



Item 11. Working group report

Information item

May 28, 2026

About the working group

- Convened October 2025
- Clarified the board's responsibilities for overseeing technology at CalSTRS, with a particular focus on AI
- Engaged with global public pension peers, academic experts, and external advisors



Key findings

- Integrate AI into existing strategy, risk management, and oversight practices
 - Board oversees many of the areas where AI introduces material implications
 - CalSTRS has global reputation for good governance
- Opportunity to clarify roles & responsibilities – not to expand the board’s scope



Recommended board direction

- Address board-level oversight of AI by explicitly incorporating AI considerations into existing structures
- Direct the CEO to integrate the board's AI governance responsibilities into existing board practices and to periodically update the board
- Designate two trustees to work with the CEO on initial integration of AI governance responsibilities
- Authorize the targeted use of external consulting resources to periodically assess and support the board's AI-related expertise

Recommendations: Initial governance-level actions

- Develop board-level AI governance principles
- Develop AI-related risk framework

Recommendations: Enable actions to strengthen board's ongoing AI fluency

- Ongoing board education
- High-level AI use overview and readiness assessment
- Engage with external advisors

Immediate next steps

- CEO to initiate integration of AI responsibilities in accordance with this report
 - Identify two trustees to support CEO with integration
- Develop governance-level AI principles at the July offsite



Thank you

Questions and discussion