

Colorado PERA Strategic Plan 2019 - 2024

Adopted January 18, 2019
(On June 16, 2023, the PERA Board approved
extending the Strategic Plan until 2024)



Introduction

In 1931, Colorado's leaders established Colorado PERA ("PERA") to provide retirement and other benefits to the employees of government agencies and public entities who provide valuable services to all of Colorado. Today, after almost 90 years, PERA is an essential element to the retirement security of Colorado's public servants and their beneficiaries, a recruitment and retention tool for public employers, and an integral part of the State's economy. Offered to the majority of Colorado public employees in lieu of Social Security coverage, PERA's membership is more than 560,000 strong. A steadfast commitment to providing a bright future for our membership - the current and former teachers, State Troopers, snow plow drivers, corrections officers, and other public employees we serve - energizes our Board of Trustees ("Board") and staff and challenges us to set and deliver on increasingly higher standards of performance expectations.

PERA's 2019 – 2023 Strategic Plan ("Strategic Plan") describes PERA's aspirational goals — as a financial steward, as a partner to our membership, Colorado employers, the General Assembly, Colorado's business leaders and citizens, and as an advocate for the retirement security outcomes of our membership. It is a blueprint for achieving these aspirational goals, while also elevating organizational health and performance to support sustained stability and growth. PERA's Strategic Plan cascades throughout the organization to make strategy everyone's job. From Board agendas and the operating budget, through annual business plans and performance appraisals, the Strategic Plan will align the organization with our desired future.

The Strategic Plan builds on a previous plan approved by the PERA Board in 2013, meant to guide the organization into 2018. With marked achievements against the 2014 – 2018 Strategic Plan and significant developments since its adoption, PERA initiated a new strategic planning process. The Board, staff, and PERA's consultants contributed to a comprehensive assessment of PERA's internal and external operating environment. The Board and its executive staff ("Executive Staff") met to explore issues vital to the organization's continued sustainability and relevance. Through work completed by the Board and staff, including an Environmental Scan, SWOT Analysis, and visioning exercises, PERA developed a framework for the 2019 – 2023 Strategic Plan.

As we look to the future with pragmatism and vision, we will build upon our rich Colorado history with our strengths of financial stability, unwavering fiduciary governance, talented and highly skilled staff, effective internal asset management, and high-quality, low-cost customer service to our membership.

Mission

To promote long-term financial security for our membership while maintaining the stability of the fund.

Vision

To become the retirement plan of choice for all Colorado public employees.

Core Values

We deliver quality customer service, sound investment decisions, operational efficiency, educational programs, competitive plan design, and actively participate in legislative issues that affect our organization.

All activities undertaken will adhere to the guiding principles of customer focus, ethical conduct, accountability, excellence, fiduciary duty and ongoing process improvement.

Strategic Goals

PERA's 2019-2023 Strategic Plan ("Strategic Plan") is organized around committed focus to the following Goals:

Goal 1. Fortify PERA's financial resilience and adaptability.

Goal 2. Elevate PERA's identity among stakeholders to that of a partner in providing valued retirement security outcomes.

Goal 3. Strengthen organizational health and performance.

Goal 4. Improve retirement security outcomes through "best fit" products, services, and education.

Further information on how PERA intends to achieve these Goals and what success under the Strategic Plan will look like for each Goal is delineated on the following pages.

Goal 1. Fortify PERA’s financial resilience and adaptability.

Objective A. Establish and implement a framework to monitor and mitigate funding risk to the System.
<p>i. Measure: Full-funding of the defined benefit program Target: All Divisions fully funded by 2048</p> <p>ii. Measure: Updated framework and monitoring process (“Signal Light Report 2.0”) to ensure effective and appropriate reporting of progress toward full funding, including applicable implementation and reporting of effectiveness of auto adjust mechanism Target: By 2019</p> <p>iii. Measure: Improved awareness of the framework by key stakeholders Targets: Distributed educational materials to 100% of legislators Conducted briefings with leadership and members of key PERA committees by 2020 Established baseline for consumption of materials (via PERA digital platforms) and improvement targets by 2020</p>
Objective B. Solidify a position on environmental, social, and governance matters.
<p>i. Measure: Updated Proxy Voting Policy Target: By 2021</p> <p>ii. Measure: Increased overall awareness of PERA’s Stewardship Report and PERA’s approach to seeking financial sustainability through investment stewardship Target: Adopted a stakeholder awareness measurement methodology by 2019; established a baseline and awareness targets</p>
Objective C. Explore and implement appropriate down-market strategies to protect the portfolio.
<p>i. Measure: PERA’s asset allocation reflects the updated risk tolerance of the Board Target: Completed Asset/Liability Study by 2019</p> <p>ii. Measure: Completed Board evaluation of and discussion about downside risk as part of the Asset/Liability Study Target: By 2019</p> <p>iii. Measure: Board consensus on downside risk principles codified in Statement of Investment Policy Target: By 2020</p> <p>iv. Measure: The Board better understands the trade-offs of risk versus return and is able to effectively communicate the active decision(s) incorporated in the updated strategic asset allocation Target: By 2021, upon self-evaluation, the majority of Board members agree that they have an enhanced understanding of the impact of down-markets</p>

Objective D. Explore new ways to leverage investment program strengths to enhance performance and reduce costs.

