

PROCEEDINGS  
OF THE  
**Board of Trustees**  
OF THE  
**Public School Teachers' Pension and  
Retirement Fund of Chicago**

---

**Regular Meeting – Official Report  
Thursday, December 14, 2017**

---

A regular meeting of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, December 14, 2017.

The President, Mr. Jay C. Rehak, called the meeting to order at 9:37 a.m.

---

**PUBLIC PARTICIPATION**

**Presentation by Lois Lubin**

Ms. Lois Lubin, a retired member, commented on customer service received at BCBS.

**Presentation by Charlesetta Nash-Buckley**

Ms. Charlesetta Nash-Buckley, a member, inquired about the status of her disability application and requested that her application be expedited.

---

**ROLL CALL**

Members present: Ms. Lois W. Ashford, Mr. Jeffery Blackwell, Ms. Bernice Eshoo, Ms. Tina Padilla, Dr. Walter E. Pilditch (via conference call), Mr. Gregory Redfeairn, Mr. Jay C. Rehak, Ms. Mary Sharon Reilly, Ms. Maria J. Rodriguez, Mr. Jerry Travlos, Ms. Gail D. Ward – 11

Members absent: Mr. Mark F. Furlong – 1

Also in attendance were Mr. Charles A. Burbridge (*Executive Director*), Ms. Mary Cavallaro (*Deputy Executive Director*), Mr. John F. Schomberg (*Chief Legal Officer*), Ms. Angela Miller-May (*Chief Investment Officer*), Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez (*Board Counsel*), Ms. Brianne Weymouth, Ms. Sally Haskins and Mr. Angel Haddad of Callan Associates (*Investment Consultants*), and various observers and staff members.

---

## REPORT OF THE EXTERNAL AUDITOR

### Audit Status Update

Representatives from Plante Moran updated the Board on the Management Comment to be repeated in the audit letter and also on the final results of the Charter School payroll audit. Plante Moran also reported that the completed CAFR (including disclosures reflecting the results of the GASB 67 valuation) is still in process. Plante Moran also briefly discussed actuarial valuation changes. Plante Moran addressed questions raised by the Board. As to the Management Comment, the Board and staff discussed exploring agreed-upon procedures related to payroll with Chicago Public Schools and asked Mr. Charles A. Burbridge, Executive Director, to explore the same.

---

## REPORT OF THE INVESTMENT TEAM

### MWDBE Real Estate RFP Finalists

Representatives from Basis Investment Group and Longpoint Realty presented to the Board. Each manager reviewed organization, strategy, and fees. Each firm addressed questions raised by the Board.

### MWDBE Real Estate RFP Finalist Discussion

Ms. Angela Miller-May, Chief Investment Officer, Mr. John Freihammer, Portfolio Manager, and Ms. Sally Haskins of Callan Associates, reviewed the pros and cons of each finalist. The Investment team along with Callan recommended hiring both managers, allocating \$30M to Basis Investment Group and \$20M to Longpoint Realty.

### Motion to Allocate \$30M to Basis Investment Group and \$20M to Longpoint Realty, Approved

Ms. Padilla made a motion, seconded by Dr. Pilditch, to allocate \$30M to Basis Investment Group and \$20M to Longpoint Realty, subject to verification of Longpoint becoming a certified MWDBE manager, contract fees (with final approval by the Board), and contract negotiations. The motion passed by the following roll call vote:

Ayes: Ms. Ashford, Mr. Blackwell, Ms. Eshoo, Ms. Padilla, Mr. Redfeairn, Mr. Rehak, Ms. Reilly, Ms. Rodriguez, Ms. Ward – 10

Dr. Pilditch was not present during vote.

---

## REPORT OF THE ACTUARY

### Consideration of State Actuary Draft Recommendations as to Actuarial Valuation

Representatives from GRS reviewed their alternate actuarial valuation results as of June 30, 2017. They reported that these actuarial valuation results are determined under a different set of actuarial assumptions than those used in the earlier, October 5, 2017, draft actuarial report. They reported that the revised investment return assumption, net of investment expenses, compounded annually, was 7.25% compared to 7.50% in the draft actuarial report, which reflects an underlying inflation assumption of 2.50% and a real return of 4.75%. They also reported that the wage inflation assumption was 3.25% compared to 3.50% used in the draft actuarial report. The wage inflation assumption is comprised of the underlying price inflation assumption of 2.50% and productivity increases of 0.75%. The wage inflation assumption is the portion of the individual salary increase assumption attributable to across the board increases.

