DECEMBER 2023

TARGETING

Strategic Planning Committee Meeting

TRS
TEACHER RETIREMENT SYSTEM OF TEXAS

TEACHER RETIREMENT SYSTEM OF TEXAS MEETING
BOARD OF TRUSTEES
AND
STRATEGIC PLANNING COMMITTEE

*(Committee Chair and Members: Brittny Allred, Chair; Michael Ball, David Corpus,
John Elliott, James Dick Nance)*

*All or part of the December 7, 2023, meeting of the TRS Strategic Planning Committee and Board of Trustees may be held by telephone or video conference call as authorized under Sections 551.130 and 551.127 of the Texas Government Code. The Board intends to have a quorum and the presiding officer of the meeting physically present at the following location, which will be open to the public during the open portions of the meeting: **1000 Red River, Austin, Texas 78701 in the TRS East Building, 5th Floor, Boardroom.***

The open portions of the December 7, 2023, meeting are being broadcast over the Internet. Access to the Internet broadcast and agenda materials of the meeting is provided at www.trs.texas.gov. A recording of the meeting will be available at www.trs.texas.gov.

AGENDA

December 7, 2023 – 11:30 a.m.

1. Call roll of Committee members.

2. Consider the approval of the proposed minutes of the September 2023 committee meeting – Committee Chair.

3. Discuss and review the Results Forum for FY 2023-27 TRS Strategic Plan Objectives: Don Green and Michelle Pagán.
    A. Attract, retain and develop a diverse and highly competent staff;
    B. Execute on TRS facilities needs;
    C. Improve strategic communications; and
    D. Evaluate automation and technology solutions to enhance existing processes.

4. Receive an update on Member Satisfaction Survey results – Sunitha Downing and Dr. Rene Paulson, Elite Research.

NOTE: The Board of Trustees (Board) of the Teacher Retirement System of Texas will not consider or act upon any item before the Strategic Planning Committee (Committee) at this meeting of the Committee. This meeting is not a regular meeting of the Board. However, because the full Committee constitutes a quorum of the Board, the meeting of the Committee is also being posted as a meeting of the Board out of an abundance of caution.

TAB
2

Minutes of the Strategic Planning Committee
September 14, 2023

The Strategic Planning Committee of the Board of Trustees of the Teacher Retirement System of Texas met on September 14, 2023, in the boardroom located on the Fifth Floor in the East Building of TRS' offices located at 1000 Red River Street, Austin, Texas, 78701.

Committee Members Present:
Ms. Brittny Allred, Chair
Mr. Michael Ball
Mr. David Corpus
Mr. John Elliott
Mr. James Dick Nance

Other TRS Board Members Present:
Mr. Jarvis V. Hollingsworth
Ms. Nanette Sissney
Mr. Robert H. Walls, Jr.
Mr. Elvis Williams

Others who participated:
Brian Guthrie, TRS
Andrew Roth, TRS
Jase Auby, TRS
Heather Traeger, TRS
Amanda Jenami, TRS
Don Green, TRS
Katrina Daniel, TRS
Barbie Pearson, TRS
Michelle Pagán, TRS
Beth Hallmark, TRS
Katherine Farrell, TRS
Suzanne Dugan, Cohen Milstein

Strategic Planning Committee Chair, Mr. Walls, called the meeting to order at 1:07 p.m.

1. **Call roll of Committee members.**

Ms. Farrell called the roll. A quorum was present.

2. **Consider the approval of the proposed minutes of the July 2023 Committee meeting – Committee Chair Ms. Brittny Allred.**

On a motion by Mr. Ball, seconded by Mr. Nance, the proposed minutes for the July 2023 Strategic Planning Committee meeting were approved as presented.

3.   Discuss and review the Executive Director's Areas of Focus for Fiscal Year 2024 – Brian Guthrie, Don Green and Michelle Pagán.

Mr. Brian Guthrie provided an overview regarding his Areas of Focus. He said based upon feedback received since the July meeting and the hard work of Mr. Don Green and Ms. Michelle Pagán, they were able to reduce the areas of focus even further. Mr. Green noted the Areas of Focus align with the strategic plan and this is where the Executive Director focuses his time and attention on during the fiscal year. He reviewed how the Areas of Focus are grouped within five key accountabilities: member focused, leadership effectiveness, talent effectiveness, operational effectiveness, and continuous improvement. Mr. Green then reviewed each and covered at a high level the success measures, deliverables and key performance indicators (KPIs).

4.   Discuss and review the Third Quarter Results Forum for the following 2023- 2027 TRS Strategic Plan Objectives – Don Green and Michelle Pagán.
   A.   **Improve communication regarding pension funding needs;**
   B.   **Improve communication regarding the impact of changing pension plan design;**
   C.   **Improve communication efforts regarding health care funding needs;**
   D.   **Increase the value of health care benefits; and**
   E.   **Improve the health of our members.**

Mr. Green announced a new approach in lieu of having the objective owners present on the status of the strategic plan, he and Ms. Michelle Pagán would provide the update to reduce redundancies. He said for the third quarter result forum, the topics were improving pension fund communication, improving communication regarding changing plan design, improving health care funding communication, increasing the value of health care benefits, and improving the health of TRS members. He noted the legislative session ended where Mr. Guthrie and Ms. Merita Zoga had provided Trustees with updates in emails and various board meeting presentations which sufficiently covered the first two items of the third quarter's results forum. Ms. Pagan reviewed the other result forum topics for the quarter.

Mr. Green concluded with an overview of the Enterprise Stoplight Report, noting one change since the July board meeting. The risk for the TRS-Care funding was increased to guarded rather than low. He said this change was due to the many complicated financial issues around TRS-Care, such as inflation and accessibility. Mr. Green unveiled the dynamic graphs developed to show a visual of the changes to each of the 25 risk categories over the past 10 years.

5.   Receive an update on implementation of the Member and Employer Outreach Plan – Beth Hallmark.

Ms. Beth Hallmark provided the annual update on the Member and Employer Outreach Plan. She provided a high-level review of fiscal year 2023 activities. She reported TRS successfully executed on all of the FY23 planned activities. She noted the robust growth of social media channels specifically the YouTube channel had nearly 8,000 hours of TRS videos watched and the main website had 9 million page views. She said the email subscription for *TRS News* was at 2.6 million total subscriptions with nearly 10 million unique email opens in one year alone. She said this past year the focus on measuring and seeking input influenced the fiscal year 2024 planned activities.

Ms. Hallmark said the goal is to have a new website at the end of 2024 and to continue with engaging content for communication, transparency and ongoing dialogue. She concluded with clips from the TRS Talk series issued earlier this year featuring TRS retirees and members helping to emphasize that TRS' primary focus is on them.

At 1:47 p.m., Chair Allred announced there being no further business before the Strategic Planning Committee, it was adjourned.

APPROVED BY THE STRATEGIC PLANNIING COMMITTEE OF THE BOARD OF TRUSTEES OF THE TEACHER RETIREMENT SYSTEM OF TEXAS ON THE _____ DAY OF DECEMBER, 2023.