- i. **Measure:** Board consensus on the level of direct investing in private asset classes
Target: By 2020
- ii. **Measure:** Refreshed organizational Mission and Vision¹
Target: By 2020

Goal 1. What will success look like?

1. PERA is on the path toward 30-year funding as gauged by the collection of legislative actions and not just any one particular action.
2. The Board has more clarity and expectations as to how it knows that PERA is on track, including the following: the information staff will provide, reporting frequency, and what conditions trigger action.
3. PERA's investment strategy balances costs, nimbleness, and long-term performance.
4. Continued good governance has led to the achievement of the Mission, Vision, policy objectives, and high standards of excellence.
5. The Board comprises engaged, committed, and appropriately skilled trustees.
6. The Board and Executive Staff relationship is constructive, cohesive, informed, productive, and harmonious.
7. PERA adapts to and flexes with the realities of the political environment.

¹ Research activities implemented under Goal 4 will also support this measure.

Goal 2. Elevate PERA’s identity among stakeholders to that of a partner in providing valued retirement security outcomes.

Objective A. Clarify role and value to members, retirees and beneficiaries, and related constituency groups.

- i. **Measure:** Increased overall reputation as captured by Net Promoter Score (NPS) among the membership
Target: Adopted an NPS measurement methodology by 2019; established a baseline and improvement targets²
- ii. **Measure:** Increased overall awareness of PERA as a trustworthy steward of public retirement plans in Colorado
Target: Adopted an awareness measurement methodology by 2019; established a baseline and improvement targets
- iii. **Measure:** Demonstrated preference for contacting PERA with any questions or concerns about the retirement plan
Target: Adopted a preference measurement methodology by 2019; established a baseline and improvement targets
- iv. **Measure:** Refreshed organizational Mission and Vision
Target: By 2020

Objective B. Deepen employer relationships.

- i. **Measure:** Increased overall reputation as captured by NPS among employers
Target: Adopted an NPS measurement methodology by 2020; established a baseline and improvement targets³
- ii. **Measure:** Improved quality of service interactions
Target: 5% improvement on quality of service interactions by 2020
- iii. **Measure:** Increased number of employers that believe that PERA is an effective recruitment and retention tool
Target: Adopted a methodology to capture employer sentiment by 2020; established a baseline and improvement targets
- iv. **Measure:** Increased number of employers that view PERA as a partner
Target: Adopted an NPS measurement methodology by 2020; established a baseline and improvement targets

² Improvement targets to be considered include a specific percentage increase in understanding of PERA’s role and value by target group.

³ Customized metrics to be developed based on satisfaction drivers among employers to align with what matters most to this stakeholder group.

Objective C. Become a retirement security thought leader and collaborative partner to the policy-making community.

- i. **Measure:** Enhanced overall PERA reputation among policy-makers and staff
Targets: 100% on-time delivery of materials, information, and meetings requested on an annual basis
Qualitative reputation insights provided by the legislative team indicate, by 2021, recognition of PERA as a collaborative partner
- ii. **Measure:** Increased inbound requests for PERA participation in relevant legislation
Target: PERA is engaged on 75% of the total bills introduced that are relevant to PERA
- iii. **Measure:** Sustained legislative outcomes aligned with Board priorities
Target: 70% of the Board's positions are achieved in legislative outcomes

Objective D. Elevate role and value to the Colorado business community and general public.

- i. **Measure:** Increased awareness of PERA within the business community
Target: Adopted an engagement and reach measurement methodology by 2019; established a baseline and target⁴
- ii. **Measure:** Increased inbound requests for PERA participation in relevant legislative and business matters, events, and activities
Target: PERA is engaged on 50% of PERA-related issues raised by the business community
- iii. **Measure:** Increased positive media exposure among business publications
Target: 10% improvement in positive media sentiment among business publications by 2021

⁴ Targets could include a specific percentage of engagement on relevant issues facing the business community, and the amount of business community members reached through PERA messaging, among others.

Goal 2. What will success look like?

