

Connections



REACHING YOUR RETIREMENT

SEMIANNUAL PUBLICATION FOR ACTIVE AND INACTIVE CALSTRS MEMBERS

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Cassandra Lichnock announced as new CalSTRS CEO

In May, the Teachers' Retirement Board announced the appointment of Cassandra Lichnock as CalSTRS' new chief executive officer effective July 1, 2021. CalSTRS is the world's largest educator-only pension fund, with a more than 70% female membership. Lichnock is the fund's first female CEO—an important milestone

demonstrating the board's commitment to diversity and inclusion.

As CEO, Lichnock will build and execute strategy, deliver on operational excellence, and forge a strong relationship with the board. She will continue her leadership in modernizing CalSTRS systems and processes, build on our commitment to sustainability and diversity, and focus on evolving CalSTRS workplace culture as we plan for a post-pandemic future.

"Cassandra's experience and knowledge of CalSTRS operations and culture will ensure a smooth transition and continuity for our members, employees and stakeholders," said board chair Harry Keiley. "She is the right choice to continue partnering with the board, staff and executives to deliver on our mission to provide a secure retirement to California's educators."

Lichnock joined CalSTRS in 2008 as the human resources executive officer and served as chief operating officer since 2013 overseeing the Audit Services, Enterprise Strategy Management, Administrative Services, Benefits and Services, Public Affairs, and Technology Services divisions as well as the Office of the Ombuds. She advised the board and the CEO, ensuring that the most complex and critical operational issues and policy matters impacting the system were developed and implemented consistent with CalSTRS mission, vision and values.

Also inside:

View your 2020-21 Retirement Progress Report on *myCalSTRS*

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CalSTRS mission:

Securing the financial future and sustaining the trust of California's educators

Teachers' Retirement Board

Harry M. Keiley, Chair
Sharon Hendricks, Vice Chair
Keely Bosler
Denise Bradford
Joy Higa
Fiona Ma
William Prezant
Tony Thurmond
Jennifer Urdan
Karen Yamamoto
Betty Yee

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Chief Executive Officer

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Chief Investment Officer

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Designer

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Statements in this publication are general and the Teachers' Retirement Law is complex and specific. Nothing contained in this publication should be construed as legal advice.

If a conflict arises between information contained in this publication and the law, the law prevails.

CalSTRS Connections is published twice a year for members of the California State Teachers' Retirement System.

Send your comments or suggestions to:

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COVID-19 update: Serving our members remotely

We are in the process of planning our approach to reopening in-person services at our member service centers. All member services are available via online or telephone sessions, and our Contact Center is taking calls from 8 a.m. to 5 p.m. Monday through Friday. You can send us a secure message through *myCalSTRS* or our online form at [CalSTRS.com/contact-us](https://www.calstrs.com/contact-us).

You can also find answers to most of your questions through [CalSTRS.com](https://www.calstrs.com) or through our publications at [CalSTRS.com/publications](https://www.calstrs.com/publications).

We encourage you to use the online services available through your *myCalSTRS* account, including updating your beneficiary designations, viewing your latest *Retirement Progress Report* and updating contact information. For added convenience, several of our forms can now be signed electronically. If you haven't signed up for *myCalSTRS*, go to [myCalSTRS.com](https://www.calstrs.com) and register today for immediate access to your accounts.

Retirement is one of life's biggest decisions, and we understand the importance of human connection when you make those choices. We continue to offer individual service retirement benefits planning sessions over the phone or online. Check out our webinars designed for midcareer members and members nearing retirement at [CalSTRS.com/webinars](https://www.calstrs.com/webinars). You can also schedule a telephone or Zoom benefits planning session on *myCalSTRS* or by calling 800-228-5453, option 3.

Visit our COVID-19 resources page for information on how to access all our services at [CalSTRS.com/covid-19-resources](https://www.calstrs.com/covid-19-resources).