_____   _____
Katherine H. Farrell   Date
Secretary to the Board of Trustees
Teacher Retirement Systems of Texas

TAB
3

Strategic Planning Committee

Results Forum Report - Q4 FY 2023

Don Green | Chief Financial Officer
Michelle Pagán | Director, Enterprise Risk, Strategy & Performance

Dec. 7, 2023

- Strategic Plan Results Forum Schedule

- Q4 Results Forum Summary

- Enterprise Stoplight Report

- Risk Trending Dashboard

- Upcoming 2024 Activities

- Appendix A: Results Forum Accomplishments

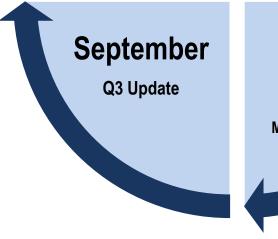- Appendix B: Strategic Plan End-of-Fiscal Year KPI Update

Strategic Plan Results Forum Schedule

- Attract, retain and develop a diverse and highly competent staff
- Execute on TRS facilities needs
- Improve strategic communications
- Evaluate automation and technology solutions to enhance processes

- Improve pension funding communication
- Improve communication regarding the impact of changing plan design
- Improve health care funding communication
- Increase the value of health care benefits
- Improve the health of our members

December

Q4 Update

End of Year KPI Data

April

Q1 Update

September

Q3 Update

July

Q2 Update

Mid-Year KPI Data

- Achieve the investment rate of return
- Improve the customer service experience
- Improve timeliness and accuracy in employer-reported data

- Advance and enhance IT systems and services
- Enhance the information security program
- Foster a culture of fiduciary responsibility and ethical conduct
- Improve and maintain effective procurement and contract management
- Develop a centralized data management framework for digital and physical data
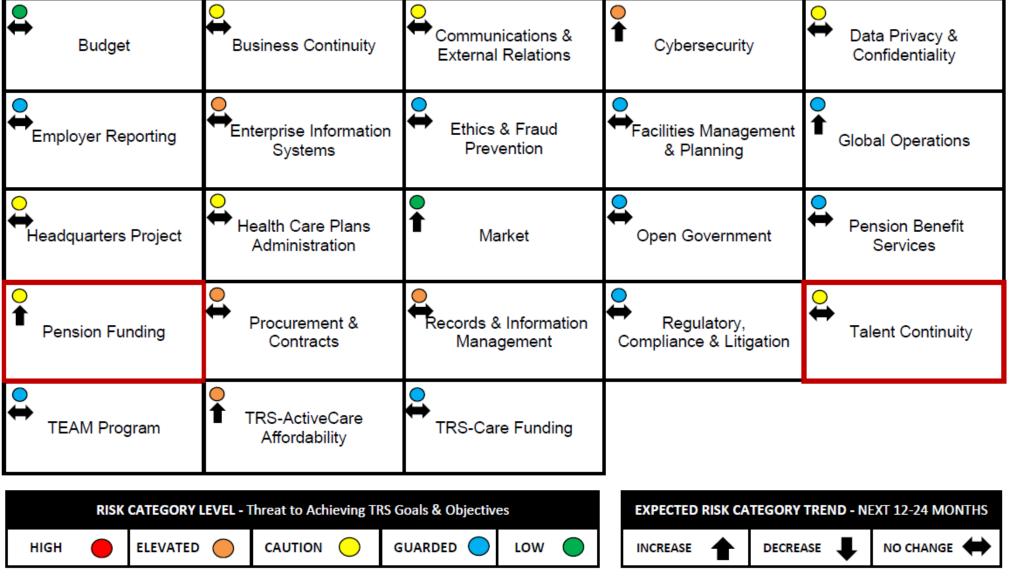
3

Q4 Results Forum Summary

	GOAL 4: Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.		
Objective		**Strategy**	**Status**
O1 Attract, retain and develop a diverse and highly competent staff.	O1.S1	Position TRS as an employer of choice to meet the needs of our current and future workforce.	Complete Slide 15
	O1.S2	Promote a strong workplace culture that is inclusive and fosters creativity and innovation.	In Progress Slide 15
	O1.S3	Improve diversity representation at all levels of the organization.	In Progress Slide 15
	O1.S4	Expand learning and development opportunities.	In Progress Slide 15
	O1.S5	Develop and implement a workforce planning strategy that includes expanded remote work, succession planning, and knowledge transfer.	In Progress Slide 15
O4 Execute on TRS facilities needs.	O4.S1	Complete build-out and move-in activities for the new TRS headquarters buildings.	In Progress Slide 16
	O4.S2	Identify resource needs and develop project plans associated with opening additional regional offices.	Not Started Slide 16
O7 Improve strategic communications with a customer-centric focus.	O7.S1	Ensure that member-facing content is easily understandable, findable and accessible to readers, and fully meets members' needs.	Complete Slide 17
	O7.S2	Map and verify the information needs of members and employers and how they interconnect so informational content can be delivered more seamlessly.	Complete Slide 17
	O7.S3	Implement and monitor the Member and Employer Outreach Plan to better help members and employers fully know and utilize benefits, engage with TRS, plan for retirement, and remain informed postretirement.	Complete Slide 17

Q4 Results Forum Summary

GOAL 4: Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.			
Objective		**Strategy**	**Status**
O8	Evaluate automation and technology solutions to enhance existing processes.	O1.S1 — Investigate best practices and feasibility of incorporating artificial intelligence into organizational processes.	In Progress [Slide 18](#)
		O1.S2 — Identify opportunities for improved productivity, process efficiencies and performance monitoring.	In Progress [Slide 18](#)
		O1.S3 — Implement Investment Data Modernization Program to improve trust asset monitoring and fiduciary oversight.	In Progress [Slide 18](#)

Enterprise Stoplight Report* – December 2023

🟢 ↔ Budget	🟡 ↔ Business Continuity	🟡 ↔ Communications & External Relations	🟠 ↑ Cybersecurity	🟡 ↔ Data Privacy & Confidentiality
🔵 ↑ Employer Reporting	🟠 ↔ Enterprise Information Systems	🔵 ↔ Ethics & Fraud Prevention	🔵 ↔ Facilities Management & Planning	🔵 ↑ Global Operations
🟡 ↔ Headquarters Project	🟡 ↔ Health Care Plans Administration	🟢 ↑ Market	🔵 ↑ Open Government	🔵 ↔ Pension Benefit Services
🟡 ↑ Pension Funding	🟠 ↔ Procurement & Contracts	🟠 ↔ Records & Information Management	🔵 ↔ Regulatory, Compliance & Litigation	🟡 ↔ Talent Continuity
🔵 ↔ TEAM Program	🟠 ↑ TRS-ActiveCare Affordability	🔵 ↔ TRS-Care Funding		

