



Branch:	Technology Services	Number: 24-183
Division:	Enterprise IT Governance	Effective Date: 7/18/2024 Revised Date: 9/30/2025

TITLE: Generative Artificial Intelligence Policy

PURPOSE: This policy provides direction on the use of Generative Artificial Intelligence (Gen AI). This policy also aims to establish guidelines and restrictions that support the responsible and ethical use of Gen AI to support CalSTRS mission and operations. The purpose is to ensure the secure and transparent deployment of this technology while upholding CalSTRS fiduciary duties to its members. This policy applies to all Gen AI use cases including those developed internally and acquired via third party services. This is an enterprise-wide policy that applies to all CalSTRS employees, contractors, and third parties accessing CalSTRS systems, documentation, and data.

POLICY: CalSTRS recognizes the risks and opportunities associated with using Gen AI applications, including Large Language Models. Authorized Gen AI uses may include, but are not limited to, conducting research, drafting memoranda and presentations, producing marketing materials, developing code, and summarizing documents and data. The use of these applications can help CalSTRS achieve its mission and strategic goals, while maintaining the security and integrity of the system, and managing potential associated risks. A violation of this policy may result in adverse action, up to and including dismissal from State Service.

Restrictions on the use of Gen AI:

- Use of CalSTRS data in unapproved Gen AI applications is prohibited.
- Use of CalSTRS member or employee Personally Identifiable Information in Gen AI applications is prohibited.
- CalSTRS moderate or high risk data may only be used with CalSTRS approved Gen AI applications specifically approved for use with sensitive data.
- CalSTRS low risk data can only be used with CalSTRS-approved Gen AI applications.

CalSTRS seeks a prudent and effective approach to the use of Gen AI applications by adhering to a set of guiding principles. In selecting and implementing Gen AI applications, CalSTRS will apply the following guiding principles:

- **Ethical Use:** All applications of Gen AI must align with CalSTRS core values and ethical standards, avoiding any form of bias or discrimination. Employees may use approved Gen AI applications to enhance productivity and inform decision-making within their roles. However, usage of Gen AI must not replace critical human judgment in situations where ethical, legal, or complex decisions are required.
- **Privacy Protection:** Ensure the use of Gen AI respects CalSTRS privacy by adhering to data protection laws and CalSTRS information security policies. Any data used in training and deployment must be handled securely and in adherence with CalSTRS policies including, but not limited to, the Personal Data and Privacy, and the Personally Identifiable Information policies.
- **Transparency and Accountability:** Maintain transparency in the deployment of Gen AI applications and maintain clear documentation on how Gen AI applications are utilized. Establish accountability structures to oversee the responsible use of Gen AI and address any unintended consequences promptly.
- **Compliance:** Adhere to relevant legal and regulatory requirements governing Gen AI applications. This includes compliance with any copyright, database rights, and trademark rights of third parties with respect to data shared with Gen AI applications. Regularly review and update practices to remain in compliance with internal policies and evolving standards. Records generated by Gen AI applications must comply with CalSTRS' records retention policy.
- **Security Measures:** Implement security measures to protect against potential cyber threats or misuse of Gen AI applications. Regularly assess and update security protocols to address emerging risks.
- **Explainability:** Prioritize the development and integration of Gen AI applications that can provide understandable explanations for their outputs, particularly in critical decision-making processes.

- **Intellectual Property:** New processes, products, or other information resulting from the use of CalSTRS approved Gen AI applications is property of CalSTRS.

Assessment and approval process:

Requests for Gen AI application assessment and approval must be routed through the Technology Evaluation process which includes approval by the Architecture Review Team and Architecture and Standards Council. When appropriate, the request may be routed through the Project Review Council for review and approval prior to initiating the procurement process. The Enterprise Program Investment Council will be responsible for providing final approval on the use of Gen AI applications.

Responsibilities:

Executive Staff, Directors, and Managers' responsibilities include:

- Ensuring all aspects of this policy are applied within their areas of responsibility.
- Ensuring staff using Gen AI applications have sufficient training on the use of Gen AI applications and this policy.
- Regularly monitor the performance of Gen AI applications to ensure ongoing compliance with documentation, security measures, policies, and ethical standards. Promptly address and resolve any identified issues.

The Enterprise Architecture Team responsibilities include:

- Ensuring members of the Architecture Review Team have sufficient training and expertise to evaluate Gen AI use case requests in compliance with this policy.
- Ensuring review of proposed Gen AI application documentation and security measures.
- Recommending the use of specific Gen AI applications that adhere to this policy and represent a measurably better outcome in pursuit of strategic goals.
- Maintaining the list of Gen AI applications approved for use at CalSTRS.

Architecture and Standards Council responsibilities include:

- Following their established process to provide oversight, guidance and ensuring compliance of technology standards and principles in support of CalSTRS' strategic goals, objectives, and this policy.

Project Review Council responsibilities include:

- Following their established process for evaluating recommendations of new project requests for Enterprise Program Investment Council approval, based on CalSTRS' strategic goals, objectives, and this policy.

Enterprise Program Investment Council responsibilities include:

- Following their established process for approving recommendations based on CalSTRS' strategic goals, objectives, and this policy.

DEFINITIONS: **Ethical Standards:** Set of principles guiding the development and use of Gen AI applications, emphasizing fairness, transparency, accountability, and privacy. Such principles include, but are not limited to, the CalSTRS Code of Ethics and Business Conduct.

Artificial Intelligence (AI): The capability of a device to perform functions that are normally associated with human intelligence.

Generative Artificial Intelligence (Gen AI): Refers to pre-trained AI systems capable of generating content, responses, or solutions autonomously.

Large Language Models (LLMs): Denotes advanced AI models, such as Generative Pre-Trained Transformer 3 (GPT-3), designed to understand and generate human-like language on a large scale.

Sensitive Data: Refers to any information that is considered confidential or private and could cause harm or damage if it is disclosed, accessed, or used without proper authorization, as outlined in the Data Risk Classification Policy.

Personally Identifiable Information (PII): Any combination of information that can be used to distinguish one person from another and used to trace a person's identity.

**REFERENCES
& RELATED
DOCUMENTS:**

- Personally Identifiable Information Policy 17-032
- Personal Data and Privacy Policy 23-173
- Information Security Policy 17-003
- Artificial Intelligence Security Standard ISO-029S
- Data Risk Classification Policy 17-022
- Record Retention Policy 18-095
- CalSTRS Code of Ethics and Business Conduct
- California Education Code [Section 22306](#) on confidential information

- CalSTRS Business IT Governance Detailed Roles and Responsibilities by Process

APPROVED:

Cassandra Lichnock, *Chief Executive Officer*

DATE: 9/30/2025
(Date Signed)