Discussion ensued regarding the recommended actuarial assumptions and changes.

### **Motion to Accept Revised Assumptions, Approved**

Ms. Reilly made a motion, seconded by Ms. Rodriguez, to accept GRS's revised actuarial assumptions, subject to responding and providing rebuttal to the State Actuary's draft preliminary report regarding GRS's October 5, 2017, draft valuation, at the direction of the Board. The motion passed by the following vote:

Ayes: Ms. Ashford, Mr. Blackwell, Ms. Eshoo, Mr. Redfeairn, Mr. Rehak, Ms. Reilly, Ms. Rodriguez, Mr. Travlos, Ms. Ward – 9

Nays: Ms. Padilla – 1

---

## **EXECUTIVE SESSION**

### **Motion to go into Executive Session, Approved**

Ms. Reilly made a motion, seconded by Mr. Blackwell, to go into Executive Session for the purpose of discussing personnel, litigation, disability pensions and duty disability benefits, and internal control matters. The motion passed unanimously.

The executive session lasted from 11:50 a.m. until 1:49 p.m.

Ms. Reilly left during executive session.

### **Motion to go into Open Session, Approved**

Ms. Ashford made a motion, seconded by Mr. Redfeairn, to go into open session. The motion passed unanimously.

### **Motion to Approve Additional Headcount for Full-Time Contract and Procurement Administrator, Approved**

Ms. Eshoo made a motion, seconded by Mr. Blackwell, to approve additional headcount for a full-time Contract and Procurement Administrator. The motion passed by the following vote:

Ayes: Ms. Ashford, Mr. Blackwell, Ms. Eshoo, Ms. Padilla, Mr. Redfeairn, Mr. Rehak, Mr. Travlos, Ms. Ward – 8.

Nays: Ms. Rodriguez – 1

### **Motion to Authorize Staff to Finalize Payroll Audit of Academy for Global Citizenship, Approved**

Mr. Redfeairn made a motion, seconded by Ms. Eshoo, to authorize staff to finalize the payroll audit of the Academy for Global Citizenship. The motion passed unanimously.

### **Motion to Authorize Staff to Retain Two Payroll Audit Firms, Approved**

Mr. Blackwell made a motion, seconded by Mr. Redfeairn, to authorize staff to retain up to two audit firms for the purpose of auditing charter school entities that are the subject of demand letters and/or litigation. The motion passed unanimously.

**Motion to Authorize Staff to Issue Demand Letters, Payroll Audits, and Lawsuits against Ace Tech and Academy for Global Citizenship, Approved**

Mr. Blackwell made a motion, seconded by Mr. Redfeairn, to authorize staff to issue demand letters, to pursue new or additional payroll audits, and to file lawsuits against Ace Tech and Academy for Global Citizenship. The motion passed unanimously.

**Motion to Approve Disability Report, Approved**

Ms. Rodriguez made a motion, seconded by Mr. Blackwell, to approve the disability pension as presented at the December 14, 2017, Board Meeting. The motion passed unanimously.

Ms. Ward left the meeting.

Dr. Pilditch rejoined the meeting.

---

**REPORT OF THE INVESTMENT TEAM CON'T.****Fixed Income Core Finalist Presentations**

Representatives from Earnest Partners, Prudential, and Wellington Management presented to the Board. Each manager reviewed organization, strategy, and fees. Each firm addressed questions raised by the Board.

**Fixed Income Active Core Finalist Discussion**

Ms. Angela Miller-May, Chief Investment Officer, Mr. John Freihammer, Portfolio Manager, and Ms. Brianne Weymouth and Mr. Angel Haddad of Callan Associates, reviewed each finalist's proposed fees, investment vehicles, tracking errors, and pros and cons. They each addressed questions raised by the Board.