RISK CATEGORY LEVEL - Threat to Achieving TRS Goals & Objectives

HIGH 🔴	ELEVATED 🟠	CAUTION 🟡	GUARDED 🔵	LOW 🟢

EXPECTED RISK CATEGORY TREND - NEXT 12-24 MONTHS

INCREASE ↑	DECREASE ↓	NO CHANGE ↔

*Risk category ratings are based on a point in time and independent of other risk categories.
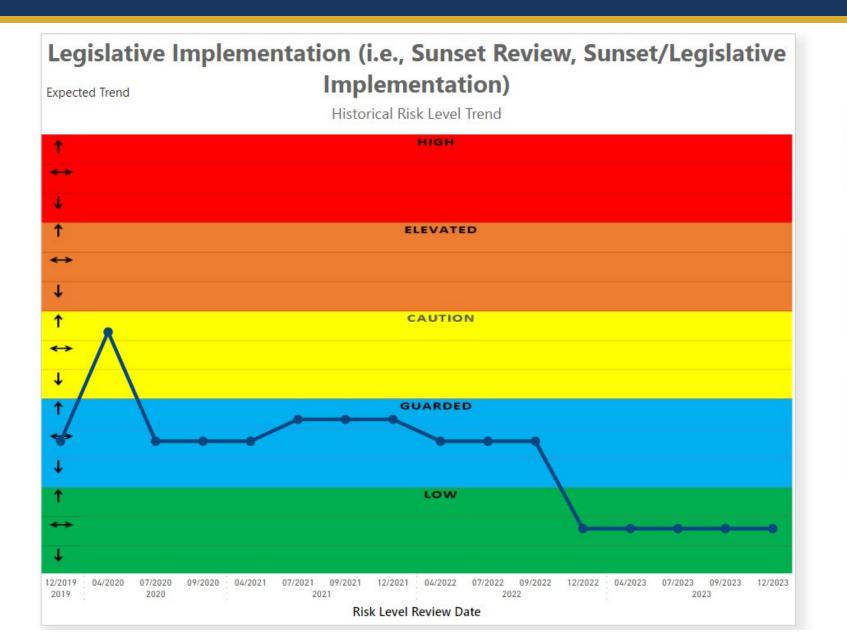
6

Enterprise Stoplight Report – Changes

Risk Level Color/Trending Changes	September 2023	December 2023
Legislative Implementation[1]	🟢 ↔	Deleted 🟢 ↔
Pension Funding	🟡 ↔	🟡 ↑
Supply Chain Disruption[2]	🟡 ↑	Moved 🔵 ↔
Talent Continuity	🟠 ↔	🟡 ↔

[1] Due to the completion of Sunset Review management recommendations and the inclusion of implementation of legislation within other risk categories, this risk category is being removed as an Enterprise Risk and deleted from the Enterprise Stoplight Report.
[2] Risk category reclassified as a Business Risk and removed from the Enterprise Stoplight Report.

Risk Trending Dashboard – December 2023

Enterprise Risk Categories	Date Last Reviewed	Current Risk Level	Expected Trend 12-24 months	Historical Trend
Budget	12/2023	Low	Stable	
Business Continuity	12/2023	Caution	Stable	
Communications & External Relations	12/2023	Caution	Stable	
Cybersecurity	12/2023	Elevated	Increase	
Data Privacy & Confidentiality (i.e., Information Security & Confidentiality)	12/2023	Caution	Stable	
Employer Reporting	12/2023	Guarded	Stable	
Enterprise Information Systems	12/2023	Elevated	Stable	
Ethics & Fraud Prevention	12/2023	Guarded	Stable	
Facilities Management & Planning	12/2023	Guarded	Stable	
Global Operations	12/2023	Guarded	Increase	
Headquarters Project (i.e., Long-Term Facilities)	12/2023	Caution	Stable	
Health Care Plans Administration	12/2023	Caution	Stable	
Market	12/2023	Low	Increase	
Open Government	12/2023	Guarded	Stable	
Pension Benefit Services	12/2023	Guarded	Stable	
Pension Funding	12/2023	Caution	Increase	
Procurement & Contracts	12/2023	Elevated	Stable	
Records & Information Management	12/2023	Elevated	Stable	
Regulatory, Compliance & Litigation	12/2023	Guarded	Stable	
Talent Continuity	12/2023	Caution	Stable	
TEAM Program	12/2023	Guarded	Stable	
TRS-ActiveCare Affordability	12/2023	Elevated	Increase	
TRS-Care Funding	12/2023	Guarded	Stable	
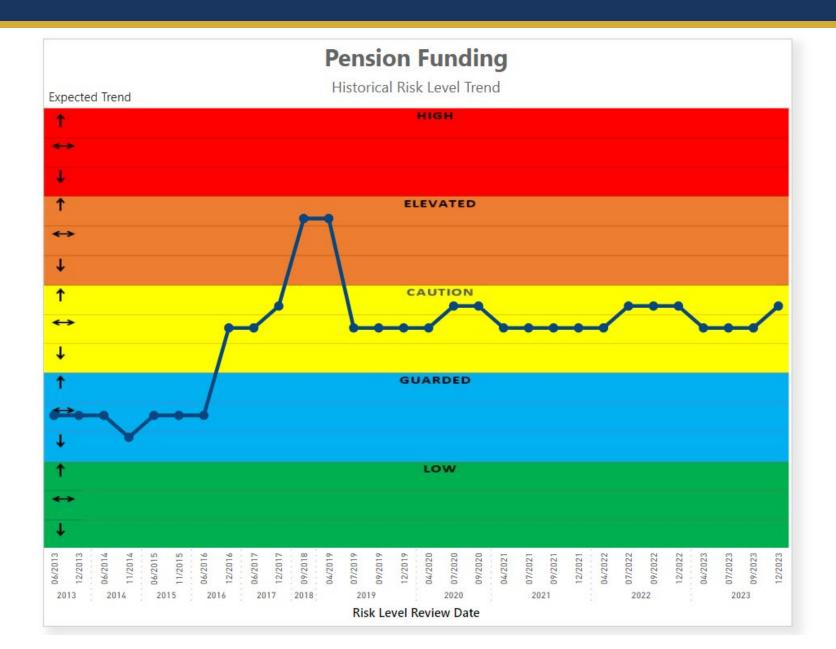
8

