



Compensation Committee

Item Number 4 – Open Session

Subject: Approval of Minutes of the January 8, 2025, Compensation Committee – Open Session

Presenter(s): Chairperson

Item Type: Consent Action

Date & Time: May 7, 2025 – 0 minutes

Attachment(s): None

PowerPoint(s): None

PROPOSED MINUTES

Teachers' Retirement Board – Compensation Committee Meeting

January 8, 2025

OPEN SESSION

LOCATION: CalSTRS Board Room, 100 Waterfront Place, West Sacramento, CA 95605

COMMITTEE MEMBERS PRESENT

Malia Cohen, State Controller, Vice-Chairperson

Steve Juarez

Ken Tang

Michele Perrault, representing the Director of Finance, Joe Stephenshaw

COMMITTEE MEMBERS ABSENT

Harry Keiley, Chairperson

Sharon Hendricks

Elizabeth Sanders, representing the State Superintendent of Public Instruction, Tony Thurmond

OTHER BOARD MEMBERS PRESENT

Denise Bradford

Frank Ruffino, representing the State Treasurer, Fiona Ma

Jennifer Whitaker, representing the Director of Finance, Joe Stephenshaw

STAFF PRESENT

Cassandra Lichnock, Chief Executive Officer
Brian J. Bartow, General Counsel
Lisa Blatnick, Chief Operating Officer
Scott Chan, Chief Investment Officer
Melissa Norcia, Chief Administrative Officer
Teresa Schilling, Chief Public Affairs Officer
Julie Underwood, Chief Financial Officer
Lamont King, Deputy General Counsel
Lynn Bashaw, Director, Enterprise Risk Management & Compliance Services
Cheryl Cervantes Dietz, Chief Auditor
Karen Doron, Director, Communications
Reina G. Minoya, Assistant General Counsel
Diane Stanton, Director, External Affairs
Kristel Turko, Director of Human Resources
Christine De Leon, Assistant Director of Human Resources
Charles Glauberman, Senior Counsel

OTHER PRESENT

Amy McDuffee, Mosaic Governance Advisors
Peter Landers, Global Governance Advisors
Jennifer Baker CalRTA
Kathy Kinley CalRTA
Joe Bartell, CTA
MaryKay Scheid CTA
Kevin Welch, CTA
Don Stauffer CTA/NEA-R
Jim Mogan, Downey Education Association
Leonard Goldberg, UTLA

A quorum being present, Vice-Chairperson Cohen called the Open Session meeting of the Compensation Committee to order at 2:42 p.m.

I. APPROVAL OF COMMITTEE AGENDA (Item 1)

MOTION duly made by Ms. Perrault, seconded by Mr. Tang, and carried to approve the Committee Agenda by unanimous consent.

II. BOARD EDUCATION – TRB COMPENSATION POLICY

The committee received a presentation from Ms. Turko and Mr. Landers regarding an overview of the TRB compensation policy. The committee learned about the history of the policy, its impact on hiring and retention, and current industry trends. The committee heard about the board's role in overseeing the policy and major milestones and learned about the existing compensation structure and other forms of compensation. The committee inquired

about CalSTRS' ability to balance public and private sector components of its compensation structure and learned that CalSTRS performs well by bridging the divide as a public agency with private sector components by offering competitive compensation along with intrinsic factors unique to CalSTRS. The committee inquired about the possible differences in CalSTRS' incentive structures for non-investment staff as a public agency compared to the private sector, and the committee learned that total compensation is often the driver.

The committee expressed interest in CalSTRS' return to office policy and inquired about its increased flexibility as an overall added benefit. The committee learned that there is a competitive advantage to the increased flexibility, although that advantage is difficult to quantify outside of the state space. The committee discussed the impact CalSTRS' return to office policy had on employee retention in the investment office as compared to the entire enterprise.

The committee inquired about the revised performance scale for Total Fund in 2015, and learned that following rigorous review, which included backward testing of historical performance levels and the impact of incentive levels, the decision was made to revise the performance scale. The committee learned that the long-term incentive was deferred at that time, but that the committee could look at the merits of a long-term incentive during its next review of the TRB policy.

III. APPROVAL OF MINUTES FOR THE SEPTEMBER 25, 2024, COMPENSATION COMMITTEE MEETING – OPEN SESSION (Item 3)

MOTION duly made by Ms. Perrault, seconded by Mr. Tang, and carried to approve by unanimous consent the meeting minutes of the of the September 25, 2024, Compensation Committee Meeting- Open Session.

IV. REVIEW OF INFORMATION REQUESTS (Item 4)

Pursuant to item 2, the committee requested data demonstrating how CalSTRS' return to office policy impacted employee retention for CalSTRS' investment office staff as opposed to non-investment office staff.

V. DRAFT AGENDA FOR NEXT COMMITTEE MEETING (Item 5)

There were no changes to the draft agenda for the March 2025 committee meeting.

VI. OPPORTUNITY FOR ADDITIONAL STATEMENTS FROM THE PUBLIC (Item 6)

There were no statements from the public.

VII. ADJOURNMENT

There being no further business to conduct, Vice-Chairperson Cohen adjourned the Compensation Committee meeting at 3:31 p.m.

Cassandra Lichnock, Chief Executive Officer
And Secretary to the Teachers' Retirement Board

Malia Cohen, Vice-Chairperson

Prepared by: Charles Glauberman, Senior Counsel