**Motion to Hire Prudential, Failed**

Ms. Rodriguez made a motion, seconded by Ms. Padilla, to hire Prudential for fixed income active core manager. The motion failed by the following roll call vote:

Ayes: Ms. Eshoo, Ms. Padilla, Mr. Redfeairn, Ms. Rodriguez – 4

Nays: Ms. Ashford, Mr. Blackwell, Dr. Pilditch, Mr. Travlos – 4

Abstentions: Mr. Rehak – 1

**Motion to Hire Wellington, Approved**

Ms. Ashford made a motion, seconded by Dr. Pilditch, to hire Wellington as recommended by Callan, for Fixed Income Active Core manager, subject to final contract negotiations. The motion passed by the following roll call vote:

Ayes: Ms. Ashford, Mr. Blackwell, Ms. Eshoo, Dr. Pilditch, Mr. Redfeairn, Mr. Travlos – 6

Nays: Ms. Padilla, Ms. Rodriguez – 2

Abstentions: Mr. Rehak – 1

---

## REPORT OF THE COMMITTEE ON FINANCE AND AUDIT

Mr. John Schomberg, Chief Legal Officer, reported that on October 19, 2017, the Board approved a draft of GRS's Actuarial Valuation Report as of June 30, 2017. That draft has been provided to the State Actuary who, under State statute (40 ILCS 5/17-127(e)), will be issuing a preliminary report based on the draft on or before January 1, 2018, and, "if necessary, recommend changes in actuarial assumptions that the Board must consider before finalizing its certification of the required State contributions." CTPF is statutorily required to approve GRS's Final Actuarial Valuation Report and to provide the same to the Illinois Governor and the Illinois General Assembly on or before January 15, 2018, (40 ILCS 5/17-127(f)). The first, regular Board meeting after January 1, 2018 (when any actuarial recommendations from the State Actuary are due) is scheduled to take place January 18, 2018, after the statutory due date for the final Actuarial Valuation Report. Mr. Schomberg also noted that the Fund's External Auditor Plante Moran has also requested that the Actuarial Valuation Report be approved by the Board in early January 2018 in order to provide it to the Fund's external auditor, Plante Moran. Mr. Schomberg recommended that the Board delegate the authority to approve GRS's final Actuarial Valuation Report to the Committee on Finance & Audit which will be meeting on January 5, 2018.

### **Motion to Delegate the Authority to the Committee on Finance & Audit to Approve GRS's Final Actuarial Valuation Report, Approved**

Ms. Ashford made a motion, seconded by Ms. Padilla, to delegate the authority to the Committee on Finance & Audit to approve the final Actuarial Valuation Report as revised. The motion passed unanimously.

### **CTPF Banking Authority**

Ms. Alise White, Chief Financial Officer, stated that J.P. Morgan Chase has requested that formal documentation, in the form of a Board resolution, of the CTPF officers' banking authority be filed for the Fund's account pursuant to the new, stand-alone account ownership through the novation agreement entered into in November 2016. She recommended that a resolution providing banking authority over the Fund's J.P. Morgan Chase account(s) be provided to the Executive Director, the Deputy Executive Director, and the Chief Financial Officer of the Fund.

### **Motion to Adopt Resolution Regarding CTPF Officers' Banking Authority, Approved**

Mr. Redfeairn made a motion, seconded by Ms. Ashford, to approve the resolution regarding certain CTPF Officers' banking authority (see exhibit A attached) The motion passed by the following vote:

Ayes: Ms. Ashford, Mr. Blackwell, Ms. Eshoo, Ms. Padilla, Mr. Redfeairn, Mr. Rehak, Mr. Travlos – 7

Abstentions: Ms. Rodriguez – 1

---

## REPORT OF THE PERSONNEL COMMITTEE

### **December 5, 2017 Committee Report Presented**

Ms. Eshoo presented the December 5, 2017, Personnel Committee Meeting report. (see Exhibit B attached) Mr. Schomberg stated that the committee recommends that the Board adopt the following policies and amendments: Diversity Inclusion, Sexual Harassment-Employee Handbook, Option 1 of the Retroactive Pay, and the Non-FMLA Parental Leave.

**Motion to Approve the Recommended Polices, Approved**

Ms. Eshoo made a motion, seconded by Mr. Redfeairn, to approve the recommended polices presented at the December 5, 2017, Personnel Committee meeting. The motion passed by the following vote:

Ayes: Ms. Ashford, Mr. Blackwell, Ms. Eshoo, Ms. Padilla, Mr. Redfeairn, Mr. Rehak, Mr. Travlos – 7

Abstentions: Ms. Rodriguez – 1

---

**REPORT OF THE PRESIDENT****Conference Requests**

Ms. Reilly and Ms Eshoo requested approval to attend the Opal Public Funds Summit in January 2018 in Scottsdale, Ariz.

Ms. Reilly requested approval to attend the NCPERS Trustee Educational Conference in May 2018 in New York City.

Ms. Redfeairn requested approval to attend the NCPERS 2018 Legislative Conference in January 2018 in Washington, D.C.