1. PERA has sustained itself as a mission-driven, focused organization with a dedicated, authentic and validated commitment to the membership.
2. PERA is an integral driver in promoting and facilitating the purpose and desirability of public service.
3. PERA has successfully increased the understanding, relevance, and importance of the value of PERA to its stakeholder base, including Colorado as a community.
4. Members and employers understand, value, and take ownership of the shared responsibility in funding retirement security.

Goal 3. Strengthen organizational health and performance.

Objective A. Enhance the organization's ability to manage change.

- i. **Measure:** Improved employee engagement against a benchmark
Target: Adopted an engagement study measurement methodology by 2019; established a baseline and improvement targets
- ii. **Measure:** Improved effectiveness of the organization's shared services areas
Target: Adopted an engagement study measurement methodology by 2019; established a baseline and improvement targets⁵
- iii. **Measure:** Completed succession and leadership development plan and refreshed Board policy
Target: By 2020
- iv. **Measure:** Improved leader development and readiness
Target: 100% of identified staff have a specific development plan by 2021
- v. **Measure:** Transition plans developed for senior leaders and critical staff positions
Target: 100% by 2022
- vi. **Measure:** Improved internal communications
Target: Refreshed internal communications plan and methodology to gauge effectiveness by 2020

Objective B. Create a culture of collaboration, continuous learning, improvement, and risk awareness.

- i. **Measure:** Improved employee collaboration and engagement against a benchmark
Target: Adopted an engagement study measurement methodology by 2019; established a baseline and improvement targets⁶
- ii. **Measure:** Enhanced reputation as an employer
Target: Adopted an engagement study measurement methodology by 2019; established a baseline and improvement targets
- iii. **Measure:** Board-adopted organization-wide risk management program
Target: By 2021
- iv. **Measure:** Board-adopted organization-wide compliance program
Target: By 2023

⁵ Targets could include a specific percentage of positive ratings by surveyed PERA staff of shared services departments' (e.g., human resources, technology, finance, communications, legal, etc.) performance

⁶ Targets could include percentage increases in engagement ratings overall and by category (e.g., effectiveness of teams and managers, trust in leadership, feeling valued, compensation, benefits, etc.)

Goal 3, Objective B: Continued Measures and Targets

- v. **Measure:** Improved overall employee satisfaction with learning opportunities
Target: Adopted an appropriate measurement methodology by 2019; established a baseline and improvement targets
- vi. **Measure:** Completed crisis communication plan
Target: By 2020

Objective C. Advance technology and information security infrastructure.

- i. **Measure:** Maintained low-cost, high-service distinction among peers as reflected by the CEM Benchmarking Study
Targets: Total pension administration cost continuously below the peer average
Total service score above the peer average
Back office activities adjusted cost per member for IT strategy, database and applications is at least \$10 below peer average
- ii. **Measure:** Maintained cyber security program in alignment with best practice
Targets: Updated annual incident response plan
Management team has completed annual cyber risk tabletop training exercises⁷
- iii. **Measure:** Refreshed technology roadmap
Target: By 2021
- iv. **Measure:** Refreshed disaster recovery and business continuity plans
Target: By 2022

Objective D. Protect and sustain the quality of Board governance.

- i. **Measure:** Sustained overall satisfaction with Board effectiveness
Target: Through annual Board self-evaluation, sustained or improved overall results from prior year
- ii. **Measure:** Sustained overall satisfaction with new trustee orientation
Target: Most Board Members who participate agree that orientation provided is useful and relevant
- iii. **Measure:** Sustained compliance with Board Education Policy requirements
Target: 100% of Board Members and designees are compliant
- iv. **Measure:** Enhanced alignment of Committees and Board Governance to strategic initiatives
Target: Refreshed Governance Manual by 2020

⁷ A tabletop training exercise simulates a real-world cybersecurity incident within a classroom setting to evaluate an organization's preparedness and strategies to manage risk.

Goal 3. What will success look like?

PERA:

1. Reflects a self-aware, adaptable, contemporary, and professional organizational culture.
2. Is a valiant protector of confidential organizational data.
3. Has built and cultivates a workforce that is its primary asset in a technologically - modernized environment.
4. Has successfully blended employees of all types and career stages to create continuity for PERA.
5. Has optimized its operations (makes sound decisions for building in-house and when/where to outsource).
6. Continued good governance has led to the achievement of the Mission, Vision, policy objectives, and high standards of excellence.
7. The Board comprises engaged, committed, and appropriately skilled trustees.
8. The Board and Executive Staff relationship is constructive, cohesive, informed, productive, and harmonious.

Goal 4. Improve retirement security outcomes through “best fit” products, services, and education.

Objective A. Align education, products, and services to respond to member and employer needs.

