that we are reaching out to diverse investment firms?

Christine Shaw responded that she does not believe there is a definitive source on how Connecticut ranks. She believes that Connecticut can rightly claim that it is at the forefront in terms of its evolution and ensuring growth.

Lena Rodriguez asked if we have met the 5 to 10 percent threshold, to which Christie Shaw replies that Connecticut stands at about 5 percent.

Christine Shaw explains how Ci3 was designed to encourage managers to continue to advance through stages, which creates capacity and deepens the relationship between kinetic and these emerging managers. This system allows managers to attract capital from other institutional investors and it builds capacity. It also advances the objective of improving representation of diverse and emerging firms within the financial services marketplace.

Christine Shaw shares some data on the program:

The program has 49 investments, either direct or through sub-advisors that are through the CI program. The total capital allocated exceeds \$2 billion. There are five managers among whom the \$1 billion has been allocated and this is distributed, across different mandates, including domestic equity and international equity, both developed markets as well as emerging markets. There is also one manager with a large mandate, but it's divided up into 3 subsets of fixed income, core fixed income, high yield, and emerging market debt.

Christine Shaw restates the goals of the organization. The organization has endeavored to not only build these relationships for Connecticut's sake, but also to share progress with other pension funds and that's what we endeavor to do more of going forward.

Lt. Governor Susan Bysiewicz thanked Christine Shaw and introduced Megan Andrews, welcoming her to speak.

III. Update on Leadership Committee Work Groups

Lt. Governor Susan Bysiewicz gave everyone an overview of past women in leadership panels. There were two panels on October 21st to celebrate manufacturing month as well as a Women in Leadership panel at Goodwin University. In November there was a panel of women leaders in state agencies as well.

Lt. Governor Susan Bysiewicz shared plans for 2023, including two panels in January: one on women in middle and high school teaching computer science, and one on women and farming. Two panels are planned for February: one on Black History Month and one on women in domestic violence fields. In March, there will be a panel on International Women's Day and a panel on women in health sciences.

IV. Updates on the Department of Administrative Services

Megan Andrews, the legislative liaison at DAS shared some updates on the Department of Administrative Services. The department will be taking steps to establish appropriate benchmarks and strategies for employees as well as working to identify patterns of discrimination and prioritize equity.

Lt. Governor Susan Bysiewicz asked for any potential updates from the working group on youth leadership.

Charlene Russell-Tucker shared about this statewide civic engagement initiative that invested in high school students. There were 59 winning proposals, and this program was a great springboard from which to build.

Lt. Governor Susan Bysiewicz shared that it was interesting to watch the young women give the presentations as a part of this program.

Charlene Russell-Tucker shared that the students could get up to \$20,000 for their proposals, and that the students had to develop their budgets and get their proposals approved. She suggested maybe potentially doing a panel with the young women from this program at some point in the future.

Jennifer Putetti gave updates on the working group on corporate leadership. The Treasurer's Office continues to engage as an institutional investor, but there are not specific updates since the last presentation at this moment.

V. Other Updates and Reminders

Lt. Governor Susan Bysiewicz shared the meetings scheduled for 2023. The full council meetings will be held on January 10th, April 11th, July 11th, and October 17th. The leadership subcommittee will meet on March 22nd, June 21st, September 20th, and December 20th. The Lt. Governor asked for any other potential updates, and Lena Rodriguez took a moment to congratulate Vanessa Durant for her appearance on the Today Show.

Lt. Governor Susan Bysiewicz asked everyone to please save this date Friday, January 27th, 2023, because the Million Women Mentors will be hosting a panel event to celebrate mentor month and this event is from 3:00 p.m. to 6:00 p.m. at Southern Connecticut State University and Leslie Mays from NBC Connecticut is going to moderate a panel of mentors and mentees involved in STEM. Christine will be sending details soon.

Lt. Governor Susan Bysiewicz reminded everyone that the next subcommittee on leadership will be March 22nd at 3:00 PM and there will be a COAG Council meeting next month on January 10th.

VI. Adjournment

The meeting was adjourned at 3:48 p.m.