



# Board Governance Committee

## Item number 5 – Open session

**Subject:** Revision to Board Operative Principles – First Reading

**Presenter(s):** Mosaic Governance Advisors

**Item type:** Information

**Date and time:** May 28, 2026 – 15 minutes

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**Attachment(s):** Attachment 1 – Map of Primary Inbound Communication

Attachment 2 – Clean Proposed Revisions to the Board Operative Principles

Attachment 3 – Redlined Proposed Revisions to the Board Operative Principles

**PowerPoint presentation(s):** Revision to Board Operative Principles – Incorporating Board’s Engagement of Members and Public

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### **PURPOSE**

To support a shared understanding of the process for addressing inbound communications for board awareness and oversight, and to provide feedback on proposed revisions to the Board Operative Principles that clarify and document the board’s existing commitment to engage with CalSTRS members and the public.

### **BACKGROUND**

The board develops policies and other governing documents and provides oversight of key processes to fulfill its fiduciary and governance responsibilities. For example:

- The CalSTRS mission statement reflects the board’s responsibility for “securing the financial future and sustaining the trust of California’s educators.”
- The CalSTRS core values emphasize the importance of being a trustworthy and transparent organization.
- The board’s Operative Principles reflect the board’s commitment to leadership and excellence in governance.

Engagement with members and the public is an important component of upholding these responsibilities and standards, including sustaining institutional trust. Accordingly, the board values clear and effective communication with members and the public consistent with its governance role.

CalSTRS and the board receive inbound communications through multiple channels, including emails, formal public comment at meetings, and informal in-person requests. Staff manage these communications under established processes, consistent with board-adopted policies (including procedures related to the board speaking with one voice) and applicable legal requirements, including the Bagley-Keene Open Meeting Act.

As the volume and complexity of inbound communications continue to increase, the board has expressed an interest in reaffirming its shared understanding of how these processes operate and of the board’s role within them. Through this item, a high-level overview of the communication process is provided for board awareness and oversight, along with proposed revisions to the Board Operative Principles that clarify and more explicitly document existing board sentiment and practice related to engagement with members and the public.

#### Map of Primary Inbound Communication

Mosaic Governance Advisors, LLC (“Mosaic”), the board’s governance consultant, worked with CalSTRS staff from Public Affairs, the Office of the General Counsel, Investments, and the Executive Office to develop a high-level map illustrating how inbound communications are received, managed by staff in a manner aligned with board-adopted policies, and reported to the board in support of its oversight role. Board leadership or the full board are engaged as appropriate.

The map is included as Attachment 1 to provide visibility into the process for awareness and oversight. The map is informational in nature and not intended to introduce new processes or decision-making responsibilities. Mosaic is requesting the Committee’s review of and feedback on Attachment 1.

#### Board Operative Principles

In 2022, the board adopted its Operative Principles to reflect its commitment to maintaining its role as a leader in governance for the benefit of its members and their beneficiaries. These principles serve as a foundational resource for the board, supporting continuity, shared expectations, and stability in governance culture and practices, particularly during periods of transition.

The Operative Principles are maintained within the Board Governance Manual (BGM), which is overseen by the Committee.

To further articulate the board’s role related to engagement with its members and to ensure alignment with current board sentiment and practice, proposed revisions to the Board Operative Principles are provided as Attachment 2. The proposed revisions do not introduce new responsibilities or processes but rather clarify and harmonize the principles with how the board

currently approaches engagement and communications. Mosaic is requesting the Committee's review and feedback on the proposed updates.

### **NEXT STEPS**

Following the meeting, the inbound communication map will be incorporated into trustee onboarding materials and posted to Diligent.

Mosaic will incorporate the Committee's feedback and return the revised Operative Principles to the Committee in September for a second reading and recommended approval, subject to final approval by the board.

**Strategic Plan Linkage:** N/A.

### **Board Policy Linkage:**

- [Board Operative Principles](#)
- [Board Governance Committee Charter](#)
- [Policy Review Policy](#)