Regular Meeting

Item number 17b – Open session

Subject: Approval of Minutes of the May 28, 2026, Regular Meeting – Teachers' Retirement Board – Open Session

Presenter(s): Chairperson

Item type: Consent action

Date and time: September 24, 2026– 0 minutes

Attachment(s): None

PowerPoint presentation(s): None

PROPOSED MINUTES

Teachers' Retirement Board – Regular Board Meeting

May 28, 2026

OPEN SESSION

LOCATION: Board Room, 100 Waterfront Place, West Sacramento, CA 95605

BOARD MEMBERS PRESENT

Denise Bradford, Chairperson
Karen Yamamoto, Vice Chairperson
Michael Gunning
Sharon Hendricks
Steve Juarez
Harry Keiley
Ken Tang
Deborah Gallegos, representing the State Controller, Malia M. Cohen
Patrick Henning, representing the State Treasurer, Fiona Ma
Michele Perrault, representing the Director of Finance, Joe Stephenshaw
Dean Patterson, representing the State Superintendent of Public Instruction, Tony Thurmond

STAFF PRESENT

Cassandra Lichnock, Chief Executive Officer
Brian J. Bartow, General Counsel

Lisa Blatnick, Chief Operating Officer
Scott Chan, Chief Investment Officer
Ashish Jain, Chief Technology Officer
Melissa Norcia, Chief Administrative Officer
Teresa Schilling, Chief Public Affairs Officer
Julie Underwood, Chief Financial Officer
Jeff Zimmer, Chief Benefit Officer
Joycelyn Martinez-Wade, Director, Governmental Relations
David Lamoureux, System Actuary
Jenny Wong, Senior Counsel

OTHER PRESENT

Amy McDuffee, Mosaic Governance Advisors
Natasha Smith, Mosaic Governance Advisors
Nick Collier, Milliman
Scott Preppernau, Milliman
Mark Allen, CalRTA
Kathy Kinley, CalRTA
Leonard Goldberg, UTLA
Jim Mogan, DEA
Kevin Welch, DEA, CTA
Jennifer Baker, CalRTA
Doug Orr, CFT
Jesus Gutierrez, CTA
MaryKay Scheid, CTA
Don Stauffer, CTA/NEA-Retired
Peter Morse, FACCC
Dana Dillon, CTA/NEA-Retired
Kathy Sharp, CTA/NEA-Retired
Julie Johnson

A quorum being present, Chairperson Bradford called the Open Session meeting of the Teachers' Retirement Board meeting to order at 9:00 a.m.

I. APPROVAL OF AGENDA (Item 1)

The agenda was approved by Consent.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		

Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

RECESS

The Open Session of the board meeting recessed at 9:00 a.m. and the board went into Closed Session. The board meeting reconvened in Open Session at 10:46 a.m.

Chairperson Bradford reported there was nothing from closed session to report.

Chairperson Bradford reflected on the member video presented in the Investments Committee, recognized retirements of Lance Gunnersen and Leonard Goldberg, and highlighted agenda items.

II. CHIEF EXECUTIVE OFFICER REPORT (Item 10)

Ms. Lichnock recognized the 2026 Virtuosos – Alvin Singh, Alyssa Svirgun, Carmen Smith, Chase Williams, Chyanne Ledbetter, Julio Perez, Katrina Gacic, Kristie Sena, Maegen Wallick, Nicole Wible, Pritpal Bains, Rebekah Machado De Quevedo, Rosemary Chanou, Salvador Recinos, San Juanita Ledesma, Scott Brooks, Sonja Follett, and Stefanie Bullock.

Ms. Lichnock provided an overview of the 2025-26 Technology and Innovation Budget.

The board received an update on BenefitConnect from Mr. Zimmer. The board discussed communication with members about alternative ways to contact CalSTRS, staffing levels, input from stakeholders, and expressed appreciation for the hard work and commitment from staff.

Public comment

Ms. Johnson made a public comment describing communication and website challenges during her retirement process, along with her willingness to help improve service and communication to retiring educators.

Mr. Goldberg made a public comment acknowledging his retirement and thanked the board and staff for their service.

Ms. Dillon made a public comment recognizing Mr. Goldberg's retirement.

Mr. Welch made a public comment thanking Mr. Goldberg for his work.

III. BOARD/STAFF AI – TECHNOLOGY WORKING GROUP OUTCOMES AND RECOMMENDATIONS (Item 11)

The board heard from Ms. Lichnock, Ms. McDuffee, and Ms. Smith regarding key findings and recommendations from the Board-Staff Working Group on Technology Governance. The board discussed designations, the board's role, impact to CalSTRS, and training and education received by board members.

Public comment

Mr. Stauffer made a public comment seeking clarification on how CalSTRS and the board will be utilizing artificial intelligence.