➤ **Go to [CalSTRS.com](https://www.calstrs.com) for the latest updates.**



Find information about COVID-19 and how to protect yourself and others:

California Department of Public Health: [cdph.ca.gov](https://www.cdph.ca.gov)
Centers for Disease Control and Prevention: [cdc.gov](https://www.cdc.gov)

Keep track of your account and service credit balance

View your 2020–21 Retirement Progress Report on *myCalSTRS*

Your *Retirement Progress Report* for 2020–21 is now available online. It's easy to view or print your report—just log on to your *myCalSTRS* account at **myCalSTRS.com**, select *View Your Retirement Progress Reports* and then select the year. You can also:

- Use the online glossary if you have any questions about terms used in the report.
- Select the *Employer Detail* screen to view a breakdown of your earnings, contributions, compensation earnable and service credit by employer and by assignment.
- Confirm that you have designated your one-time death benefit recipient. If you need to update your beneficiary, complete the *Recipient Designation* form online through your *myCalSTRS* account (or download a form at **CalSTRS.com/forms**).

In support of our commitment to sustainability, CalSTRS securely and automatically delivers your annual *Retirement Progress Report* to your online *myCalSTRS* account, reducing paper and postage costs. If you don't have a *myCalSTRS* account, go to **myCalSTRS.com** and sign up for 24/7 access to your account information. If you want a printed version of next year's report mailed to you, submit the *Retirement Progress Report Delivery Preference* form, available at **CalSTRS.com/forms**, by July 1, 2022.

- **If you believe there's a discrepancy in your report, contact your employer immediately.**



To learn more about the information included in your report, watch the *Your CalSTRS Retirement Progress Report* video at **CalSTRS.com/member-benefit-education**.

Have you received unsolicited email about CalSTRS retirement planning?

When communicating via email, a CalSTRS representative will always have “@CalSTRS.com” in the email address—for example: noreply@CalSTRS.com. We will never ask for your personal information in an unsolicited email or other type of electronic communication.



Lisa Blatnick appointed CalSTRS chief operating officer

CalSTRS appointed Lisa Blatnick as chief operating officer effective August 16, 2021. She replaces Cassandra Lichnock, who became CalSTRS' chief executive officer on July 1, 2021.

As COO, Blatnick will oversee Audit Services, Enterprise Strategy Management, Administrative Services, Benefits and Services, Public Affairs, Technology Services and the Office of the Ombuds. She will also serve as a key advisor to the Teachers' Retirement Board and CEO and will ensure the most complex and critical operational issues and policy matters impacting the retirement system are developed and implemented in a manner consistent with CalSTRS' mission, vision and values.

Blatnick served as chief of administrative services since August 2015, leading human resources, procurement, facilities management, business continuity and sustainability. She has played an instrumental role in numerous high-profile projects, including the expansion of the headquarters office in West Sacramento and management of internal resources that support an investment strategy known as the CalSTRS Collaborative Model, which brings more assets internally to reduce costs.

She joined CalSTRS in September 2003 as a facilities coordinator and has nearly 28 years of experience working for the state of California. She also held the position of director of facilities management and procurement before becoming chief of administrative services. Prior to joining CalSTRS, Blatnick worked at the Legislative Counsel Bureau and the Office of Criminal Justice Planning in human resources and facilities management-related positions. Blatnick will lead CalSTRS' transition to a blended work environment, which will include in-office and remote work, with a focus on preserving workplace culture and collaboration.

Blatnick is a native of Sacramento and holds certificates in human resource management and labor-management relations from the University of California, Davis.

Update your one-time death benefit recipient info online

Now is a good time to update your recipient designation information. You may name one or more recipients for the one-time death benefit—a person, trust, charity, estate, parochial institution, corporation or public entity. Just log on to myCalSTRS.com for secure and convenient access to your CalSTRS accounts and select *Manage Your Beneficiary Selections*.

When you use *myCalSTRS* to complete your *Recipient Designation* form, you and your spouse or registered domestic partner can electronically sign through DocuSign. DocuSign does not require *myCalSTRS* registration for your spouse or registered domestic partner, making submitting this form online easy!

Melissa Norcia appointed CalSTRS chief administrative officer

Melissa Norcia was recently appointed as CalSTRS' chief administrative officer effective September 15, 2021. She replaces Lisa Blatnick, who became CalSTRS' chief operating officer in August 2021.

