# Delegation of Authority
# to
# Chief Executive Officer
# By the California State Teachers' Retirement Board

WHEREAS, it is the duty of the Teachers' Retirement Board to administer the System faithfully without prejudice and consistent with the law and Board policy;

WHEREAS, the Teachers' Retirement Board has a fiduciary duty with respect to the interests of the members and beneficiaries of the System;

WHEREAS, management of the System is vested by law in the Teachers' Retirement Board;

WHEREAS, the Teachers' Retirement Board has exclusive control of the investment of the Teachers' Retirement Fund;

WHEREAS, the Teachers' Retirement Board may delegate authority to the Chief Executive Officer to perform any act within the power of the Board itself to perform. Unless the delegation provides that the Chief Executive Officer has the authority to act finally, any such acts shall be reported to the Board at its next regular meeting and shall be subject to review, reversal or ratification by the Board (Ed. Code, sec. 22208, 5 Cal. Code Regs., tit. 5, sec. 20520);

WHEREAS, the Teachers' Retirement Board desires to restate the delegation to the Chief Executive Officer. Now, therefore, be it

RESOLVED, that the Teachers' Retirement Board does hereby delegate to the Chief Executive Officer authority to act as follows:

> The management of the California State Teachers' Retirement System is vested in the Chief Executive Officer who shall be the executive and administrative head of the System. The Chief Executive Officer shall operate the System within the framework established by the Constitution, laws, and in accordance with rules and policies adopted by the Teachers' Retirement Board. The Chief Executive Officer shall act as advisor to the Board on all matters pertaining to the System, act as liaison between the Board, members, member organizations, employers, employer organizations, State departments and agencies, the Legislature, and shall also act as Secretary of the Board. Notwithstanding this section, the Chief Executive Officer has the duty to bring to the attention of the Board all matters which are sensitive in nature or have a significant policy impact.

Administrative Duties and Responsibilities

In the administration of the System, the Chief Executive Officer has the duty and the authority to:

1. Present recommendations to the Teachers' Retirement Board (Board) with respect to policies, rules and regulations for the purpose of carrying out the provisions of the laws applicable to the System;

2. Submit to the Board reports, resolutions and procedures, and make recommendations for legislative action on changes in the programs and the laws being administered;

3. Appear before legislative committees and address other groups regarding the provisions of the retirement laws, operations of the System and its programs, and positions taken by the Board on proposed laws and other issues;

4. Determine the amount of and make timely payment of annuities, allowances, and refunds to members, former members and their survivors who are the beneficiaries of the System, all in accordance with governing laws; this includes the authority to adjust any benefit payments and to collect overpayments of benefits pursuant to and in accordance with the law and Board policy;

5. Negotiate, enter into, amend and terminate contracts for goods and services.

6. Submit to the Board for its approval an annual operations budget that is appropriate to the fulfillment of CalSTRS' mission and subsequently present it to the Department of Finance and the Legislature for inclusion in the State's annual budget in accordance with the Board's constitutional authority. Thereafter, the Chief Executive Officer is responsible for administering CalSTRS operations within authorized budget resources;

7. Prepare and submit to the Board the Comprehensive Annual Financial Report, which covers the operations of the System for the preceding fiscal year including investment results, and thereafter send copies of the report to the Controller, the Governor, the Legislature and any other persons/entities as appropriate;

8. Maintain membership and participate in the proceedings of nationally recognized organizations in the fields of public retirement administration, investments, and other disciplines as appropriate for the purpose of keeping abreast with the latest developments applicable to public pension plan administration and to further the interests of the California State Teachers' Retirement System; and

9. In consultation with the Board chair, act as the prime spokesperson for the System to the public, the press and the Legislature.

Authority and Duties

The Chief Executive has the authority to act finally with respect to the following matters:

a. Planning, organizing and directing the work of the System as deemed necessary to fulfill the functions thereof;

b. Negotiating, entering into, amending and terminating consulting contracts of a non-investment nature as may be necessary for the administration of the System. In accordance with this policy, and corresponding provisions of the Board Policy Manual, the CEO is delegated authority to enter into contracts that do not exceed $1,000,000 in cumulative value and sole source contracts that do not exceed $100,000 in cumulative value. Any contract or purchase which exceeds these values must be approved by the Board itself. The CEO is delegated additional authority to approve up to an additional fifteen percent (15%) not to exceed $1,000,000 in cumulative value on a contract previously approved by the Board;

c. Negotiating, entering into, amending and terminating contracts for investment management, advice, consulting, and legal counsel and authorizing expenditures for such investment services to be paid out of the continuous appropriation;

d. Execute, on the recommendation of the Chief Investment Officer, all documents or authorize the issuance of instructions, both when the System is acting directly and when the System is acting in its capacity as a constituent of an entity in which the System holds an interest, necessary to purchase, sell, convey, assign, incur debt, encumber assets or otherwise manage investments and assets of the System including, but not limited to, those involving real estate, mortgages, equities, fixed income, alternative investments, and special situations, including investments related to the Credit Enhancement Program, in compliance with policy guidelines adopted by the Board or Investment Committee, including authorized investment delegation levels. A copy of this Delegation of Authority and the most current list of discretion levels delegated to the Chief Investment Officer and investment staff shall be maintained in the Board Policy Manual;

e. Vote, vote by proxy and otherwise act in accordance with Board policy and applicable procedure on all matters relating to the corporations, limited partnerships, limited liability companies and other entities through which the System holds title to investments, including but not limited to matters of corporate governance;

f. Establishing and directing the maintenance of an effective system of internal controls and records and accounts following recognized accounting principles;

g. Directing the preparation of accurate statistical records to serve as a basis for actuarial investigations, valuations, and computations in sufficient detail to permit the valuation and establishment of experience factors;

h. Appointing such employees as are necessary to carry out the provisions of the law applicable to the System and defining the duties thereof;

i. Initiating, prosecuting, and defending appeals, writs and other litigation in the courts and administrative forums as necessary to comply with and enforce applicable law and to carry out the decisions and policies of the Board. Board approval will be obtained before taking such action where required by Board policy or otherwise appropriate under the circumstances;

j. Settling and compromising claims and controversies and paying on behalf of the Board and the System all claims and controversies relating to benefits, personnel, and other legal matters for amounts not to exceed $200,000 per individual claim and controversy;

k. Accept service of summons and any other legal service of process for and on behalf of the Board and the System;

l. Initiate, prosecute and defend subrogation actions, appeals, and other related litigation matters, such as cross complaints, and to file liens, intervene in court proceeding, join parties to actions, consolidate actions, compromise claims, contract with outside counsel, and take other such action as necessary to recover amounts owed to the System.

m. Make programmatic decisions regarding the System's defined contribution programs, including but not limited to selecting investment options available to plan participants. Any authority the Chief Executive Officer has to enter into contracts shall be subject to the limitations imposed in section above.

The Chief Executive Officer shall perform such other duties as may be required for the administration of the System, other provisions of law governing the System, and for the transaction of its business.

The Chief Executive Officer may sub-delegate any and all of the powers and authority as appropriate as provided for by Section 22301 of the Education Code.

RESOLVED further, that this Resolution shall be effective when executed by the Chairperson, and that this delegation shall supersede all previous delegations of authority to the Chief Executive Officer.

January 11, 2024

Harry Keiley, Chairperson
Teachers' Retirement Board

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Yolo

On January 11, 2024 before me, Muriel L. Dimel, Notary Public, personally appeared Harry Keiley, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

MURIEL L. DIMEL
Notary Public - California
Yolo County
Commission # 2466410
My Comm. Expires Nov 9, 2027