Risk Trending Dashboard – Trend Chart

Risk Trending Dashboard – Trend Chart
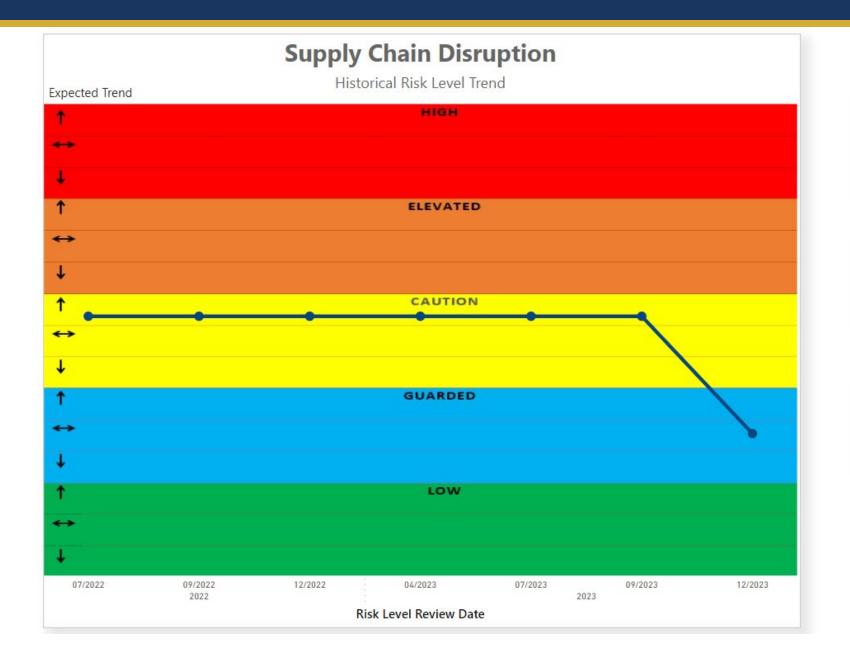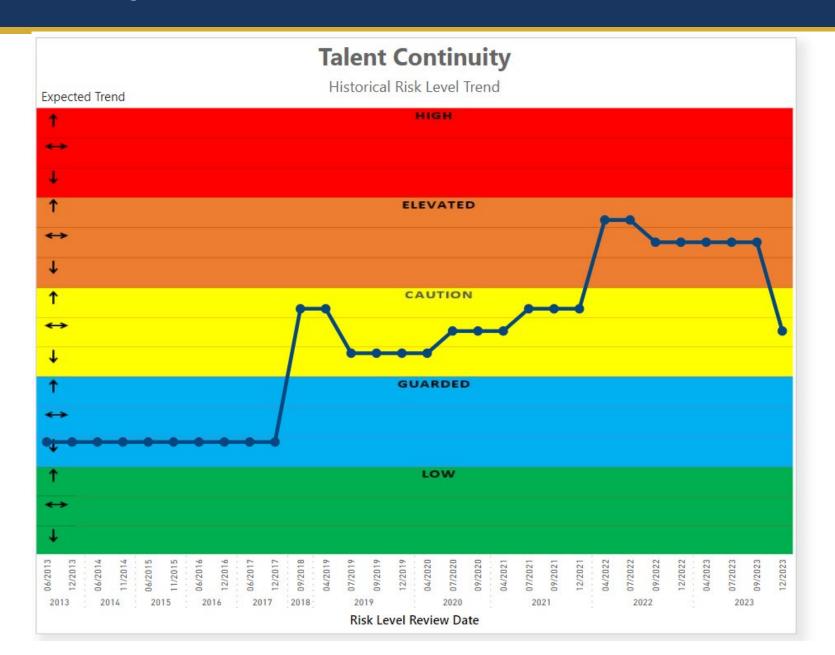
Upcoming 2024 Activities

January	February	April	June	July	August
o Executive Council Retreat	o Receive FY 25-29 Strategic Plan Instructions from Legislative Budget Board o Provide draft FY 25-29 TRS Strategic Plan to Strategic Planning Committee	o Final FY 25-29 TRS Strategic Plan Provided for adoption by board of trustees ➢ Preview FY 26-27 Legislative Appropriations Request	o TRS Strategic Plan for FY 25-29 submitted to governor and legislative offices ➢ Receive FY 26-27 Legislative Appropriations Request Instructions from Legislative Budget Board	➢ Provide draft FY 26-27 Legislative Appropriations Request to Budget Committee	➢ Final FY 26-27 Legislative Appropriations Request submitted to governor and legislative offices

← **FY 2024** →

Appendix A: Results Forum Accomplishments

Strategy Status and Accomplishments

OBJECTIVE 1: Attract, retain and develop a diverse and highly competent staff.

GOAL 4
Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

	Strategy	Status	Accomplishments
O1.S1	Position TRS as an employer of choice to meet the needs of our current and future workforce.	Complete	TRS moved to an agency-specific compensation plan effective Sept. 1, 2022. This plan has helped decrease turnover and increase the ability to effectively recruit for new TRS talent.
O1.S2	Promote a strong workplace culture that is inclusive and fosters creativity and innovation.	In Progress	• Developed, in collaboration with Employee Resource Groups (ERGs), podcast episodes featuring TRS employees that extended to Teams channel discussions. • All ERG charters feature inclusive community building as a core tenet.
O1.S3	Improve diversity representation at all levels of the organization.	In Progress	• Outreach, Culture & Engagement established a terminology section on SharePoint and a Quick Poll to gather information from employees about definitions and expectations. • Participation in Black is Tech Conference and outreach for recruitment purposes; shared lists with Talent Acquisition and IT representatives.
O1.S4	Expand learning and development opportunities.	In Progress	• Created custom learning opportunities to support the needs of various divisions (Benefit Services, Executive, Business Administration) and increased partnerships across the agency. • Created instructor-led training opportunities specifically for team leads and those new to management positions. • Completed staffing the Leadership & Development team, which will allow for more dynamic (and on-demand) training opportunities for employees that enables them to best serve members.
O1.S5	Develop and implement a workforce planning strategy that includes expanded remote work, succession planning, and knowledge transfer.	In Progress	• Organizational Excellence developed a staffing dashboard allowing division leadership to be more aware of the hiring progress. • Talent Acquisition statistics are now a routine part of the board meeting updates to the Compensation Committee.

STATUS CHOICES: Complete, In Progress, Behind, Not Started

Return to Summary

Strategy Status and Accomplishments

OBJECTIVE 4: Execute on TRS facilities needs.

GOAL 4
Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

	Strategy	Status	Accomplishments
O4.S1	Complete build-out and move-in activities for the new TRS headquarters buildings.	In Progress	• All business areas slated to move into Alpha have been successfully transitioned. • Prospective tenants have indicated interest and are in the vetting process. • Interior work in Bravo is anticipated to start later in November or early December.
O4.S2	Identify resource needs and develop project plans associated with opening additional regional offices.	Not Started	N/A

STATUS CHOICES: Complete, In Progress, Behind, Not Started

Return to Summary

Strategy Status and Accomplishments

OBJECTIVE 7: Improve strategic communications with a customer-centric focus.

GOAL 4
Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

	Strategy	Status	Accomplishments
O7.S1	Ensure that member-facing content is easily understandable, findable and accessible to readers, and fully meets members' needs.	Complete	• Launched multiple mechanisms to gather user feedback. • Digitized *TRS News* and expanded subscriber outreach, open rates and clickthrough rates. Reader survey average scores the publication a 4.6 out of 5 stars for satisfaction. • Developed and launched a benefits enhancement web page to provide critical information and answer questions related to legislative action in May 2023. The web page received more than 200,000 pageviews by the end of August 2023, just three months after launch.
O7.S2	Map and verify the information needs of members and employers and how they interconnect so informational content can be delivered more seamlessly.	Complete	• Enterprise Website Redesign Project launched in 2023. • Content audit well underway and initial user experience study mapping is complete, to include a competitive analysis of other sites. • Internal and external surveys, to include website surveys, launched to gather feedback for improvement in understanding user needs and mapping across communication methods.
O7.S3	Implement and monitor the Member and Employer Outreach Plan to better help members and employers fully know and utilize benefits, engage with TRS, plan for retirement, and remain informed postretirement.	Complete	• Fully executed all planned elements of the plan. • Metrics show strong engagement and positive, ongoing feedback from participants. • Created new educational products and approaches, to include a TRS Talks video series with YouTube subscriptions growing 36%.

STATUS CHOICES: Complete, In Progress, Behind, Not Started

Return to Summary

Strategy Status and Accomplishments

OBJECTIVE 8: Evaluate automation and technology solutions to enhance existing processes.