Norcia will lead human resources, procurement, facilities management, business continuity and sustainability. She will also partner with the chief operating officer and other executives in overseeing multiple mission-critical projects, such as the expansion of the headquarters office in West Sacramento and management of internal resources that support an investment strategy known as the CalSTRS Collaborative Model, which brings more assets internally to reduce costs.

Norcia joined CalSTRS in 2009 as the equal employment opportunity officer and was promoted to various leadership roles before being appointed as director of human resources in 2015. She also served as staff support to the Teachers' Retirement Board Compensation Committee. Her leadership experience includes growing and managing various human resources programs, including EEO, talent management, payroll and benefits, workforce development and planning, executive compensation, diversity and inclusion, organizational development and operations.

Norcia is a native of Sacramento and holds certificates in labor-management relations and human resources development and management from the University of California, Davis.

CalSTRS annual Member Satisfaction Survey results

Earlier this year, we conducted our annual Member Satisfaction Survey to gain insight into your experiences with the delivery of CalSTRS benefits and services. Similar to prior years, we asked a random sample of active and retired members about their overall satisfaction with CalSTRS.

Consistent with previous survey results, 75% of members who responded reported "CalSTRS is an organization I can trust." Both active and retired members indicated retirement planning, the cost of health care and the state of the economy were all major drivers of confidence in their financial needs being met in retirement.

Other findings from the survey—specific to members 50 and older—include:

- 73% need additional income to meet their financial goals in retirement
- 72% are highly satisfied with CalSTRS overall
- 63% report being engaged with CalSTRS
- 47% are confident to have enough money to live comfortably throughout their retirement years



- **Survey results were presented to the Teachers' Retirement Board in September. Read the results by visiting [CalSTRS.com/teachers-retirement-board](https://www.calstrs.com/teachers-retirement-board) and click the Public Meeting Notices and Agendas link.**



myCALSTRS

Easy. Fast. Secure.

Are you within six months of retiring?

Submit your application online for faster processing

Fill out and submit your *Service Retirement Application* through your myCalSTRS account—it's easy and secure and will expedite the processing time for a faster turnaround. You'll also receive your award letter sooner.

Log in to your myCalSTRS account and click *Complete & Submit Forms*, then click *Apply for Service Retirement* for step-by-step guidance that will help you complete the application accurately. You'll receive an email confirmation when we receive your application.

Learn more about the service retirement application process at [CalSTRS.com/service-retirement-application-process](https://www.calstrs.com/service-retirement-application-process).



▶ Don't have a myCalSTRS account?

Go to [myCalSTRS.com](https://www.calstrs.com) and sign up for convenient, secure online services and 24/7 access to your account information.

Teacher Talk: Spotlight on California's educators

Retirement didn't stop this educator from going back to substitute full time



Tony Brancato
(pictured with wife Barbara)

Substitute teacher
Beaumont Unified School District
CalSTRS member since 1971

“I got bored at home. Even though we have a little farm and there's a lot to do. I started subbing.”

Beginning his career in education

Brancato started with teaching kindergarten and preschool and loved it. In Santa Maria, he taught all-day kindergarten and made home visits. “I went to every child's home after school and on weekends to develop a rapport with the kids.”

Tony Brancato loves education so much he couldn't stay retired. After 20 years as a principal and seven years as a teacher, he tried to stop working.

“I got bored at home. Even though we have a little farm and there's a lot to do. I started subbing,” Brancato said.

First career

Brancato's path to teaching was unconventional. He was pulled out of school as a teen by his father and told to get a job. He had a first career as a hairdresser. “What kind of a job is a 14-year-old going to get?”

Brancato knew he needed a trade, so he worked in fast food at night and during the day took the required training for becoming a hairdresser.

He worked in the industry for 11 years, ending up in Los Angeles. “I was not a Hollywood stylist. My clients were bread-and-butter working women and I enjoyed it. Hairdressing is a fabulous career for young people.”

Back to school

Brancato decided to go to community college, again with the plan of working at night while taking classes during the day. The problem was he didn't have a high school diploma. “I was on academic probation. A counselor called me in and asked for my transcripts and I said I don't have any. I was told if I passed my classes, I could stay.”