- i. **Measure:** Increased understanding of member and employer needs, including unmet needs
Target: Implemented a member and employer research methodology by 2019
- ii. **Measure:** Completed feasibility study and Board discussion to explore education, product, and service offerings to address members’ unmet needs
Target: By 2019
- iii. **Measure:** Refreshed organizational Mission and Vision
Target: By 2020
- iv. **Measure:** Developed and launched new services and products based on refreshed organizational Mission and Vision
Target: By 2021
- v. **Measure:** Increased overall awareness and utilization of new product offerings
Target: Adopted an awareness measurement methodology by 2022; established a baseline and improvement targets

Objective B. Enhance defined contribution product and service offerings.

- i. **Measure:** Improved alignment of participant preferences and product and service offerings
Target: Adopted a participant preferences measurement methodology by 2019; established a baseline and improvement targets
- ii. **Measure:** Improved participant awareness of retirement income needs
Targets: Developed a methodology to measure participants’ retirement income replacement ratio by 2020; established a baseline and awareness improvement targets
Delivered two individualized touchpoints to participants per year starting in 2020
- iii. **Measure:** Increased growth in total participation
Target: Adopted a total participation measurement methodology by 2019; established a baseline and improvement targets

Objective C. Adapt service delivery model to member and employer preferences.

- i. **Measure:** Increased service channel awareness
Target: Adopted a channel awareness and utilization measurement methodology by 2020; established a baseline and improvement targets
- ii. **Measure:** Enhanced understanding of member and employer service satisfaction as reflected by improvement in customer service satisfaction scores
Target: Adopted a customer service satisfaction measurement methodology by 2019; established a baseline and improvement targets

Goal 4, Objective C: Continued Measures and Targets

- iii. **Measure:** Sustained superior performance versus peers as reflected by the CEM Benchmarking Study

Target: Increased CEM Benchmarking Study total service score to 93 by 2023

Objective D. Explore the feasibility of expanding capabilities to other Colorado public and private sector entities.

- i. **Measure:** Increased understanding of needs of other Colorado public and private sector entities, including unmet needs
- ii. **Measure:** Completed feasibility study and Board discussion to explore product and service offerings to non-PERA affiliated employers and private sector entities

Target: By 2019

- iii. Refreshed organizational Mission and Vision

Target: By 2020

Goal 4. What will success look like?

1. Members and employers understand, value, and take ownership of the shared responsibility in funding retirement security.
2. An optimized mix of DB and DC plans and associated features, benefits, and services, including health care, contributes to stronger retirement and financial security outcomes for members.
3. Products, services, and delivery engage all generations of members and drive adoption.
4. A clear PERA Mission and Vision drive member-centric, aligned decisions.

2019 – 2023 Strategic Plan Prioritization Map

The following pages reflect an approximate schedule for initiating implementation activities for each Goal and Objective of the Strategic Plan. The timing depicts when various activities will be undertaken by Executive Staff and potentially the Board and its Committees, not necessarily when they will be completed.

GOAL/OBJECTIVE	2019	2020	2021	2022	2023
Goal 1. Fortify PERA’s financial resilience and adaptability.					
A. Establish and implement a framework to monitor and mitigate funding risk to the System.					
B. Solidify a position on environmental, social, and governance matters.					
C. Explore and implement appropriate down-market strategies to protect the portfolio.					
D. Explore new ways to leverage investment program strengths to enhance performance and reduce costs.					

GOAL/OBJECTIVE	2019	2020	2021	2022	2023
Goal 2. Elevate PERA’s identity among stakeholders to that of a partner in providing valued retirement security outcomes.⁸					
A. Clarify role and value to members, retirees and beneficiaries, and related constituency groups.					
B. Deepen employer relationships.					
C. Become a retirement security thought leader and collaborative partner to the policy-making community.					
D. Elevate role and value to the Colorado business community and general public.					

⁸ For this Goal, the designated priority years reflect the first wave of benchmark setting and measurement. Subsequent years will focus on measuring impact of the programs that will be underway, and program enhancement. In other words, these programs will not officially conclude once the initial benchmarking work is done but will shift focus toward achieving their designated targets.

GOAL/OBJECTIVE	2019	2020	2021	2022	2023
Goal 3. Strengthen organizational health and performance.					
A. Enhance the organization’s ability to manage change.					
B. Create a culture of collaboration, continuous learning, improvement, and risk awareness.					
C. Advance technology and information security infrastructure.					
D. Protect and sustain the quality of Board governance.					

GOAL/OBJECTIVE	2019	2020	2021	2022	2023
Goal 4. Improve retirement security outcomes through “best fit” products, services, education.⁹					
A. Align education, products, and services to member and employer needs.					
B. Enhance defined contribution product and service offerings.					
C. Adapt service delivery model to member and employer preferences.					
D. Explore the feasibility of expanding capabilities to other Colorado public and private sector entities.					

⁹ Ibid. See prior reference to priority years designated for benchmarking purposes.