IV. BOARD WORK PLAN FOR FY 2026-27 (Item 12)

Ms. Lichnock provided highlights of the board work plan. The board discussed inclusion of benefits and services, board governance meetings, and onboarding new board members.

V. ANNUAL BOARD CHAIR AND VICE CHAIR ELECTIONS (Item 13)

Chairperson Bradford turned the meeting over to Ms. Lichnock to conduct the annual elections.

NOMINATION duly made by Mr. Gunning, seconded by Mr. Henning, to elect Ms. Bradford to the position of Chair of the Board.

No other nominations were made.

ELECTION called, members voted to elect Ms. Bradford as Chair of the Board.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

NOMINATION duly made by Mr. Juarez, seconded by Mr. Tang, to elect Ms. Hendricks to the position of Vice-Chair of the Board.

No other nominations were made.

ELECTION called, members voted to elect Ms. Hendricks as Vice-Chair of the Board.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

Mr. Keiley thanked Ms. Yamamoto for her service as Vice-Chair of the Board.

VI. STATE AND FEDERAL LEGISLATION (Item 14)

The board received an overview of AB 1619 from Ms. Martinez-Wade, noting staff's recommendation of a neutral position. The board discussed the status of AB 1619.

MOTION duly made by Mr. Gunning, seconded by Mr. Tang, and carried to adopt a neutral position to AB 1619.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance			X
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

The board received an overview of AB 2417 from Ms. Martinez-Wade, noting it was amended and staff's recommendation of a neutral position. The board discussed the status of AB 2417, references to social security as a retirement plan, and community college districts offering social security administration.

MOTION duly made by Ms. Hendricks, seconded by Mr. Tang, and carried to adopt a neutral position to AB 2417.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer			X
Ms. Perrault, for the Director of Finance			X
Mr. Patterson, for the Superintendent of Public Instruction			X
Chairperson Bradford	X		

The board heard from Ms. Martinez Wade that she is not seeking a position on Senate Bill 1319 and updates on AB 65 and AB 2780. The board noted that SB 1319 is held in the Senate Appropriations Committee suspense file and AB 65 is in the Governor's May revise proposal.

The board received an update from Ms. Martinez Wade that AB 1997 was approved by the Office of Administrative Law and amended regulatory language will be presented to the board in September to restart the formal rulemaking process for AB 1667.

VII. ACTUARIAL VALUATIONS (Item 15)

a. VALUATION OF THE DEFINED BENEFIT PROGRAM AND SETTING OF CONTRIBUTION RATES

The board heard from Mr. Lamoureux, Mr. Collier, and Mr. Preppernau on the valuation of the Defined Benefit Program as of June 30, 2025, and proposed recommendation for the contribution rates and normal cost rates. The board discussed impacts of good and bad years on the state supplemental contribution rate, annual review and increases to the state supplemental contribution rate, and the funding rate. The board considered the increase in payees, visibility in the number of teachers and wage increases, rate of retiring teachers and teachers entering the profession, and anticipation and effect of retirements.

Mr. Juarez left the dais at 12:24 p.m.

MOTION duly made by Ms. Hendricks, seconded by Mr. Tang, and carried to adopt the State Supplemental Contribution Rate of 6.311%, Employer Supplemental Contribution Rate of 10.850%, and Normal Cost Rate of 18.345% for CalSTRS 2% at 62 members, effective July 1, 2026.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Keiley	X		
Mr. Tang	X		

Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

Mr. Juarez returned to the dais at 12:27 p.m.

b. VALUATION OF THE DEFINED BENEFIT SUPPLEMENT PROGRAM AND CONSIDERATION FOR THE ADOPTION OF AN ADDITIONAL EARNINGS CREDIT

The board received an overview from Mr. Lamoureux, Mr. Collier, and Mr. Preppernau on the actuarial calculations for the Defined Benefit Supplement program and proposed recommendation for an additional earnings credit. The board discussed the creation of the Defined Benefit Supplement program and contribution eligibility.

MOTION duly made by Ms. Hendricks, seconded by Ms. Yamamoto, and carried to adopt an Additional Earnings Credit of 4.53% of the June 30, 2025, balance of credits for members of the Defined Benefit Supplement Program who were not retired as of June 30, 2025.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

c. VALUATION OF CASH BALANCE BENEFIT PROGRAM AND CONSIDERATION FOR THE ADOPTION OF AN ADDITIONAL EARNINGS CREDIT

The board received an overview from Mr. Lamoureux, Mr. Collier, and Mr. Preppernau on the actuarial calculations for the Cash Balance Benefit program and proposed recommendation for an additional earnings credit. The board discussed the rationale for the cash balance program and contribution eligibility.

Mr. Gunning left the dais at 12:35 p.m.

MOTION duly made by Ms. Hendricks, seconded by Ms. Yamamoto, and carried to adopt an Additional Earnings Credit of 2.81% of the June 30, 2025, balance of credits for members of the Cash Balance Benefit Program who were not retired as of June 30, 2025.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

Mr. Gunning returned to the dais at 12:40 p.m.