His experience with education gave him empathy for his students. “When I did home visits and saw some of the situations children had to put up with, I could understand. I think if you just reach out to kids, it helps. I don't believe in just kicking kids out.”

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Teacher Talk: Spotlight on California’s educators

Retirement didn’t stop this educator from going back to substitute full time

He never planned to become a principal—Brancato said it just happened. “I was teacher in charge and the district encouraged me to apply for the principalship at a school that was doing poorly. There were 250 candidates and I thought there was no way I’m going to get this.”

He said Ralph Dunlap Elementary School in Santa Maria became famous. He wanted kids to take ownership, so they helped with cleaning, landscaping, planting trees, growing food to donate and random acts of kindness.

The student government was patterned on a constitutional monarchy and had a token economy where students earned token money with jobs like tutoring or picking up trash. Students eventually could cash in earnings for real money. They also had a weekly radio show and branched into television.

He learned the name of more than 600 students each year and called their parents. “I called and the parents would ask what did my kid do now? I would say nothing. I just want you to know how proud you should be of them. Parents were flabbergasted.

“I also did something my colleagues frowned on. One day a month, I would have a teacher become principal for the day and I would teach their class. It’s so easy to forget what teachers do all day.”

Back to teaching as a sub

After moving to Beaumont for retirement, Brancato got bored and started substitute teaching. Eventually, he was subbing so often he was asked to be a permanent, in-house substitute. “I enjoyed that so much I taught at the high school. But I enjoy all the grade levels.

I find the kids so refreshing and I particularly like the kids with learning disabilities.”

He mostly teaches at the middle school. “A lot of teachers won’t go there. But if you respect kids and treat them politely, they’ll do the same.”

How did your work change during the pandemic?

“Remote teaching—I had to learn that. I’m pretty computer savvy, though not like the young people are. It’s tough to do that, particularly for primary youngsters and trying to teach them on Zoom.”

Tell us about your family

“We’ve been married for 52 years. She was a client of mine in the beauty salon and you’re not supposed to date your clients.”

They didn’t have children, but his kids were at school. “We’ve always had animals and they’ve been like our kids.”

Any plans for retiring again?

“People ask when are you going to quit, and I say teaching is like a disease, almost. I enjoy the kids and the teachers. It’s a fantastic profession and I will continue. I believe by being active and doing things, you’re going to do well.”

Teacher Talk is a series of profiles on California educators. For more stories, visit [CalSTRS.com/teacher-talk-profiles](https://www.calstrs.com/teacher-talk-profiles). To be considered for a future profile, please email Communications@CalSTRS.com, with “Teacher Talk” in the subject line.

How Pension2 fits into your future



CalSTRS Pension2® 403(b) and 457(b) plans give you a smart way to build personal savings that complement your CalSTRS retirement benefit.

- You control how you save and invest.
 - Your costs are lower, with no commissions.
 - You choose funds to match your investing style.
 - Your account can potentially grow tax-deferred with taxes generally not due until money is withdrawn.
- **Have funds in your CalSTRS Defined Benefit Supplement account? Roll them over to Pension2 when you retire.**

➤ **Learn more at [Pension2.com](https://www.pension2.com).**

It's your future. Choose Pension2™.

Don't forget: Transfer unused sick leave to your current employer

When you retire, CalSTRS will convert your unused sick leave to additional service credit based on information provided by your employer. However, we can only accept unused sick leave from employers you worked for during the last school year in which you earned creditable compensation.

If you change employers during your career, make sure to coordinate with your previous employer right away to arrange for the transfer of your accumulated unused sick leave to your new employer. And remember—if you cash out your accumulated sick leave, it is not creditable to CalSTRS.

- **To learn more about sick leave, see the Member Handbook at [CalSTRS.com/publications](https://www.calstrs.com/publications).**



Looking for a 403(b) plan to roll over your funds?

