

SERS Board Governance Policy Manual

Policy Name:	Strategic Planning Process
Policy Number:	2019 POL-BD-01
Effective Date:	July 31, 2019, as amended May 2, 2023
Reviewed Date:	April 25, 2023
Applies To:	SERS Board Members and Board Member Designees
Contact Person:	Director Governance and Strategic Initiatives

I. Purpose

As fiduciaries, the Board of the Pennsylvania State Employees' Retirement System ("SERS") has obligations to active members and annuitants to systematically plan for SERS' challenges and needs. The Board and SERS staff must engage in a robust and forward-looking strategic planning process. This policy describes the procedure which the Board has established to guide SERS' 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 SERS' 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 and coordinated manner across the agency;
- B. To keep the planning process roles of the Board and staff clearly delineated and appropriate;
- C. To help develop a road map that provides direction for both long-term and short-term strategies to achieve common goals and strategic initiatives; and
- D. To facilitate the communication of SERS' strategic direction throughout the organization and to SERS' stakeholders.

SERS Board Governance Policy Manual

III. Board, Committee and Staff Roles

- A. The Executive Director and staff are responsible for:
1. Initiating the strategic planning process, developing proposals and working with the Board Governance and Personnel Committee to develop recommendations that are brought to the Board;
 2. The Executive Director and Director Governance and Strategic Initiatives will oversee a unified plan development process and involve all agency functions through the heads of the respective offices;
 3. Outside advisors and consultants may be involved as appropriate. Each of the SERS office function heads shall also have the opportunity to participate in committee and Board strategic planning deliberations; and
 4. Quarterly, the Executive Director and Director Governance and Strategic Initiatives shall develop and provide to the Board Governance and Personnel Committee a review of the goals in furtherance of the strategic initiatives.
- B. The Board Governance and Personnel Committee will be responsible for:
1. Providing SERS staff with input on the proposed strategic plan, including goals and strategic initiatives;
 2. Approving strategic plan recommendations for presentation to the Board, along with any related budget and other approvals needed to support the plan;
 3. Monitoring implementation of the strategic plan on an ongoing basis;
 4. Provide input on the progress toward the goals and make recommendation and approval of changes; and
 5. Reporting to the Board regarding progress toward goals and recommended changes.

SERS Board Governance Policy Manual

IV. Time Frames and the Planning Process

- A. An updated strategic plan should be brought to the Board by the Executive Director, the Director Governance and Strategic Initiatives and the Board Governance and Personnel Committee at least every four years.
- B. The planning cycle may be several years in duration, depending on the nature of the goals and initiatives involved in the strategic plan.
- C. The planning meetings should include members of the Board Governance Committee and any other interested Board Members, senior leadership of SERS and other SERS staff as determined by the Executive Director.
 - 1. The strategic plan should cover an analysis of internal and external strengths, weaknesses, opportunities and threats, goals, deliverables, and resource needs.
 - 2. The process should start with review of SERS' mission, vision statement, core values and strategic priorities.
 - 3. It should also ensure that strategic investment, operations and business planning occurs in a rigorous, systematic and coordinated manner across the agency;
 - 4. The plan should develop a road map that provides direction for both long-term and short-term strategies to achieve common goals and strategic initiatives;
 - 5. Create a plan to facilitate the communication of SERS' strategic direction throughout the organization and to SERS' stakeholders; and
 - 6. Provide ongoing oversight, accountability, and updates throughout the entire Strategic Plan.

SERS Board Governance Policy Manual

V. **Plan Components**

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

- A. Investments;
- B. Funding;
- C. Human resources and administration;
- D. Operations and information systems;
- E. Governance; and
- F. Stakeholder relations.

VI. **Business Case**

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.

SERS Board Governance Policy Manual

VII. Board. Approval and Monitoring

With support from the Executive Director and the Director Governance and Strategic Initiatives, the Board Governance and Personnel 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 report 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 Executive Director, and Director Governance and Strategic Initiatives should report quarterly to the Board Governance and Personnel Committee the status, and progress of the Strategic Plan.

Document Properties

- a. **Document Owner:** Executive Office
- b. **Document Author:** Cynthia Collins, Director Governance and Strategic Initiatives
- c. **Summary of Changes:**

Date	Version	Author	Summary
July 15, 2019	2019 POL-BD-01	SERS Legal Office	The procedure the Board has established to guide SERS' development and renewal of strategic plans.
May 2, 2023	2019 POL-BD-01 (rev. 5/2/2023)	Cynthia Collins	Biennial review. Updated policy to reflect current strategic planning process.