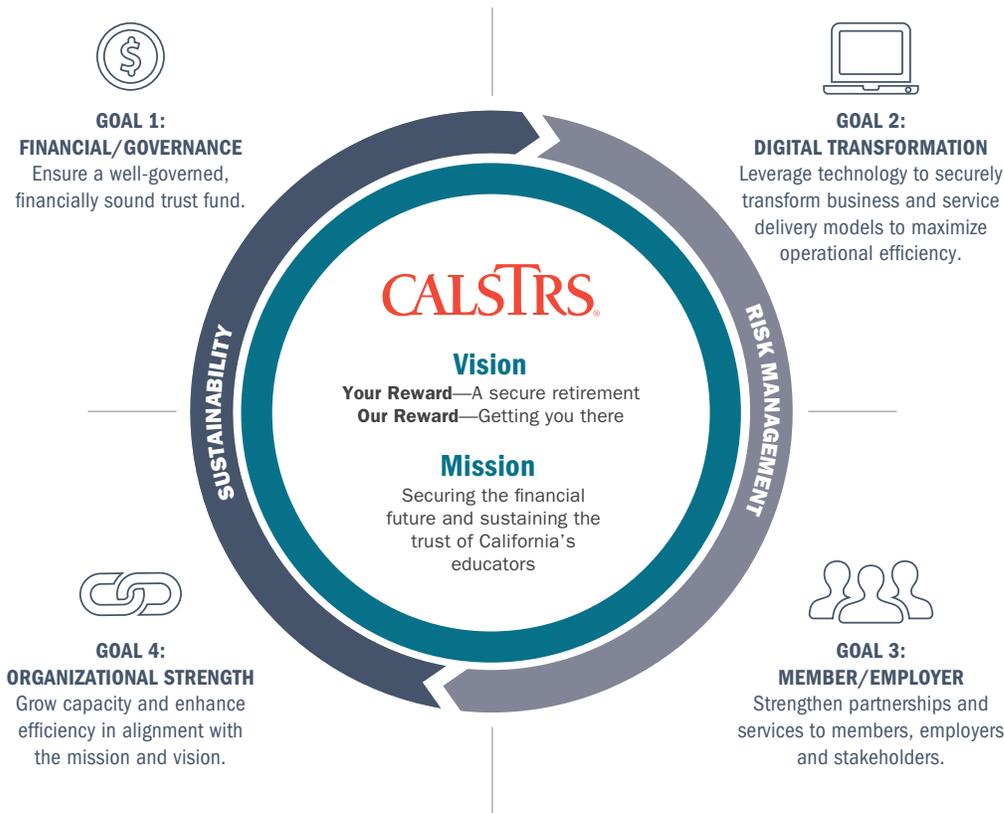


Annual Business Plan Establishes CalSTRS Roadmap

The *CalSTRS Business Plan* reflects strategic plan goals and defines the Teachers' Retirement Board priorities and planned outcomes.

The strategy map outlines four strategic plan goals and how they tie into CalSTRS' Vision and Mission.



While the fiscal year is only a few weeks old, CalSTRS has already made progress on several of the plan goals, objectives and initiatives. Following are a few activities we'll be focusing on this year. You can read the entire 2019–20 [CalSTRS Business Plan](#) online:

Goal 1: Ensure a well-governed, financially sound trust fund.

Objective: Explore areas of cost savings for investment strategies related to the CalSTRS Collaborative Model.

Key Activity: Create and monitor investment cost trend lines related to current strategies.

The Collaborative Model guides CalSTRS in determining the appropriate balance between managing assets internally and collaborating with external industry leaders to identify higher-return, lower cost strategies.

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Board Work Plan Sets Schedule for Coming Year

The Teachers' Retirement Board and its committees adopted [work plans](#) that set the schedule for the 2019–20 fiscal year. The Investment Committee continues its evaluation of two high-priority items over a series of meetings that will guide how retirement contributions are invested.