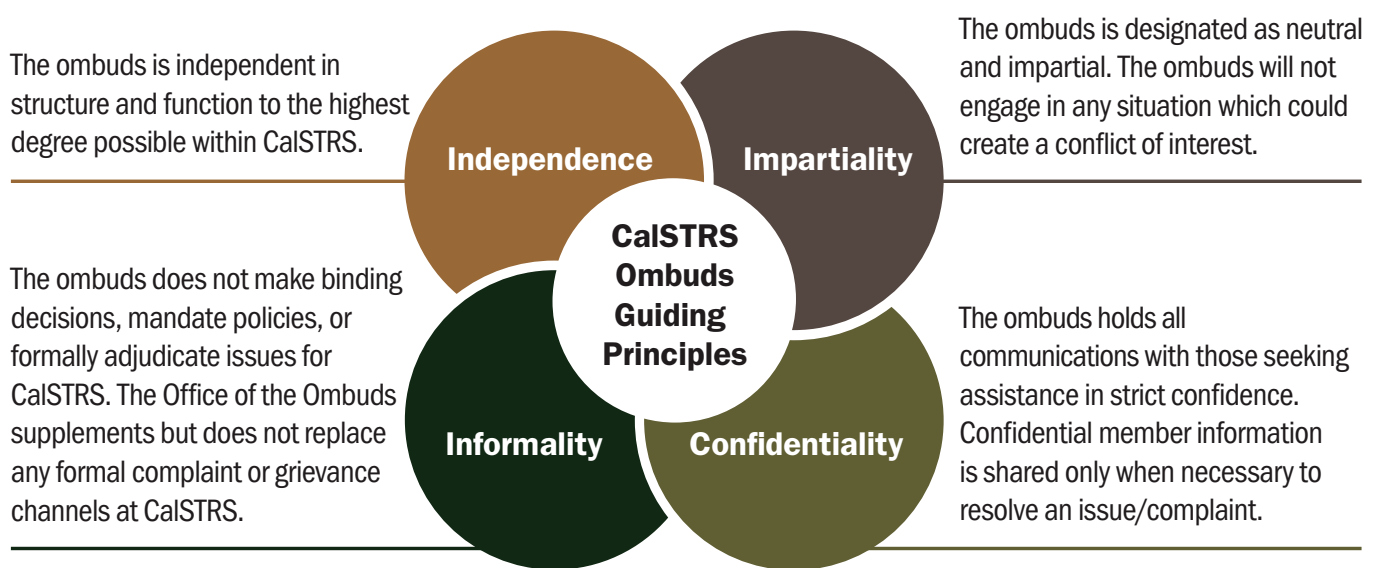
A 403(b) supplemental retirement savings plan is one way to set aside additional money for retirement. If you want to roll over funds or start a 403(b) account, visit [403bCompare.com](https://www.403bcompare.com) to explore your options and easily compare between hundreds of plans.

CalSTRS Office of the Ombuds is here to help

Mark Gini was appointed as the new CalSTRS Ombuds in January 2021, replacing Tom Barrett who retired after 19 years as the Ombuds. Gini provides assistance in resolving problems and conflicts that are not solved through the usual CalSTRS communication channels. He serves as an advocate for CalSTRS members and is required by law to make recommendations to the CEO regarding complaints made by school employees, members, employee organizations, the California Legislature, or the public regarding actions of CalSTRS employees. The mission of the ombuds is to be truthful and

act with integrity, foster respect for all CalSTRS members, and advocate for procedural fairness in the content and administration of CalSTRS' practices, processes and policies.

The Office of the Ombuds recently implemented four guiding principles of practice. These principles are derived from professional standards established by the International Ombuds Association and the United States Ombudsman Association. They reflect a commitment to ethical conduct to maintain the integrity of the Office of the Ombuds:



The Office of the Ombuds is a safe environment where CalSTRS members and the public can voice their concerns. Gini will help resolve issues and may recommend a variety of options to address any concern raised. If you haven't been able to resolve an issue through normal CalSTRS communication channels, contact the ombuds through an online inquiry form at [CalSTRS.com/contact-us](https://www.calstrs.com/contact-us).

From the Pension Sense blog: Protecting your pensions: Why CalSTRS' votes matter

Sometimes extraordinary things happen in the most ordinary places.