GOAL 4
Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

	Strategy	Status	Accomplishments
O1.S1	Investigate best practices and feasibility of incorporating artificial intelligence into organizational processes.	In Progress	• Developed a TRS Artificial Intelligence (AI) Use Policy. • Created an AI Review Team and AI review workflow in ServiceNow. • Researched, selected and implemented new high-performance workstations for the IMD Multi-Asset Strategy Group's Machine Learning team.
O1.S2	Identify opportunities for improved productivity, process efficiencies and performance monitoring.	In Progress	• Implementation of ServiceNow Phase One including Information Technology Service Management and Demand Management modules. • Posted Request For Proposal (RFP) for Investment Data Modernization (IDM) platforms. • Streamlined Death Claims process through TEAM Roadmap release for Retirement Application Processing and Death Claims (RAP/DTH).
O1.S3	Implement Investment Data Modernization Program to improve trust asset monitoring and fiduciary oversight.	In Progress	• RFPs for IDM platforms and Program Management Advisory Services (PMAS) posted in July. • Successfully completed the first round of RFP evaluations with 14 qualified vendors across four modules with 38 proposals scored by 58 evaluators. • Proof of concept completed for Intelligent Document Processing (IDP) initiative. • Core Investment Data Hub capabilities and delivery team established in preparation for IDM platform implementation.

STATUS CHOICES: Complete, In Progress, Behind, Not Started

Appendix B: Strategic Plan End-of-FY KPI Update

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

OBJECTIVE 1: Improve communication regarding pension funding needs.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Request the increased state contribution as passed by SB 12 in 2019	8.25% in FY 24 8.25% in FY 25	2023-24 General Appropriations Act includes state contribution of 8.25% in FY 24 and 8.25% in FY 25				
Number of legislative briefings and hearings	Varies	8	23	37	2	70
Present funding requests to committees in TRS overview briefings	Varies	1	5	0	0	6
Present to stakeholders such as associations	Varies	24	4	1	1	30

20

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 1

Sustain a financially sound pension system.

OBJECTIVE 3: Achieve the trust's actuarial assumed rate of return as measured on rolling 20-year periods.

KPI	Annual Target	Q4 CY 22	Q1 CY 23	Q2 CY 23	Q3 CY 23
Return in excess of the benchmark return for the Total Trust (3-Year Rolling)*	+100bp	+49bp	+106bp	+134bp	+155bp
Total return over 3 and 5 years relative to the board's assumed rate of return	7.0%	3 Yr: 5.9% 5 Yr: 6.1%	3 Yr: 10.3% 5 Yr: 6.7%	3 Yr: 9.0% 5 Yr: 7.0%	3 Yr: 6.1% 5 Yr: 5.9%

*Also, an Executive Director's Area of Focus KPI.

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 2
Continuously improve our benefit delivery.

OBJECTIVE 1: Improve the customer service experience for members and employers.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Benefit estimates mailed within 31 days of request	90%	100%	100%	100%	100%	100%
Retirees first annuity payment processed within 31 days of TRS receiving required information or due date, whichever is later*	98%	81%	99%	97%	76%	88%
Death claims payments issued within 31 days of receipt of all required paperwork*	95%	97%	97%	98%	92%	96%
Calls answered within 3 minutes (Benefits)*	80%	63%	94%	98%	90%	86%
Number of counseling appointments available in Austin (cumulative)*	20,000	3,013	3,906	6,188	7,260	20,367
Number of counseling appointments available in El Paso (cumulative)*	5,000	213	1,316	1,119	1,128	3,776

*Also, an Executive Director's Area of Focus KPI.

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 2
Continuously improve our benefit delivery.

OBJECTIVE 1: Improve the customer service experience for members and employers.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Benefit Services Staffing – % Filled	90%	89%	94%	96%	97%	93%
Benefit Services Staffing – Turnover (cumulative)	10%	3.6%	3.7%	3.4%	2.1%	14.8%
Benefit Services Staffing – Fully Trained	90%	72%	77%	85%	4%	60%
Calls answered within 3 minutes (Health)*	80%	99.54%	99.69%	99.68%	98.63%	99.36%
Calls answered internally vs. externally (Health)	50%	18.46%	14.06%	28.98%	21.44%	20.55%

*Also, an Executive Director's Area of Focus KPI.

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 2
Continuously improve our benefit delivery.

OBJECTIVE 2: Improve timeliness and accuracy in employer-reported data.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Regular payroll reports completed by the end of each quarter	90%	94%	98%	99%	99%	99%

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 3
Facilitate access to competitive, reliable health care benefits for our members.

OBJECTIVE 1: Improve communication efforts regarding health care funding needs.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Request funding that supports long-term sustainability and affordability of the programs	TRS-Care • 1.25% of payroll for state contribution • 0.65% of payroll contribution from active employees • 0.75% of payroll TRS-ActiveCare • $75 per member per month by the state • A minimum $150 per member per month contribution by TRS-ActiveCare participating districts for enrolled employees	2023-24 General Appropriations Act includes: TRS-Care • 1.25% of payroll for state contribution • 0.65% of payroll contribution from active employees • 0.75% of payroll TRS-ActiveCare • $75 per member per month by the state • A minimum $150 per member per month contribution by TRS-ActiveCare participating districts for enrolled employees				
Number of legislative briefings and hearings	Varies	8	23	37	2	70
Present funding requests to committees in TRS overview briefings	Varies	1	5	0	0	6

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 3
Facilitate access to competitive, reliable health care benefits for our members.

OBJECTIVE 2: Increase the value of health care benefits.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Cost savings associated with relying less on external vendors	$1.5 M	$864,800	$832,800	$742,400	$816,400	$3.2 M
Average annual increase in cost of claims experienced by TRS-Care and TRS-ActiveCare compared to S&P trend[1]	<0%	+4% between FY 2021 and FY 2022 (Annual Measure)				

[1] Annual measure reported following the close of the preceding fiscal year. Values reported are for FY 2022.

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 3
Facilitate access to competitive, reliable health care benefits for our members.

OBJECTIVE 3: Improve the health of our members.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Member engagement metrics as measured by percentage of members who open *The Pulse* email*	23%	42%	49%	46%	47%	45%
Member engagement metrics as measured by percentage of members who open *The Pulse* email and then click to read articles*	3%	4%	4%	4%	5%	5%
Number of TRS-ActiveCare participants engaged with a primary care provider[1]	71%	-1% between FY 2021 and FY 2022 (Annual Measure)				
Number of TRS-Care participants engaged with a primary care provider[1]	76%	0% between FY 2021 and FY 2022 (Annual Measure)				

[1] Annual measure reported following the close of the preceding fiscal year. Values reported are for FY 2022.

*Also, an Executive Director's Area of Focus KPI.

27

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 4
Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

OBJECTIVE 1: Attract, retain and develop a diverse and highly competent staff.

KPI	Annual Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23
Employee engagement index score (Energage/Top Workplaces survey)*	4.0 or greater		4.57		
TRS voluntary turnover rate vs. state turnover rate*	A minimum of 25% below state average		TRS Voluntary Turnover Rate: 6.9% State Voluntary Turnover Rate: 9.8% **TRS percentage below State average: 49.8%		
Cultural intelligence training (cumulative)	4	1	1	1	1

*Also, an Executive Director's Area of Focus KPI.

**Percentage below State average is calculated by using the TRS voluntary turnover rate (6.9%) divided by the state turnover rate (9.8%).

