

CaSTRS Board Education Program Review *(Information Item)*

A Presentation to the CaSTRS Board Governance Committee | September 11, 2023

Topics



Board Education Best Practices



CalSTRS Board Education Program



Trends, Possible Refinements, and
Committee Discussion

Discussion Objectives:

- **Refresh awareness** of the Board Education Program
- **Receive Committee direction** on program refinements to consider

Board Education Best Practices



Best Practice Principles: Public Pension Board Education



Understanding of Fund
Context



Balanced Skill Set



Ongoing Education



Annual Evaluation &
Competency Development

*Source: Committee on Fund Governance, *Best Practice Principles*, The Stanford Institutional Investors' Forum, May 31, 2007.

Best Practice Principles in Action

- Strategically Tailored Education
- Continual Learning Culture
- Balanced Education Sources
- Infuses External Insights
- Onboarding & Refreshers
- Regular Individual Education Assessment
- Individual Learning Plans
- Mentorship Support



CalSTRS Board Education Program



Historical Context

Committee responsible* for overseeing and facilitating educational opportunities for board members.

Long-standing Committee focus on infusing best practices and continuous improvement**

*Board Governance Committee Charter.

** See BGOV workplans (FY 15/16 – FY 18/19), *CalSTRS Strategic Plan 2019 – 2022*).



CalSTRS Board Education Program Components



Onboarding

Board Continuing Education

Comprehensive Curriculum

Assessment and Planning Tools

Board Policy

CalSTRS Board Education Curriculum

Required Topics

Board	Organization	Plans, Programs & Services
<ul style="list-style-type: none"> • Legal and Fiduciary Matters • Ethics and Disclosure • Governance 	<ul style="list-style-type: none"> • Strategic Plan • Financial Statements, Controls, Audits • Risk Management • Executive Management • Information Technology/Security • Sustainability (Enterprise) 	<ul style="list-style-type: none"> • Retirement Plans Policy (CA and US) • Institutional Investment Principles • Actuarial Matters • Benefits Administration • Sustainability (Investments)

Elective Topics

Board	Organization	Plan
<ul style="list-style-type: none"> • Board Effectiveness and Leadership • Regulatory/ Legislative Landscape • Consultant/ Vendor Selection and Monitoring 	<ul style="list-style-type: none"> • Compliance • Organizational Budgeting • Compensation Management • Human Resources • Operations and Performance Management • Public Affairs and Advocacy 	<ul style="list-style-type: none"> • Pension Accounting • Institutional Investment Strategies/Implementation • Benefits Service Delivery/Customer Satisfaction • Global Retirement Policy • Personal Financial Planning • Employee Benefits Management

*Annual self-assessment and individual learning plan tools are based on this curriculum.

CalSTRS Board Education Program: Comprehensive and Aligned with Best Practice Principles

- ✓ Strategically Tailored Education
- ✓ Continual Learning Culture
- ✓ Balanced Education Sources
- ✓ Infuses External Insights
- ✓ Onboarding & Refreshers
- ✓ Regular Individual Education Assessment
- ✓ Individual Learning Plans
- ✓ Mentorship Support



Trends, Possible Refinements, and Committee Discussion



Trends in Board Education

Key Focus Areas

- Audit committee effectiveness
- Cybersecurity and data governance
- Diversity, equity and inclusion
- Enterprise risk management
- Environmental, social and governance
- Shareholder activism and engagement
- Strategic workforce issues
- Strategy and innovation

Source: [How to Accelerate Board Effectiveness Through Insight and Ongoing Education \(harvard.edu\)](https://www.harvard.edu)

Possible Refinements

Refresh the curriculum

Offer more peer-to-peer interactions

Create a virtual library of CalSTRS specific self-paced board educational content

Enhance board communications around board education

Others?

Discussion

What refinements could make the board education program more effective and meaningful?

The background of the slide is a composite image. It features silhouettes of several business professionals in a modern office environment. Some are looking at documents, others are talking on mobile phones. The office has large windows overlooking a city skyline with several skyscrapers. The scene is overlaid with various digital and data-related graphics, including charts, graphs, and icons, creating a high-tech, professional atmosphere.

Thank you for your time!

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