A company boardroom, for example, is typically the setting for corporate execs to create strategies, set goals, and review day-to-day business operations. It's business as usual. This also holds true for publicly traded companies, where the board of directors meet once a year with their shareholders (the company's owners) to review the business. Normally, the actions at these meetings create little fanfare and few front-page headlines. But this past fiscal year was anything but normal.

Because our number-one job at CalSTRS is to protect the pensions of California's public educators, we, as a significant global investor with long-term investment strategies, take an active role at these annual general meetings. We want to make sure the publicly traded companies we're invested in are planning appropriately for the future. This is one way we protect our long-term investments. The meetings provide a valuable opportunity for us to let the board of directors know where we stand on each agenda item. Typically, we make our voices heard by casting a vote—which in the investor world is known as a “proxy vote.”

Part of our responsibility as a co-owner of a publicly traded company is to cast our proxy votes (or “proxies”) with the same care and attention we provide to all our other investment assets. While our strategies and methods of engagement may vary with each company we're invested in, our goal is always the same: to influence long-term value creation and sustainable business practices.

History has shown that our engagement activities, including proxy voting, have resulted in stronger relationships with our companies and better financial outcomes. We currently own stock in more than 9,000 companies and our portfolio is valued at over \$300 billion. And because we are an involved and responsible shareholder, we vote by proxy at each

company's annual general meeting. In fact, this past fiscal year we cast more than 101,000 proxy votes.

In the United States, these annual general meetings are primarily held in April and May, hence this busy period of the year is referred to as “proxy season.”

Not a normal proxy season

This fiscal year, perhaps more than any previous year, it has become readily apparent that financial performance and climate change have become inextricably linked. You don't have a winning performance strategy if you haven't adequately planned for the future, and that means addressing climate change, which is widely accepted as the greatest threat to our future. That is the message we shared via our votes at many companies this proxy season. Our actions not only upended some boardroom meetings in unprecedented ways, they have captured the attention of the media, other investors, climate-change activists and many more.

Here are two standout examples of how proxy votes made a difference this season:

ExxonMobil

ExxonMobil, one of the world's largest energy companies and a part of our investment portfolio since Exxon and Mobil merged in 1999, has failed to develop a strategic business plan that

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will address the global transition from highly polluting energy sources (such as fossil fuels) to cleaner forms of energy (such as those with lower greenhouse-gas emissions). At their annual general meeting in May 2021, there was a board of directors election. Year after year, these elections have been uncontested and the standing board members are reelected or they essentially hand-pick their successors. Business as usual. This time, however, the company's shareholders let the board know it was time for change.

A small investment-management firm called Engine No. 1 decided to promote an impressive alternate slate of nominees for ExxonMobil's board of directors, and we were the first in line to support their candidates. We cast our proxy votes in favor of the proposed new directors and so did the majority of the other shareholders. Much to the surprise of ExxonMobil, three of the four Engine No. 1 nominees won. This was an extraordinary turn of events that continues to attract global attention.

We believe these new directors can help the company better prepare for a future that is less reliant on fossil fuels and kinder to our planet—and we will continue to monitor their progress.

Read more about this historic vote and the final results at [CalSTRS.com/2021-news-releases](https://www.calstrs.com/2021-news-releases).

Phillips 66

For several years, we have been collaborating with an investor-led initiative called Climate Action 100+ and our shared mission is to ensure the world's largest corporate greenhouse-gas emitters effectively address climate change. In 2018, we became a co-lead investor of the Climate Action 100+ engagement with Phillips 66, a U.S.-based energy company.

Small commitments to climate action are no longer enough; to underscore that point we filed a shareholder proposal requesting Phillips 66 to evaluate and report on how its lobbying activities align with the goals of the 2015 Paris Agreement. At their annual general meeting in May 2021, a majority of Phillips 66's shareholders supported our proposal: 62% cast their proxy votes in our favor. This was a great victory and will help drive Phillips 66 to take more effective action and further align its business strategies with the Paris Agreement. In fact, on September 30, just four months after their meeting, the company announced it would reduce greenhouse gas emissions by the year 2030. This announcement proves continued engagement efforts by investors can hold companies accountable and drive change.