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 4
Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

OBJECTIVE 2: Advance and enhance IT systems and services.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Percent Complete - Design, build and test Pension Line of Business (LOB) Retirement Application & Death Claims Processing Release	100%	78.30%	91.30%	100%	NA	100%
Percent Complete - Design, build and test Pension LOB Payroll & Tax Release	54%	35.40%	41.60%	47.92%	54.17%	54.17%
Percent of network/systems uptime	99.90%	99.98%	99.98%	99.98	99.99%	99.98%
Percent of business-critical applications uptime	99.50%	99.95%	99.87%	99.91%	99.98%	99.91%
Percent of available system capacity[1]	80%	48.90%	45.98%	46.11%	49.31%	47.44%

[1]Percent of available system capacity is an indicator meant to measure when more resource hardware is needed to support additional demand. Anything above 80% would indicate the need to procure additional system hardware.

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 4
Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

OBJECTIVE 3: Enhance the information security program to effectively counter current and emerging threats and risks facing TRS.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Number of systems with completed security assessment validations (cumulative)	20	3	3	11	11	28
Number of projects with Information Security involvement (cumulative)	20	11	14	15	8	48
Number of systems built out in Information Security's risk management platform (cumulative)	5	1	1	2	2	6
Phishing Click Rate – Percent of users who clicked the phishing exercise	<12%	11%	4%	9%	4%	N/A
Short-Term Fraud Tool Solution – Implementation Progress	100%	5%	10%	65%	97%	97%

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 4

Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

OBJECTIVE 5: Foster a culture of fiduciary responsibility and ethical conduct.

KPI	Annual Target	Q4 CY 22	Q1 CY 23	Q2 CY 23	Q3 CY 23
Train 100% of staff on ethical standards annually	100%	Provided Timely: 100% Completed Timely: 96.5%	Provided Timely: 100% Completed Timely: 95%	Provided Timely: 100% Completed Timely: 96.2%	Provided Timely: 100% Completed Timely: 97%
Maintain current policies and procedures	100%	100%	100%	100%	100%
Perform 100% regular and random quarterly testing and reports	100%	100%	100%	100%	100%
Observe number of reported policy violations, review and respond to trends	Minimal	11	5	3	8

KPIs

GOAL 4

Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

OBJECTIVE 6: Improve and maintain effective procurement and contract management practices.

KPI	FY20 Goals	FY20 Actuals	FY21 Goals	FY21 Actuals	FY22 Goals	FY22 Actuals	FY23 Goals	FY23 Actuals as of 8/31/23
Increase Number of HUBs utilized for Commodities	40%	19%	40%	6.3%	30%	21%	30%	28%
Increase Number of HUBs utilized for Other Services and Professional Services	35%	26%	35%	31%	35%	31%	35%	31%
Increase Number of HUBs utilized for Special Trade	40%	49%	40%	71%	40%	69%	40%	84%

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Percent increase of HUBs that are solicited within the biannual and annual HUB reports	3%	0%	2%	3%	3%	3%
Percent increase of high-dollar/high-risk contract monitoring events	85%	0%	54%	32%	14%	100%

Strategic Plan End-of-Fiscal Year KPI Update

KPIs

GOAL 4

Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

OBJECTIVE 7: Improve strategic communications with a customer-centric focus.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Respond to 100% of customer inquiries received via direct or private message on social media within regular business hours or next business day	100%	100%	100%	100%	100%	100%
Produce all TRS/IMD publications by established deadlines	100%	100%	100%	100%	100%	100%
Respond to 100% of media inquiries received within 1 business day	100%	100%	100%	100%	100%	100%

33

KPIs

GOAL 4
Ensure that people, processes and technology align to achieve excellence in the delivery of services to members.

OBJECTIVE 9: Develop a centralized data management framework for digital and physical data.

KPI	Fiscal Target	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	FY 23
Number of ServiceNow (SN) Demands reviewed and assessed by the Enterprise Data Governance Council (EDGC)	100% of submitted SN Demands	0	0	131 of 131	28 of 28	100%
Number of proposed data management initiatives (DMI) or data management projects (DMP) reviewed, assessed, and authorized for advancement by the EDGC	100% of DMIs and DMPs	0	0	1 of 1	0	100%
Number of projects completed by the EDGC	28*	1	0	2	3	6

*At the time of creation, EDGC anticipated the team would create 22 separate Data Domains, however there was one deliverable consisting of all domains changing the total Fiscal Target to 7, of which 6 were completed in FY 23.

TAB
4

Member Satisfaction Survey
Results

Sunitha Downing, Director of Enterprise Program Management
Rene Paulson, **Ph.D.** Elite Research

December 7, 2023

TEACHER RETIREMENT SYSTEM of TEXAS

TRS
TEACHER RETIREMENT SYSTEM OF TEXAS

Member Satisfaction Survey

- Purpose is to gauge active and retired member satisfaction with TRS services
- Conduct survey annually to a random sample of active members and retirees
- Updates to the survey

Survey Process

- Administered by Elite Research, LLC
- Three-week collection in August & September 2023
- Online and phone survey
- Segmented on gender, age, and prior TRS contact within the last 12 months
- Population: 1 Million+ Active Members and ~400,000 Retirees
- Sample: 161,027 Active Members and 40,320 Retirees

	Active Member	Retiree
Collection method		
Email	3,649	3,278
Phone	270	268
SMS Text	430	422
Total	**4,349**	**3,968**

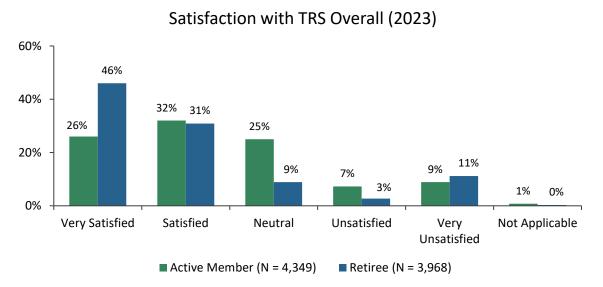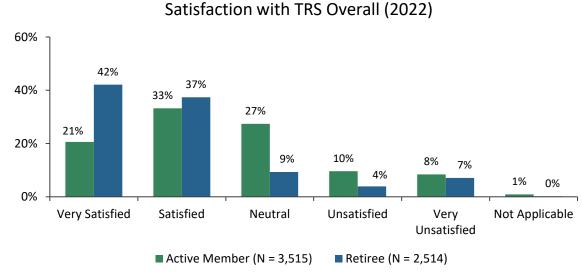| **Increased Email Opened**	**Increased Total Responses**	**Decreased Drop-off**	**Increased Completion**
Active: 14% Retiree: 94.5%	Active: 14.4% Retiree: 47.0%	Active: 48.9% Retiree: 31.1%	Active: 1.1% Retiree: 40.5%

Overall Satisfaction

- Overall satisfaction with TRS increased for active members compared to the previous two years
- Retiree overall satisfaction is trending with a minor decrease across the past two years

Satisfaction with TRS Overall (2023)

Active Member (N = 4,349)   Retiree (N = 3,968)

Satisfaction with TRS Overall (2022)

Active Member (N = 3,515)   Retiree (N = 2,514)

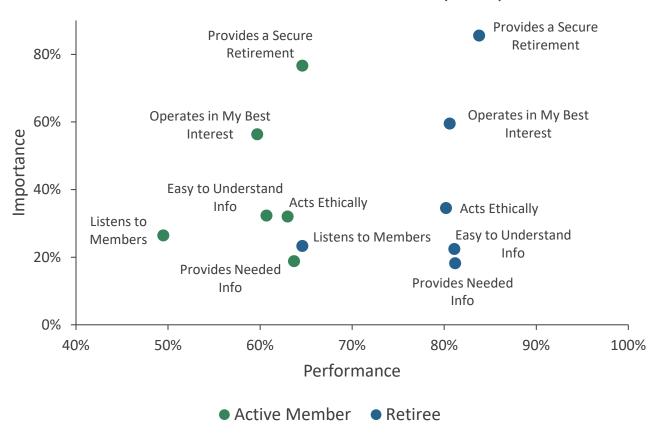Q: Please rate your overall satisfaction with TRS.

