



Board Governance Committee

Item Number 3 – Open Session

Subject: Approval of Draft Board Operative Principles

Presenter(s): Chairperson

Item Type: Consent Action

Date & Time: May 5, 2022 – 0 minutes

Attachment(s): Attachment 1 – Final Draft Board Operative Principles

PowerPoint(s): None

PURPOSE

To adopt the final draft board operative principles as presented.

DISCUSSION/SUMMARY

The Committee is leading an initiative to identify ways to continually improve transparency, effectiveness, and efficiency in board operations. At its January 27, 2022, meeting, the Board Governance Committee (Committee) discussed and reached consensus on draft operative principles that codified how the CalSTRS Board and its committees prefer to undertake their business. This was a major step in developing feasible options related to the board's meeting format and materials in post-pandemic circumstances.

The Committee directed the incorporation of two minor changes into the draft operative principles.

- The first change was to organize the principles into two groups: 1) purpose or foundational elements (“the what”) and 2) implementation (“the how”).
- The second change was to integrate the concept of adaptability into the principles.

The changes are reflected in Attachment 1. Mosaic Governance Advisors, LLC (Mosaic), the board's governance consultant, circulated the revised draft operative principles to members of the Committee for additional input or comments in February 2022. None was received. The final draft operative principles are now ready for adoption by the Committee. Once adopted, they will be agendized for approval by the full board.

Mosaic and Committee staff are recommending that the approved operative principles become part of Section 1 of the *Board Governance Manual*. Section 1 houses the CalSTRS mission statement and core values.

Per the Committee’s direction at its last meeting, additional placement ideas are also under consideration. This could include printouts in strategic locations and use within the Board’s annual self-evaluation.

RECOMMENDATION

Mosaic and staff recommend that the Committee adopt the final draft operative principles as presented (Attachment 1).

Action in the affirmative taken by the Committee advances the operative principles to the board for subsequent approval.