The power of engagement

The 2021 proxy season has been a record-breaking year for various shareholder resolutions, particularly environmental, social and sustainable governance investment issues. As the largest educator-only pension fund in the world, we have the power to make changes through our engagements with even the most resistant companies. We are a long-term investor and we will be focusing on climate-change issues for the long haul. Our efforts not only prepare us for the future, they help maximize our investment returns for California's public educators for years to come.

> Get helpful information about your benefits, the investment portfolio, corporate engagement activities and more by subscribing to our blog at [CalSTRS.com/pension-sense-blog](https://www.calstrs.com/pension-sense-blog).

Midcareer? Close to retirement? Learn more about your CalSTRS benefits online

As you help to build your students' futures, it's important to focus on your future, too. If you're midcareer or near retirement, take a few minutes to better educate yourself about your benefits. Learn more about middle and late career stage considerations, our webinars and steps you can take now for your secure future (like saving more money!) at CalSTRS.com/getting-started.

➤ **Part-time educators: learn more about your benefits at CalSTRS.com/part-time-educator.**



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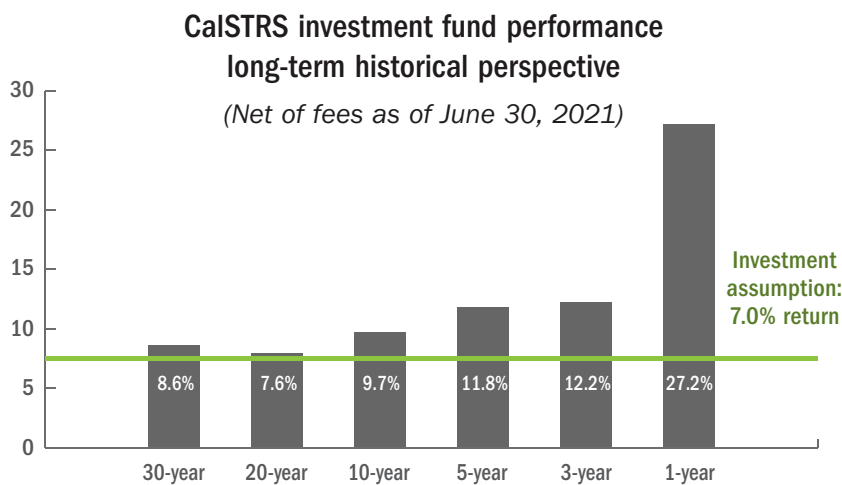
Cassandra Lichnock announced as new CalSTRS CEO

“I am already working with the board and executives to build on the progress we’ve made on sustainability, social responsibility, diversity, equity and inclusion. It’s not lost on me that I am the first woman to lead CalSTRS. I am so proud of our culture. Our staff’s dedication to our mission and their work is what makes CalSTRS an outstanding organization and destination employer. I am excited to lead this organization as we take on the challenges and opportunities the future will present,” said Lichnock.

A native of California, Lichnock holds a Bachelor of Arts in management from Golden Gate University, San Francisco, as well as an executive certificate in Technology Operations and Value Chain Management from the Massachusetts Institute of Technology and certificates in human resource management from Golden Gate University and labor management relations from the University of California, Davis.

Funding update: CalSTRS earns historic 27.2% investment returns for 2020–21

CalSTRS earned a historic 27.2% net return on investments for the 2020–21 fiscal year, a record high that far exceeded the investment assumption of 7.0%. Growth was driven by strong performance across all markets, despite the global pandemic. As of June 30, 2021, the total fund value was \$308.6 billion—double the value from just 10 years ago.



“This year’s record-breaking investment performance is a testament to the long-term sustainability of a pension fund managed by a dedicated investment team and a committed Teachers’ Retirement Board,” said Chief Executive Officer Cassandra Lichnock. “The fiscal-year returns exceeded all expectations. They also offer another measure of how we’re delivering on our promise to provide California’s hardworking teachers and their families with a secure retirement.”

