

Board Governance Operative Principles (*Redlined First Reading Proposed Revisions to the Board Operative Principles – as presented in May 2026*)

The CalSTRS board is committed to maintaining its role as a leader in governance for the benefit of its members (active, retirees, and beneficiaries). To accomplish this objective, the Board has developed the following Governance Operative Principles. They are equally important, and, as such, appear in no specific order of priority.

- Fiduciary Primacy and Systemwide Responsibility
 - The Board's fiduciary duty is to the System and to its members. The board does not act in the interest of any individual, ~~or subgroup of membership, or public organization~~ other entity.
 - The board strives to conduct its business ~~be as efficiently and effectively as possible as it conducts its business~~, consistent with applicable law.
- ~~The board remains committed to its focus on e~~Excellence in gGovernance, Oversight, and Long-term Focus ~~consistent with its fiduciary duties.~~
 - The board ~~desires to maintain~~ its a policy-level focus and board leadership mindset in carrying out its governance and oversight responsibilities.
 - Continuous improvement, adaptationing, and innovation ~~are is an~~ important values of the organization as a whole and of the board to remain viable and resilient.
 - The board approaches its work and stewardship of the System through a long-term, Systemwide lens that prioritizes the financial health, institutional integrity, and sustained credibility of CalSTRS over pressures or individual interests.
- ~~The optimal function of the board relies on the e~~Engaged Participation of all Trustees.
 - Trustees ~~perceive the role of the board as oversight, but also providing~~ contribute to the board's work by providing their individual insights and thoughts input on strategy and; risks within the context of collective deliberation and decision-making, and serving as a sounding board to staff.
 - Trustees value the board's consensus-oriented and, productive culture ~~of the board~~, and the board's ability to adapt to change, and want to maintain these attributes.
- Transparency to and Engagement of to its mMembers, stakeholders, and the general pPublic ~~serves the public interest and is an essential ingredient to CalSTRS achieving its mission.~~
 - The board values productive relationships with CalSTRS members and the public, which is an as essential ingredient to CalSTRS to to achieving its the CalSTRS mission, including sustaining trust, stakeholders.
 - ~~The board strives to be as efficient and effective as possible as it conducts its business consistent with applicable law. The board welcomes and listens to its members and the public's perspectives as a part of the total input to its deliberations. These perspectives inform board decisions, but do not determine them or create an obligations to respond to to or act on behalf of particular interests.~~
 - The board seeks to ensure fair and equitable treatment of all members and avoids communications or actions that could create real or perceived preferential access, endorsement, or undue influence.
 - The board speaks with a unified institutional voice. Individual trustees communicate on behalf of CalSTRS only in policy-authorized circumstances and consistent with collective board direction in order to preserve role clarity, accuracy, and institutional credibility, and alignment with applicable law, board-adopted policies, governance priorities, and the board's strategic direction.