



Regular Meeting

Item Number 12 – Open Session

Subject: Draft CalSTRS Strategic Plan 2022–25

Presenter(s): Amy McDuffee, Mosaic Governance Advisors, LLC and Cassandra Lichnock

Item Type: Information

Date & Time: January 28, 2022 – 30 minutes

Attachment(s): Attachment 1 – Draft CalSTRS 2022–25 Strategic Plan

PowerPoint(s): None

PURPOSE

The purpose of this item is to engage the board in a first reading of the CalSTRS Draft 2022–25 Strategic Plan to seek feedback on the plan that staff drafted by responding to the board's consensus and strategic direction articulated at the October 2021 Board Offsite. The plan lays out our 10-year vision for the future, overarching goals that communicate the board's priorities, objectives to guide our collective direction, and indicators to evaluate progress in actualizing our future vision.

DISCUSSION/SUMMARY

In 2018, the board developed a three-year strategic plan that concludes June 30, 2022. Each new strategic plan is designed to maintain the viability of our fund and foster continuous improvement for the benefit of CalSTRS members and their beneficiaries.

CalSTRS' planning process begins with information gathering to survey the current landscape. Perspectives are gathered from a variety of different sources, including the board, executives, staff, members, and stakeholders. A summary report is prepared to set the stage of where we are now and how things stand as a critical context for deciding our future direction.

The report informed the strategy work with executive staff that followed. The board's governance consultant, Amy McDuffee of Mosaic Governance Advisors, LLC (Mosaic) facilitated discussions over a period of several months with CalSTRS executives to review and evaluate the changing context of the organization. The process included a visioning session, an assessment of the strengths, weaknesses, opportunities, and threats of the organization along with potential policy

and socio-economic trends, current and future projects, and the identification of critical issues the organization may face over the next three years.

In October 2021, the board provided critical feedback on a 10-year future vision, the executive staff's assessment of the strengths, weaknesses, opportunities and threats, and the canvas of critical issues to address. Board and executive staff also discussed important projects currently in the execution phase that will carry forward into this next planning cycle.

Based on this input, staff created a refined, straightforward plan focused on the board's strategic direction. The CalSTRS Strategic Plan 2022-25 outlines where we're going with a bold and clear ten-year vision and broadly defined goals and objectives that translate how we will get there. Progress indicators provide the vehicle for annual evaluations through a strategic plan accomplishments report to the board.

We will realize this lofty ten-year vision over the next three, three-year strategic plan cycles as follows:



Our 2022–25 Strategic Plan is primarily characterized by assessing organizational readiness and building capabilities within the following three priorities:

- **Trusted Stewards**
Ensure a well-governed, financially sound trust fund.
- **Leading Innovation and Managing Change**
Innovate to grow resiliency and efficiency in service of our members.
- **Sustainable Organization**
Fully integrate a unified environmental, social and governance ethos in all we do.

The 2022-25 Strategic Plan features new or expanded directions, coupled with projects from the 2019-22 plan that are currently in the execution phase.

During this first reading, staff is prepared to respond to questions on the content of the strategic plan. Subsequent to this review, staff will incorporate the board's input, make any necessary adjustments and bring the plan back to the board in March for adoption. At the same time, staff will also be gathering high level cost estimates for additional funding and staffing needs to accomplish the objectives set out in the strategic plan, so the board has more complete, decision-useful information, upon which to consider taking action.

Once adopted, the adopted strategic plan serves as the platform to guide annual business plans developed by executive staff. It also links to the operating budget, executive and staff evaluations, and board and committee agendas, among other important governance practices.