Mr. Redfeairn requested approval to attend the International Foundation 64th Annual Employee Benefits Conference in October 2018 in New Orleans.

Mr. Redfeairn requested approval to attend the International Foundation Trustee Educational Seminar in May 2018 in New York City.

Mr. Blackwell requested approval to attend the Opal Investment Education Symposium in February 2018 in New Orleans.

Mr. Blackwell and Ms. Reilly requested approval to attend the NASP 2018 Annual Conference in June 2018 in Houston.

**Motion to Authorize Conference Requests and Trustee Travel, Approved**

Mr. Travlos made a motion, seconded by Ms. Eshoo, to approve the conference requests as listed above. The motion passed by the following vote:

Ayes: Ms. Ashford, Mr. Blackwell, Ms. Eshoo, Ms. Padilla, Mr. Redfeairn, Mr. Rehak, Mr. Travlos – 7

Abstentions: Ms. Rodriguez – 1

**Motion to Approve Board Training Hours, Approved**

Mr. Redfeairn made a motion, seconded by Ms. Eshoo, to approve the Board training hours on Safety and International iPad Usage. The motion passed unanimously.

**Motion to Approve Resolution Regarding Navient Corporation and Student Loans**

Ms. Eshoo made a motion, seconded by Ms. Rodriguez, to approve the Resolution relating to Navient Corporation and student loans (see exhibit C attached). The motion passed unanimously.

---

**REPORT ON CLAIMS AND SERVICE**

Ms. Mary Cavallaro, Deputy Executive Director, reported that the Centers for Medicare and Medicaid Services have announced two Medicare Part B premium rates for 2018 due to a SSA COLA of 2.0%. She stated that due to a statutory “hold harmless” provision that protects Social Security recipients from a Medicare Part B Premium increase greater than the dollar amount of any COLA increase in the same year, the Centers for Medicare and Medicaid Services announced an average 2018 Part B monthly base premium of \$130, in addition to a \$134 Part B premium (of which \$3 is a surcharge not eligible for Fund subsidy) for individuals not in the hold harmless category.

Ms. Cavallaro addressed questions raised by the Trustees.

**Motion to Subsidize all Members Enrolled in Medicare Part B at 50% of \$131 per month, Approved**

Dr. Pilditch made a motion, seconded by Mr. Blackwell, to subsidize all members enrolled in Part B at 50% of \$131 per month. The motion passed unanimously.

**Motion to Issue Medicare Part D RFP, Approved**

Mr. Blackwell made a motion, seconded by Mr. Redfeairn, to issue an RFP for the purpose of Medicare Part D. The motion passed unanimously.

---

**REPORT OF THE EXECUTIVE DIRECTOR**

Mr. Charles A. Burbridge, Executive Director, reported on departmental efforts during the past month. He highlighted engagement activities during the month of November 2017. Mr. Burbridge addressed questions raised by the Board.

---

**OMNIBUS VOTE**

On a motion by Mr. Blackwell, seconded by Ms. Ashford, and by unanimous vote, the foregoing committee reports, which were moved to the omnibus, were approved.

---

**ADJOURNMENT**

On a motion by Ms. Eshoo, seconded by Mr. Redfeairn, the meeting adjourned at 4:02 P.M.

Respectfully submitted,



Bernice Eshoo,  
Recording Secretary

PROCEEDINGS  
OF THE  
**Board of Trustees**  
OF THE  
**Public School Teachers' Pension and  
Retirement Fund of Chicago**

---

**Executive Session – Official Report**  
**Thursday, December 14, 2017**

---

An executive session of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, December 14, 2017.

The President, Mr. Jay Rehak, called the meeting to order at 11:50 a.m.

---

**ROLL CALL**

Members present: Ms. Lois W. Ashford, Mr. Jeffery Blackwell, Ms. Bernice Eshoo, Ms. Tina Padilla, Dr. Walter E. Pilditch (via conference call), Mr. Gregory Redfeairn, Mr. Jay C. Rehak, Ms. Mary Sharon Reilly, Mr. Jerry Travlos, Ms. Gail D. Ward – 11.

Members absent: Mr. Mark Furlong – 1.

Also in attendance were Mr. Charles A. Burbridge (*Executive Director*) (in part), Ms. Mary Cavallaro (*Deputy Executive Director*) (in part), Mr. John Schomberg (*Chief Legal Officer*), and Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez (*Board Counsel*).

Discussion ensued regarding internal controls and personnel matters. No action was taken.

