



# CalSTRS: Continuation of Board and Committee Meeting Format Discussion

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# Summary

## Opportunities

- Further increase effectiveness and efficiency in alignment with board operative principles, trustee sentiment, and board priorities.
- Preserve the high degree of transparency under which the board and organization operates.

## Key Considerations

- The board's operative principles and trustee sentiment survey results provided direction.
- Rigorous analysis was undertaken (see Appendix) to ensure that the board's plate is complete and sufficiently addressed through the draft workplan provided.
- Structural evaluative mechanisms exist to gather feedback from the board.



# Suggested Adjustments to Draft Workplan

## **General adjustments were made to reflect:**

- The board's draft operative principles and
- Results of the January 2022 trustee sentiment survey (see Appendix).

## **Examples of specific adjustments:**

- Create better alignment with the *Strategic Plan*
- Increase usage of the consent agenda
- Revisited the frequency in legacy report and information item delivery.

# Workplan Suggested Next Steps

## **Step 1. For FY 22/23**

- Adopt the practice of holding two offsites every third year in conjunction with the board's adoption of the *Strategic Plan*.
- This would result in an amendment needed to the FY 22/23 board meeting calendar to eliminate the April 2023 Offsite.
- In total, this reflects 7 meetings, including 6 regular meetings and 1 offsite.

## **Step 2. For General Exploration**

- Direct Mosaic and staff to support the Committee in exploring the concept of a board meeting calendar with 6 meetings total, consisting of 5 regular meetings and 1 offsite.
- This would not be for FY 2022-23 but rather a conceptual fiscal year.
- Incorporate the practice of two offsites every third year in conjunction with the Strategic Plan adoption.



# Key Questions for Discussion

1. How well does the draft FY 2022-23 draft workplan provided align with the operative principles and trustee sentiment?
2. What is needed to support a consensus to pilot Step 1 as described for FY 2022-23?
3. Is there consensus to explore Step 2 as described at the next Committee meeting?
4. *Others?*

# Recommendation

**Mosaic and staff recommend that the Committee:**

- Adopt the practice of holding two offsites every third year in conjunction with the Strategic Plan, and
- Amend the FY 2022-23 board meeting calendar to eliminate the April 2023 offsite.

*Action in the affirmative taken by the Committee advances the amendment to the FY 2022-23 board calendar to the board for subsequent approval.*



# Appendix

# Recap of Review Undertaken

- Surveyed the full board to better understand specific preferences on board meetings and materials.
- Researched peers and/or other related entities for insights.
- Discussed the survey results with the Committee to develop consensus operating principles to guide the development of options.
- Discussed routine and required workplan items with executive staff that support committees to ensure that:
  - Nothing that is required or important is omitted, and
  - Opportunities are realized to make the routine and required items more effective and efficient while maintaining transparency.
- Facilitated the board and executive staff's discussion of the 2022-25 Strategic Plan to identify consensus refreshed board priorities for FY 2022-23 that would require the time of either the full board or its committees.
  - Using the outcomes (Attachment 2) of the strategic board priorities, we inserted placeholders into the draft workplans so that work on those priorities could be shaped and scoped by the executive staff.



# Summary of Trustee Sentiment Survey: Meeting Frequency

## Apparent Consensus:

- As long as effectiveness and efficiency are incorporated into how the board meetings are planned and operated (e.g., strategically revised agendas, materials, presentations, meeting modalities, meeting time lengths), trustees do not necessarily prefer a reduction in the number of board meetings per year. (1 disagreed.) *Incorporated within Step 1*
- Preference is for a minimum of 6 weeks between meeting cycles, including offsites. This will support staff to provide high quality materials with minimal updating and trustees to have sufficient time for meeting preparations. (None disagreed.) *Incorporated within Step 2*

## Split:

- Prefer a reduced meeting frequency per year, if possible. (6 disagreed, 5 agreed.) *Incorporated within Step 2*

As of January 2022. All survey sentiment reflected in this presentation is as of January 2022.

# Summary of Trustee Sentiment Survey: Meeting Length

## Apparent Consensus:

- The current typical 2-day meeting-cycle and length of each meeting day are working well. (1 disagreed.) *Incorporated*
- No reduction in total number of days per meeting-cycle. *Incorporated*
- Hold some committee meetings off-cycle, if needed, in an in-person or virtual setting based on the committee members schedules, locations, and preferences. (None disagreed.) *Incorporated – convene an extra or special meeting if or when needed.*

## Split:

- Prefer a meeting-cycle with shorter individual meeting days, even if that means higher number of days. (4 disagreed, 6 agreed, 1 were neutral.) *Not addressed*
- Prefer a reduction in both the number of days in the meeting-cycle and the length of individual meeting days. (5 disagreed, 4 agreed, 2 were neutral.) *Not addressed*

# Summary of Trustee Sentiment Survey: Offsites

## Apparent Consensus:

- Offsites are a valuable part of how the board accomplishes its work. (*None disagreed.*)
- It is important that these off-sites be held in-person. (*None disagreed.*)
- Prefer to narrow the focus of the offsites to mainly strategy, risk, governance matters, and team building. (*1 disagreed.*)
- Prefer the offsites to focus on board discussion-based items, making the best use of face-to-face time. (*None disagreed.*)

## Split:

- Open to relocating the investment and other educational sessions from the offsite to another venue, such as virtual and/or self-paced. (*4 disagreed, 6 agreed, 1 neutral.*) *Not addressed*
- The number of offsites ought to be reduced from the current 2 offsites (Fall and Spring) per year. (*5 disagreed, 5 agreed, 1 were neutral.*) *Incorporated*
- The number of days for each offsite ought to be reduced from the current 2-3 days (e.g., to 1 to 1.5 days per offsite) (*3 disagreed, 5 agreed, 3 were neutral.*) *Not addressed*

# Summary of Trustee Sentiment Survey: Meeting Agenda Construction

## Apparent Consensus:

- Board agendas should balance forward-looking items with retrospective oversight items. *(None disagreed.) Incorporated*
- I prefer the focus of agendas to be on action items and information items related to board and organizational priorities. *(1 disagreed.) Incorporated*
- In general, items that span across multiple committees (e.g., collaborative model compensation strategy, sustainability) should be conducted with the full board. *(None disagreed.) Incorporated*

## Split:

- Board discussion time need not be required for items designed with the express purpose of achieving public transparency on a routine matter. Alternative methods, such as a presentation or a report to the board posted online for the public, can also be effective. *(3 disagreed, 6 agreed, 2 were neutral.) Incorporated – for example, annual fiduciary training proposed to be moved to self-paced for FY 22/23*

# Summary of Trustee Sentiment Survey: Meeting Materials Construction (Addressed in BGOV Item 5)

## Apparent Consensus

- Preference for a highly abbreviated style of meeting materials for information items versus lengthy narrative writeups. (2 *disagreed*.)
- Open to some board meeting materials being included as "optional" reading or reference. (2 *disagreed*.)
- Interactive board and committee discussion time should be emphasized over lecture-style presentations to promote discussion and Q&A. (2 *disagreed*.)

## Split:

- Preference to have some presentations prerecorded and made available to the board or committee for self-paced viewing prior to the meeting, if possible. (4 *disagreed*, 7 *agreed*)



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