VIII. ACTUARIAL PROJECTION FOR THE SUPPLEMENTAL BENEFIT MAINTENANCE ACCOUNT (Item 16)

The board received an overview from Mr. Lamoureux, Mr. Collier, and Mr. Preppernau on the actuarial projection for the Supplemental Benefit Maintenance Account and proposed recommendation to maintain the purchasing power protection percentage at 85%. The board discussed when and how inflation rates are adjusted.

MOTION duly made by Ms. Hendricks, seconded by Mr. Juarez, and carried to maintain the purchasing power percentage at 85% for purchasing power payments.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

IX. OPTIONS ON THE USE OF THE SUPPLEMENTAL BENEFIT MAINTENANCE ACCOUNT (Item 17)

The board heard from Mr. Lamoureux on the two options recommended to present to the State Legislature.

MOTION duly made by Ms. Hendricks, seconded by Ms. Yamamoto, and carried to approve presenting the two options discussed in the item to the California Legislature pursuant to Education Code section 24415.5.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Mr. Tang	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

X. REVIEW OF LUMP SUM DEATH BENEFIT (Item 18)

The board heard from Mr. Lamoureux regarding the recommended increase to the lump sum death benefit based on the policy. The board discussed Active Coverage A and Active Coverage B eligibility, for members to complete required forms, and expressed appreciation for clear parameters.

Mr. Tang left the dais at 12:51 p.m.

MOTION duly made by Ms. Yamamoto, seconded by Mr. Tang, and carried to increase the lump sum death benefit amount by 2.75%, effective July 1, 2026, resulting in Active Coverage A and Retired Member lump sum of $7,488; and Active Coverage B lump sum of $29,952.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		

Chairperson Bradford	X		

XI. CONSENT AGENDA - INFORMATION (Item 19)

a. Review/refresh Board Priorities for FY 2026-27
b. Actuarial Valuation of the Medicare Premium Payment Program
c. Administrative Procedure Changes Pursuant to CEO Delegation
d. 2025-26 Service Performance Metrics

The board received information on the board priorities for FY 2026-27, actuarial valuation of the Medicare Premium Payment Program, administrative procedure changes pursuant to CEO Delegation, and 2025-26 Service Performance Metrics.

XII. CONSENT AGENDA - ACTION (Item 20)

a. Committee Reports

1. **Investment Committee:** The Investment Committee met in Open Session on Wednesday, May 27, 2026. The committee received the Chief Investment Officer's report and an update of Phases 1 and 2 of the Shared Vision strategic goal. The committee approved the selection of the private equity consultant and provided input on the proposed Investment Committee Work Plan for FY 2026-27.
2. **Appeals Committee:** There was no Appeals Committee meeting.
3. **Audits and Risk Management Committee:** There was no Audits and Risk Management Committee meeting.
4. **Board Governance Committee:** There was no Board Governance Committee meeting.
5. **Compensation Committee:** There was no Compensation Committee meeting.

b. Approval of Minutes of the March 5, 2026, Regular Meeting – Open Session
c. Board Member Education
d. Contracts Requiring Board Approval
e. Adopt Contribution Rates and Interest Rates for Fiscal Year 2026-27

The Consent Agenda was passed by consent.

Members Voting	Aye	Nay	Abstain
Mr. Gunning	X		
Ms. Hendricks	X		
Mr. Juarez	X		
Mr. Keiley	X		
Ms. Yamamoto	X		
Ms. Gallegos, for the State Controller	X		
Mr. Henning, for the State Treasurer	X		
Ms. Perrault, for the Director of Finance	X		
Mr. Patterson, for the Superintendent of Public Instruction	X		
Chairperson Bradford	X		

XIII. ITEMS REFERRED BY COMMITTEE FOR BOARD DECISION (Item 21)

There were no items referred by committee for board decision.

XIV. NEW BUSINESS / REVIEW OF INFORMATION REQUESTS (Item 22)

For item 15b, the board requested a demographic breakdown for kindergarten through 12^{th} grade and community colleges participating in the cash balance and defined benefit supplement program.

XV. DRAFT AGENDA FOR NEXT MEETING (Item 23)

Ms. Lichnock highlighted the next meeting will include final approval of board and committee work plans and the agenda will be updated to include educational items, budget proposal change requests, and projected costs associated with headquarters building and technology updates.

Mr. Tang returned to the dais at 12:54 p.m.

XVI. OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC (Item 24)

There were no statements from the public.

XVII. ADJOURNMENT

There being no further business to conduct, Chairperson Bradford adjourned the meeting at 12:55 p.m.

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Cassandra Lichnock, Chief Executive Officer
And Secretary to the Teachers' Retirement Board

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Denise Bradford, Chairperson

Prepared by: Jenny Wong, Senior Counsel