There being no further business, the executive session adjourned at 1:49 p.m.

Respectfully submitted,



Bernice Eshoo,  
Recording Secretary



---

**EXHIBIT A****Resolution Regarding Public School Teachers' Pension and Retirement Fund of Chicago Officers' Banking Authority at J.P. Morgan Chase Bank, N.A.**

**WHEREAS**, the Board of Trustees (the "Board") for the Public School Teachers' Pension and Retirement Fund of Chicago (the "Fund") has previously determined it to be in the best interest of the Fund to establish a banking relationship and account with J.P. Morgan Chase Bank, N.A. ("Chase"); and

**WHEREAS**, due to a change in the ownership for that account, such that it is now owned, solely and exclusively, by the Fund, the Board must designate the Fund officers having authority over that account;

**THEREFORE**, the Public School Teachers' Pension and Retirement Fund of Chicago hereby resolves, as follows:

1. That the officers holding the following titles at the Fund shall have authority, subject to any internal approvals required by law, the Fund's by-laws, or Fund policies, to make all banking decisions, for the Chase account, including but not limited to (i) opening accounts, (ii) closing accounts, (iii) signing agreements, and (iv) conducting fund transfers:
  - a. Executive Director
  - b. Deputy Executive Director
  - c. Chief Financial Officer(collectively, the "Officers").
2. The Fund and the Fund's Officers shall be responsible for determining what internal approvals are required in order to make banking decisions as to the Chase account. Chase shall have no such responsibility and, pursuant to this resolution, may act and rely upon the banking decisions made any of the Officers.



Chicago Teachers' Pension Fund



**PERSONNEL COMMITTEE REPORT**

**Date:** December 5, 2017  
**Submitted by:** Ms. Mary Sharon Reilly and Ms. Bernie Eshoo, Co-Chairs  
**Meeting Time:** 4:30 p.m.—6:07 p.m.  
**Exhibit B**

**ATTENDEES**

Trustees	Staff	Consultants
Ms. Mary Sharon Reilly, Co-Chair	Mr. Chuck Burbridge, Executive Director  Ms. Mary Cavallaro, Deputy Executive Director  Ms. Lauren Axel, Human Resources Manager  Mr. John Schomberg, Chief Legal Officer	Mr. Joseph Burns, Outside Counsel
Ms. Bernie Eshoo, Co-Chair		
Ms. Lois Ashford		
Ms. Tina Padilla		
Mr. Jay C. Rehak		
Ms. Maria Rodriguez		
Ms. Gail Ward		

**AGENDA ITEMS**

- Board Policies
- Executive Session
- Additional Headcount (Contract and Procurement Administrator)

**Committee Review**

Mr. John Schomberg and Ms. Lauren Axel reviewed and explained (i) proposed amendments to the Employee Handbook-Sexual Harassment policy, (ii) proposed amendments to the Pay Bands and Salary Structure policy, regarding retroactive pay, (iii) a new, proposed Diversity and Inclusion policy regarding Fund employees and recruiting, and (iv) a proposed Non-FMLA Parental Leave policy. Mr. Schomberg and Ms. Axel discussed in detail each policy and addressed questions raised concerning the amendments to the Pay Bands and Salary Structure policy, regarding retroactive pay and regarding the Non-FMLA Parental Leave policy.

## RECOMMENDATIONS/ ACTIONS

---

### **Board Adoption of Amendments to the Employee Handbook-Sexual Harassment Policy, Recommended**

A majority of the trustees present recommended Board adoption of the Amendments to the Employee Handbook-Sexual Harassment Policy.

### **Board Adoption of Amendments (Option 1) to the Pay Bands and Salary Structure Policy, Regarding Retroactive Pay, Recommended**

A majority of the trustees present recommended Board adoption of the Amendments (Option 1) the Pa Bands and Salary Structure Policy, regarding retroactive pay.

### **Motion to Recommend Board Adoption of the Diversity and Inclusion Policy, Approved**

Mr. Rehak made a motion, seconded by Ms. Ward, to recommend Board adoption of the Diversity and Inclusion policy. The motion passed unanimously.

### **Motion to Recommend Board Adoption of the Non-FMLA Parental Leave Policy, Approved**

Mr. Rehak made a motion, seconded by Ms. Eshoo, to recommend Board adoption of the Parental Leave policy. The motion passed unanimously.

## Executive Session

---

Ms. Padilla made a motion, seconded by Mr. Rehak, to go into executive session. The motion passed unanimously.