5

Member Satisfaction

- Retirees rate TRS performance higher than active members

- Retiree performance and importance values are comparable to 2022 rates

- Active member performance scores decreased in general compared to last year, but the importance levels remained generally comparable

- Providing a secure retirement is the highest importance for active members and retirees and the highest performing

TRS Active and Retiree Values (2023)

Legend: ● Active Member ● Retiree

X-axis: Performance (40% – 100%)
Y-axis: Importance (0% – 80%)

Data point labels: Provides a Secure Retirement, Operates in My Best Interest, Easy to Understand Info, Acts Ethically, Listens to Members, Provides Needed Info
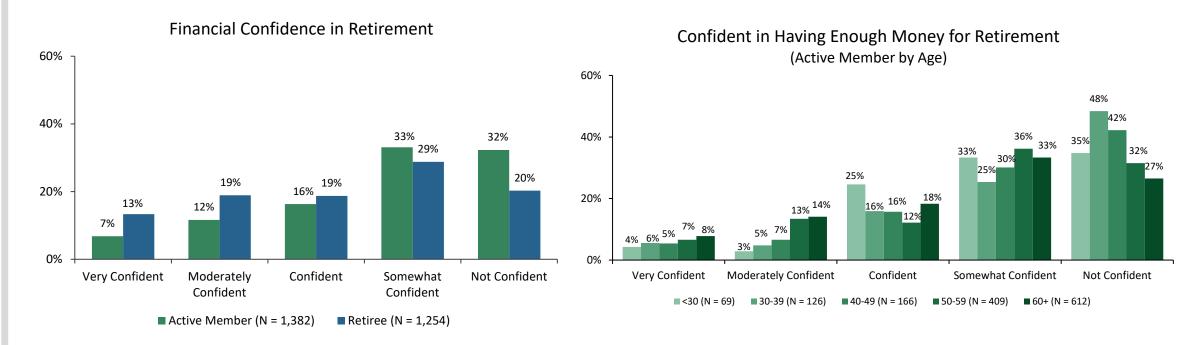
Q: **Importance:** Rate which items are the most important to you (Choose top 3): e.g., *I know TRS operates in my best interest*.

Q: **Performance:** Rate whether you agree or disagree with the following statements: e.g., *I know TRS operates in my best interest*.

Note: Percent calculations exclude Neutral.

Benefit Services

- Half of all retirees are confident in the financial security of their retirement
- One-third of active members are confident in the financial security of their retirement
- Decreased financial confidence in retirement is more pronounced for younger aged active members with the age span increasing from less than 40 to less than 50 years from 2022 to 2023

Financial Confidence in Retirement

Confident in Having Enough Money for Retirement
(Active Member by Age)

Q: How satisfied are you with the TRS information provided to you upon employment in an eligible position with a TRS-Covered Employer?
Q: How confident are you that you will have enough money to live comfortably throughout your retirement years?
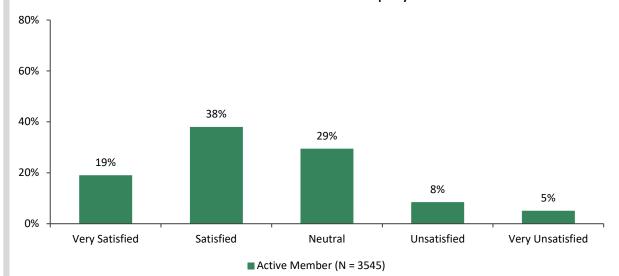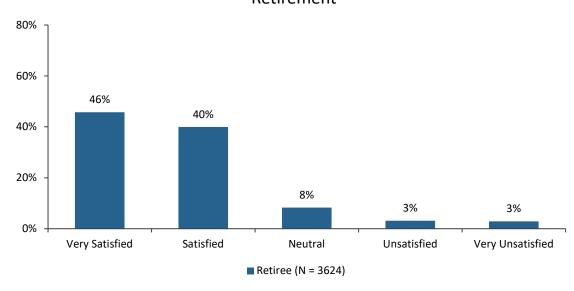
Benefit Services

- Half of all active members are satisfied with the information TRS provided upon eligible employment
- Nearly one-third of active members are neutral about this TRS information
- Nearly all retirees are satisfied with the overall services received from TRS when thinking about their retirement
- The number of active members reporting not knowing how to save for retirement outside of TRS was cut in half (2022: 46% 2023: 20%), but the number of active members indicating not knowing how to estimate retirement needs stayed constant (2022: 59% 2023: 56%)

Satisfaction with TRS Information Upon Eligible Employment with a TRS-Covered Employer

Active Member (N = 3545)

Q: How satisfied are you with the TRS information provided to you upon employment in an eligible position with a TRS-Covered Employer?

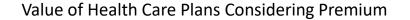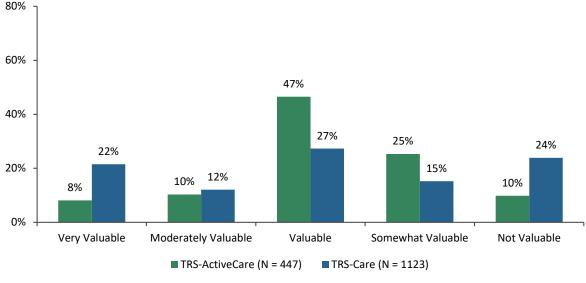Satisfaction with Overall TRS Service Considering Retirement

Retiree (N = 3624)

Q: Thinking about your retirement, how satisfied are you with the overall service you receive from TRS?

8

Health

- A similar percentage of active members are satisfied with TRS health care services in 2023 as in 2022
- Significantly more active members valued their health care plans more highly than retirees
- Overall retiree satisfaction with TRS health care services decreased from 2022 to 2023, but dissatisfaction remained constant
- Nearly half of retirees were neutral regarding the overall satisfaction with TRS health care services
- Fewer retirees perceived their health care as valuable in 2023 (76%) compared to 2022 (90%)

Overall Satisfaction with TRS Health Care Services (2023)

TRS-ActiveCare (N = 447)   TRS-Care (N = 1116)

Value of Health Care Plans Considering Premium

TRS-ActiveCare (N = 447)   TRS-Care (N = 1123)

Q: Overall, how satisfied or dissatisfied are you with TRS-ActiveCare services?
Q: Overall, how satisfied or dissatisfied are you with TRS-Care services?

Q: Considering your premiums, rate the value of the benefits provided under TRS-Care?