The board undertakes the [Asset Liability Management](#) study every four years to determine the best mix of investments, or asset allocation, to fund teacher pensions. The Investment Committee reviewed the preliminary portfolio

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CalSTRS Funding Plan Report

The funding plan enacted by the California State Legislature and Governor in 2014 requires CalSTRS to provide a report to the Legislature every five years on the progress of the plan. Beyond fulfilling the legislative requirement, the report is also intended to promote a better understanding of how the funding plan operates and how it is expected to achieve its goal of full funding by 2046. You can read the entire [Report to Legislature on the Progress of the CalSTRS Funding Plan](#) online.

Board Members

Sharon Hendricks
Chair

Harry M. Keiley
Vice Chair

Dana Dillon
K-12 Classroom Teacher

Keely Bosler
**Ex-Officio Member,
Director of Finance**

Joy Higa
Public Representative

Fiona Ma
**Ex-Officio Member,
State Treasurer**

William Prezant
Public Representative

Tony Thurmond
**Ex-Officio Member, State
Superintendent of Public
Instruction**

Nora E. Vargas
**School Board
Representative**

Karen Yamamoto
Retiree Representative

Betty Yee
**Ex-Officio Member,
State Controller**

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Annual Business Plan Establishes CalSTRS Roadmap

Goal 2: Leverage technology to securely transform business and service delivery models to maximize operational efficiency.

Objective: Successfully complete the first phase of implementation of our new pension administration technology platform.

Key Activity: Provide an environment for user testing to facilitate employer readiness, a major milestone for the project.

Goal 3: Strengthen partnerships and services to members, employers and stakeholders.

Objective: Develop annual member communication plan focused on retirement readiness.

Key Activity: Communicate the value of the Defined Benefit Program to members.

Our members are living longer in retirement, so starting this education early will provide significant advantage and we look forward to working with our employers to educate their staff.

Goal 4: Grow capacity and enhance efficiency in alignment with the mission and vision.

Objective: Execute targeted Headquarters Expansion Project deliverables on budget.

Key Activity: Establish the Guaranteed Maximum Price.

The final Guaranteed Maximum Price—the final contractor costs for constructing the new building—is to be completed by the end of November 2019.

Summer Reading List

CalSTRS Chief Investment Officer, Christopher J. Ailman, shared his summer reading list at the July board meeting. His favorites include titles on investment theory, behavioral economics and Wall Street. The full list is available in the Investment Committee [CIO Report](#).

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Board Work Plan Sets Schedule for Coming Year

modeling at the recent July board meeting. It is set to approve a new long-term asset allocation by November, with formal adoption in February 2020.

Through the next fiscal year, the Investment Committee will receive briefings from internal staff and external experts regarding CalSTRS' investment strategy in response to the transition to a low carbon economy. CalSTRS will issue a report on climate risk as required by Senate Bill 964 in January 2020.

Other work plan highlights include:

- Pension Solution project (September and November 2019; and January, March and May 2020)
- Review of CalSTRS funding level and risk (November 2019)
- Annual member satisfaction survey (November 2019)
- Adoption of experience study and new actuarial assumptions (January 2020)
- *Diversity in Management of Investments* report (January 2020)
- *Green Initiative* report (March 2020)
- Adoption of contribution rates and interest rates for 2020–21 (May 2020)

Unclaimed Property Website

CalSTRS is making it easier for members and the public to find our [unclaimed property website](#) now located under *Member Tools* on CalSTRS.com. The site allows anyone to search a database of benefits that CalSTRS has been unable to pay, either because the rightful owner cannot be found or proper forms have not been submitted to us. While most state agencies report all unclaimed property to the State Controller's Office, Teachers' Retirement Law does not require CalSTRS to do so. Instead, CalSTRS continues to invest and grow the unclaimed benefits until they are disbursed. We have partnered with the State Controller's Office to [share links](#) to our unclaimed property site and theirs. We encourage all former teachers, family members and loved ones of former teachers to check the unclaimed property website.

Next board meeting dates:

September 4–6, 2019, West Sacramento

For board [minutes](#), [full items](#) and [video archives](#) of past meetings, go to calstrs.com/teachers-retirement-board.

CALSTRS

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For more information on board meeting items and video archives, visit www.CalSTRS.com/teachers-retirement-board