## Open Session

---

Ms. Eshoo made a motion, seconded by Ms. War, to go into open session. The motion passed unanimously.

### **Motion to Recommend That Board Approve Additional Headcount for Full-Time Contract and Procurement Administrator, Approved**

Ms. Padilla made a motion, seconded by Ms. Eshoo, to recommend that the Board approve additional headcount. The motion passed unanimously. (See Exhibit A )

## ADJOURNMENT

---

Ms. Padilla made a motion, seconded by Ms. Ward, to adjourn the meeting. The motion passed unanimously.

The meeting adjourned at 6:07 p.m.

PROCEEDINGS  
OF THE  
**Board of Trustees**  
OF THE  
**Public School Teachers' Pension and  
Retirement Fund of Chicago**

---

Executive Session - Official Report

Tuesday, December 5, 2017

---

An executive session of the Personnel Committee of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Tuesday, December 5, 2017.

The Chair, Ms. Mary Sharon Reilly, called the meeting to order at 4:26 p.m.

**ROLL CALL**

Members present: Ms. Mary Sharon Reilly, Ms. Bernie Eshoo, Mr. Jay C. Rehak, and Ms. Gail Ward—4.

Other Trustees present: Ms. Lois Ashford, Ms. Tina Padilla, and Ms. Maria Rodriguez—3.

Also in attendance were Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez (*Board Counsel*) .

Discussion ensued regarding personnel matters.

There being no further business, the executive session adjourned at 6:07 p.m.

Respectfully submitted,

Mary Sharon Reilly  
Chair

**Exhibit A (for Exhibit B)**

**Contract and Procurement Administrator Cost Breakdown**  
(moving from part-time to full-time)

Note: Becky Gonzales, who serves as the Contract and Procurement Administrator, has worked for CTPF for approximately 8 years in various capacities, including 4 years as a full-time employee.

	<b>Classification</b>	<b>Salary</b>	<b>7% pickup</b>	<b>Total Benefit Cost</b>	<b>Overall Cost</b>
<b>CURRENT: Contract Administrator</b>	Part-time, non-exempt, ~3/4 days/week	Hourly rate: \$41.10 Annual rate:\$74,805.91	n/a	n/a	\$41.10 *1456 (4 day work weeks) = \$59,841.60  OR  \$41.10 *1560 (30 hour work weeks) = \$64,116.00
<b>NEW: Contract and Procurement Administrator</b>	Full-time, exempt	Hourly rate: \$41.10 Annual rate: \$74,805.91	\$5,236.34	~\$24,220.26 (includes health insurance, dental insurance, LTD, STD, AD&D, Life, EAP)	\$104,262.58

**OVERALL COST DIFFERENCE: \$40,146.58 to \$44,414.98**

Breakdown: \$10,689.91 to \$14,964.31 in salary  
 \$5,236.34 in pension pick-up  
 \$24,220.26 in benefits (assuming use of all benefits at PPO and Family level)

---

**EXHIBIT C****Resolution Regarding Public School Teachers' Pension and Retirement Fund of Chicago  
Request to Navient Corporation for Report to Investors Regarding Governance Measures to  
Monitor and Manage Student Loans Crisis**

**WHEREAS**, there are more than 44 million borrowers with an estimated \$1.3 trillion in student loan debt in the United States;

**WHEREAS**, \$137.4 billion in government-held or government-backed student loans are severely delinquent or in default;

**WHEREAS**, Navient Corporation ("Navient") has a contract with the U.S. Department of Education for servicing and managing more than \$300 billion in federal and private student loans for approximately 12 million borrowers;

**WHEREAS**, the U.S. Department of Education reports that the number of borrowers not making payments on their federal student loans within three years of leaving college has risen to 11.5%;

**WHEREAS**, more than a million borrowers with direct loans at Navient have defaulted on student loans; and

**WHEREAS**, increased defaults create additional financial hardships for Navient customers, which may negatively impact the company and shareholders;

**THEREFORE**, the Public School Teachers' Pension and Retirement Fund of Chicago hereby resolves and requests that the Board for Navient Corporation issue a report to investors (at reasonable cost, excluding proprietary information, and within a reasonable time) on the governance measures Navient has implemented to more effectively monitor and manage financial and reputational risks related to the student loan crisis in the United States, given Navient's contracts with the U.S. Department of Education, including whether Navient has assigned responsibility for such monitoring to Navient's Board or to one or more Navient Board committees or has revised senior executive compensation metrics or policies.