June 30, 2020, actuarial valuation

Each spring, the board receives the results of the actuarial valuation from the prior fiscal year. Actuarial valuations provide a snapshot-in-time of the retirement system’s financial health. In June, the board adopted the results of the June 30, 2020, valuation. At that time, the funded ratio—the percentage of funds currently on hand to pay future benefits—for the Defined Benefit Program increased from 66.0% to 67.1%, primarily due to contributions to pay down the unfunded

actuarial obligation under the board’s valuation policy and additional contributions by the state. The positive trajectory toward full funding is good news for the fund and emphasizes how, because of the adoption of the CalSTRS Funding Plan in 2014, we are better positioned today to handle market volatility than a decade ago.

Contribution rates update

This year marks the first time the board could set employer contribution rates. The board voted to keep the employers’ supplemental rate at the existing level of 10.85%, for a total employer rate of 19.1%, though employers will contribute more overall as the state’s rate relief subsidy is decreasing from 2.95% to 2.18% this year.

The rate relief subsidy refers to money contributed by the state directly to CalSTRS on behalf of employers to provide short-term rate relief, in large part due to the impact of the COVID-19 pandemic.

CalSTRS also acknowledges the commitment of the state to the funding of retirement benefits. The state budget provides CalSTRS a total payment of \$4.3 billion, \$584 million above the amount that is required based on the state contribution rate adopted by the board.

There are no changes to any member contribution rates this year.

The road ahead

We continue to monitor economic impacts resulting from COVID-19. The June 30, 2021, valuation, which will determine the new funded ratio following this historic year of returns along with other experience from 2020–21, will be presented to the board next spring.

Board re-elects Keiley, Hendricks as chair, vice chair

The Teachers' Retirement Board re-elected Harry Keiley as chair and Sharon Hendricks as vice chair for 2021–22.

Keiley, a high school teacher with the Santa Monica-Malibu Unified School District, was elected to the board in 2007. He is also a member of the Benefits and Services and Investment committees.

Hendricks, who was elected to the board a decade ago, is a communications studies instructor with the Los Angeles Community College District and will serve as vice chair of the Investment Committee and as a member of the Appeals, Benefits and Services, and Board Governance committees.

Teachers' Retirement Board commits to net zero investment portfolio

At its September meeting, the Teachers' Retirement Board committed to achieving net zero greenhouse gas emissions across the CalSTRS Investment Portfolio by 2050 or sooner, aligning with the science-based targets of the Paris Agreement.

“CalSTRS' commitment to a net zero investment portfolio builds on a prudent process analyzing the effects on the fund of the low-carbon transition and more than 20 years of progress using our influence as a significant global investor to promote long-term sustainable public policies and business practices,” said Board Chair Harry Keiley. “Climate change threatens

our future, and its links to business and financial investments are undeniable. This pledge is rooted in our century-long promise to deliver a secure retirement for California's public educators and their families.”

CalSTRS will continually report on its progress toward net zero to the board's Investment Committee.

Net zero commitment builds on past climate investment efforts

Since 2004, CalSTRS has invested in climate-oriented solutions and integrated climate risk considerations into its investment and stewardship activities. Our climate change-related investment activities have accelerated in the past five years and include several milestones:

- 2016: Investing in a low-carbon public equities index with significantly lower exposure to carbon emissions.
- 2017: Implementing thermal coal exclusions in the CalSTRS Investment Portfolio.
- 2019: Adopting the Low-Carbon Transition Work Plan.
- 2020: Supporting the development of the California Climate Investment Framework with the California Department of Finance.
- 2021: Funding two low-carbon transition readiness exchange-traded funds and the election of three dissident directors to the ExxonMobil board.

➤ **Watch how CalSTRS commits to net zero:**
[youtube.com/watch/nv8vvb8VPQ0](https://www.youtube.com/watch/nv8vvb8VPQ0).

➤ **Read more board meeting highlights at [CalSTRS.com/board-highlights](https://www.calstrs.com/board-highlights).**



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- For your security, when you update your mailing or email address, we will send you a letter and an email confirming the update. Make sure we have your personal email address so we'll be able to reach you.

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We have updated our website security features. Our website no longer supports out-of-date internet browsers. A popup message will prompt you to update your browser if it is outdated.