



COMMONWEALTH OF PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

Policy Name:	Strategic Planning Policy
Policy Number:	2022-1
Effective Date:	August 5, 2022
Reviewed Date:	August 5, 2022
Applies To:	PSERS Board Members and Designees
Contact Person:	Executive Director and Governance & Administration Committee Liaison

I. Purpose

As fiduciaries, the Board of the Pennsylvania Public School Employees Retirement System ("PSERS") has an obligation to members, participants, and the system to systematically develop a strategic plan. The Board and PSERS staff must engage in a robust and forward-looking strategic planning process. This policy describes the procedure which the Board has established to guide PSERS' development and renewal of strategic plans. For purposes of this policy, "Board" and "Board member(s)" include designee(s).

II. Strategic Planning Objectives

The Board believes that effective strategic planning is critical to PSERS' success in fulfilling its responsibilities. The objectives of this policy are:

- A. To ensure that strategic investment, operations, and business planning occurs in a rigorous, systematic, clearly understood and coordinated manner across the agency;
- B. To keep the planning process roles of the Board and staff clearly delineated and appropriate;
- C. To ensure that a strategic plan exists and is used by the organization as the basis for all operations, initiatives, and the establishment of priorities; and
- D. To facilitate the communication of PSERS' strategic direction throughout the organization and to PSERS' stakeholders.

III. Board and Staff Roles

The Executive Director and staff are responsible for developing a strategic planning process that solicits input from all agency functions and members of the Board. The proposed process will then be presented to the Governance and Administration Committee for approval. Outside advisors and consultants may be involved in the process as appropriate.

The Governance and Administration Committee will be responsible for:

- A. Ensuring that a robust process that engages the full Board and utilizes best practices is used to develop the strategic plan;
- B. Providing PSERS staff with input during the development of all aspects of the strategic plan, including but not limited to the vision, mission, strategic priorities, guiding principles, goals, and strategic initiatives;
- C. Approving strategic plan recommendations for presentation to the full Board for approval, along with any related budget and other approvals needed to support the plan;
- D. Monitoring progress on the implementation of the strategic plan on an ongoing basis; and
- E. Reporting to the full Board regarding progress toward goals and recommended changes.

IV. Time Frames

The strategic plan should be reviewed at least every three years, with reassessment mandatory no less than every five years. The planning cycle may be several years in duration, depending on the nature of the goals and initiatives involved in the strategic plan. To the extent practicable, the planning process should be coordinated with a Board retreat or workshop and development of the PSERS budget.

Annually, the Executive Director and staff shall develop and provide to the Governance and Administration Committee a review of the strategic initiatives in furtherance of the goals and provide input on the progress toward the goals and recommended changes quarterly.

V. Plan Components

The functional areas addressed in the plan should include, but are not limited to:

- A. Member and participant services and benefit administration;
- B. Funding;
- C. Investments;
- D. Audit and compliance;
- E. Risk Management
- F. Human resources;
- G. Operations and information systems;

- H. Governance; and
- I. Stakeholder relations.

Proposed new initiatives or projects should be presented with supporting information and planning parameters. For example, these may include:

- A. Reasons for undertaking the project;
- B. Timelines for completion;
- C. Assignment of responsibilities for implementation;
- D. Budget, personnel, and back-office implications;
- E. Criteria (including metrics) for assessing the success of the initiative;
- F. Risk management implications, including cons and what could go wrong; and
- G. Provisions for committee monitoring and reporting to the Board.

VI. Approval and Monitoring

With support from the Executive Director, the Governance and Administration Committee shall bring its strategic plan recommendations to the Board for approval. The committee report should include an executive summary that includes explanations of:

- A. Background on development of the strategic plan and the issues it addresses;
- B. Pros and cons, including any options provided;
- C. Risks involved, as well as the downside of inaction; and
- D. The committee's recommendations, with supporting explanations.

Strategic planning is intended to be a continuous process. The strategic plan is a living document and may be modified with approval of the Board as needed. Accordingly, the strategic plan should be revisited by the Executive Director and the Governance and Administration Committee at least annually.

Document Properties

Document Owner: Executive Office

Document Author: Executive Office

Summary of Changes:

Date	Version	Author	Summary
8/5/2022	1.0	Governance & Administration Committee	NEW Policy to provide a framework for a collaborative staff and Board Strategic Planning Process.