



Regular Meeting

Item number 19a – Open session

Subject: Review/Refresh Board Priorities for FY 2026/27

Presenter(s): Chairperson

Item type: Consent information

Date and time: May 28, 2026– 0 minutes

Attachment(s): Attachment 1 - Recommended Board Strategic Plan Priorities for the FY 2026/27 Board and Committee Workplans (*redlined version*)

Attachment 2 - Recommended Board Strategic Plan Priorities for the FY 2026/27 Board and Committee Workplans (*clean version*)

PowerPoint presentation(s): None

Item purpose

The purpose of this item is to create board awareness and visibility on proposed priorities from the *2025–28 CalSTRS Strategic Plan (Strategic Plan)* that have been emphasized in FY 2026/27 board and committee workplans.

Recommendation

N/A

Summary

Attachment 1 outlines the recommended board-level strategic priorities for FY 2026/27, based on the *Strategic Plan*. Each of the 16 objectives has been categorized by the expected level of board engagement:

- *Leadership Priority* – requires the greatest time, engagement, and strategic input from the board
- *Enhanced Oversight* – calls for active monitoring of high-profile objectives
- *Routine Oversight* – involves standard reporting and progress updates

These designations are designed to guide the allocation of board and committee time throughout the year, helping ensure that the board remains focused on the most consequential objectives—especially those requiring direction-setting, board education, or policy development.

How Priorities Were Developed

Mosaic and staff developed the recommendations by reviewing:

- Progress made against current FY 2025/26 objectives,
- New and evolving objectives outlined in the *Strategic Plan*, and
- Timing, scope, and strategic significance of each proposed objective.

For FY 2026/27, three objectives have been designated as **Leadership Priorities**. These objectives will receive more dedicated board time and engagement through board education sessions, collaborative discussions with staff, and policy input. All remaining objectives will be supported through either **Enhanced Oversight** or **Routine Oversight**, depending on their scope, complexity, and organizational impact.

Compared to prior years, two objectives reflect a transition from earlier board-led exploration to staff-led execution and have therefore shifted to **Routine Oversight**. These include Objective 2B related to the innovation program, which has moved into implementation, and Objective 3A related to shaping a sustainable workforce, which is also now being executed by staff.

Conversely, three objectives remain designated as **Leadership Priorities** due to their strategic importance and the continued need for board direction. In addition, Objective 2E, related to leveraging disruptive technologies, has been designated for **Enhanced Oversight** in recognition of its connection to ongoing efforts to strengthen board-level oversight of artificial intelligence.

Next Steps

During this board and committee meeting cycle, the board will review draft workplans for FY 2026/27. This is a timely opportunity to confirm alignment between strategic priorities and workplan design and to ensure future board meeting time is focused on the areas where board engagement is most needed to drive progress.

Background

Board and committee workplans are the foundation for setting board meeting agendas, including board offsite meeting agendas. They integrate:

1. *Strategic Plan* objectives
2. Routine business
3. Legally or policy-mandated responsibilities

Since adopting the *2022-25 Strategic Plan*, the board has established an annual practice of reviewing *Strategic Plan* objectives to ensure those requiring significant board or committee attention are appropriately scheduled. This practice promotes stronger alignment between the board's time and strategic priorities, while supporting more intentional engagement with staff.

While all strategic objectives are important, some require deeper board involvement—especially in early stages of exploration, policy direction, or when shaping key implementation principles. These require more time than standard oversight updates and often involve collaboration with staff or board consultants.

To guide meeting planning, the board adopts a consensus slate of strategic priorities each year. These priorities directly inform board and committee workplans and help ensure meeting schedules support focused engagement.

Defining Levels of Board Oversight

Strategic objectives are typically aligned with one of three engagement styles:

1. Board Leadership Priority

Used when the board leads direction-setting for a major or emerging strategic issue. This includes receiving board education, partnering with staff to shape definitions or principles, and enacting policy.

- *Typical Topics:* Enterprise-wide or culture-shaping objectives
- *Example:* Goal 1., Objective B., Investment Branch Shared Vision, Objective E, evolving excellence in board governance

2. Enhanced Oversight

Applied to high-profile objectives with significant budgetary or reputational implications. Enhanced Oversight requires active board monitoring and, in some cases, the use of a dedicated “board team of two” or committee to support early exploration and guide board-staff engagement. As objectives move from exploration into execution, the role of a team of two becomes primarily informational between board meetings, with updates provided to the full board.

- *Typical Topics:* Complex projects with major implementation efforts
- *Examples:* Goal 2, Objective A. pension administration system platform, Goal 2, Objective E., disruptive technologies

3. Routine Oversight

Routine oversight reflects that foundational direction-setting and assessment have already occurred, and that the board's role is now to monitor execution led by staff.

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- *Typical Topics:* Broad implementation across divisions
- *Examples:* Goal 1, Objective A., Funding plan, Goal 3, Objective F. organizational approach to resource allocation and reallocation

Strategic Plan linkage: [Strategic Plan Documents](#)

Board Policy linkage: [Roles of the board and CEO in the Strategic Planning Policy \(BGM Section 2.E.4\)](#)

Optional reference material:

[May 2025 Regular Meeting Item 14: FY 2025-26 Board Strategic Plan Priorities](#)