9

- More retirees (46%) reported using *The Pulse* newsletter to acquire information about TRS-Care, compared to active members (33%) to obtain information about TRS-ActiveCare

- The percentage of retirees who reported using *The Pulse* newsletter in the last 12 months increased from 2022 (39%) to 2023 (46%) and stable for the active members
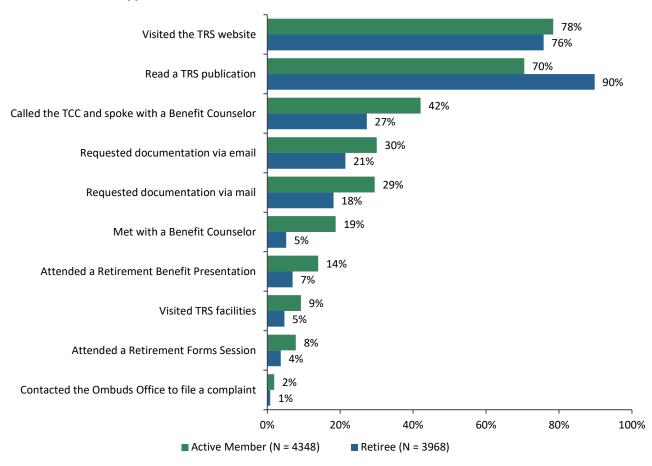
	N	Yes	No
Active Member			
The Pulse Newsletter in last 12 months	1,208	33%	67%
BCBSTX Website in last 12 months	1,208	25%	75%
Contacted Blue Cross Blue Shield about your TRS-ActiveCare benefits	1,208	19%	81%
Retiree			
The Pulse Newsletter in last 12 months	1,144	46%	54%
Publications	1,144	32%	68%
TRS-Care online resources	1,144	29%	71%
Called the TRS-Care customer service line	1,144	27%	73%
TRS-Care website	1,144	27%	73%
The provider's TRS-Care online resources	1,144	26%	74%
The provider's TRS-Care website	1,144	24%	76%
Called the provider's customer service line	1,144	23%	77%
Videos	1,144	6%	94%
TRS-Care webinar or other health care event	1,144	5%	95%

Q: In the past 12 months, have you…
Read The Pulse, the TRS email health care newsletter?

Communications

- Nearly all retirees read a TRS publication in 2023

- More than three-fourths of active members and retirees visited the TRS website

- Active members generally have higher interaction rates for in-person and direct communication (phone calls, visits, presentations, mail/email)

- Significant increase in active members calling the TCC and speaking with a Benefit Counselor compared to 2022. Otherwise, similar overall interaction rates by member type compared to last year

Types of Interactions with TRS Over Past 12 Months

Interaction	Active Member	Retiree
Visited the TRS website	78%	76%
Read a TRS publication	70%	90%
Called the TCC and spoke with a Benefit Counselor	42%	27%
Requested documentation via email	30%	21%
Requested documentation via mail	29%	18%
Met with a Benefit Counselor	19%	5%
Attended a Retirement Benefit Presentation	14%	7%
Visited TRS facilities	9%	5%
Attended a Retirement Forms Session	8%	4%
Contacted the Ombuds Office to file a complaint	2%	1%

■ Active Member (N = 4348) ■ Retiree (N = 3968)

Q: Please indicate whether you have done any of the following over the past 12 months

Communications

- Email
- Calling and speaking with a counselor
- Website
- Mail
- Visiting in-person
- Participating in a group benefit presentation
- Listening to the automated telephone system
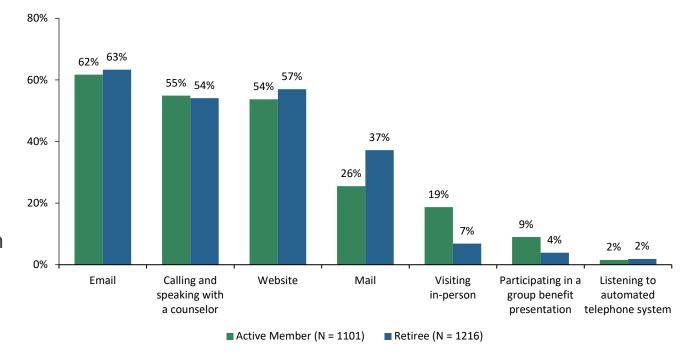
Preferences for Interacting with TRS

	Email	Calling and speaking with a counselor	Website	Mail	Visiting in-person	Participating in a group benefit presentation	Listening to automated telephone system
Active Member (N = 1101)	62%	55%	54%	26%	19%	9%	2%
Retiree (N = 1216)	63%	54%	57%	37%	7%	4%	2%

Active Member (N = 1101) ■   Retiree (N = 1216) ■
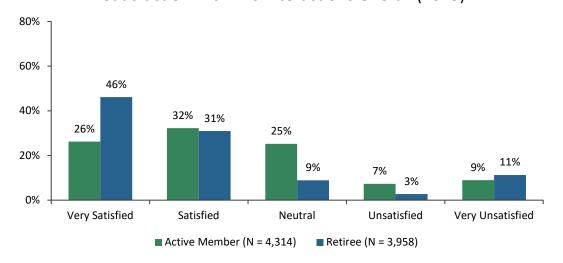
Results

- ❖ Email had been the clear preferred method of interaction, but now email, phone calls, and website are comparable
- ❖ Retirees have a stronger preference for mail relative to active members
- ❖ Active members have a stronger preference for in-person relative to retirees

Q: **Preference:** Rate your preferred ways to obtain information about your TRS membership and benefits (Choose top 3): e.g., email.
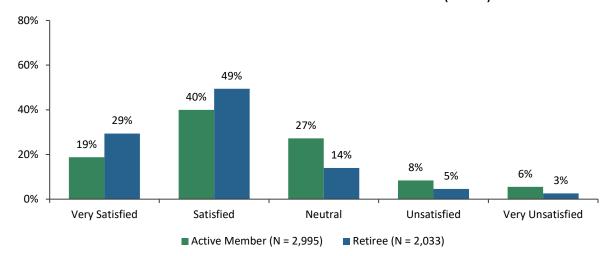
Interactions

- Both member types had significant increases in being "very satisfied" with TRS interactions overall compared to 2022
- Combined satisfaction levels are comparable to last year

Satisfaction with TRS Interactions Overall (2023)

Active Member (N = 4,314) — Retiree (N = 3,958)

	Very Satisfied	Satisfied	Neutral	Unsatisfied	Very Unsatisfied
Active Member	26%	32%	25%	7%	9%
Retiree	46%	31%	9%	3%	11%

Satisfaction with TRS Interactions Overall (2022)

Active Member (N = 2,995) — Retiree (N = 2,033)

	Very Satisfied	Satisfied	Neutral	Unsatisfied	Very Unsatisfied
Active Member	19%	40%	27%	8%	6%
Retiree	29%	49%	14%	5%	3%

Q: Overall, how satisfied are you with the service you received when you interacted with TRS?

Actionable Insights

- **Benefit Services**
  - ❖ Increase awareness and continue to inform about *MyTRS* and to enhance *MyTRS*
  - ❖ Active Members: Provide retirement planning education and education on saving for retirement outside TRS
  - ❖ Members want more availability of staff to answer calls and respond to emails instead of using the IVR

- **Health**
  - ❖ Continue to educate on health care program value, identify opportunities to lower employee premiums, and increase coverage of services and prescription drugs
  - ❖ Include TRS-Care premium in retirement income estimate
  - ❖ Explore the gap in value for retirees despite satisfaction and limited improvements suggested
  - ❖ Continue to support health care communication resources (Website, Customer Service Line, *The Pulse*)

- **Communications**
  - ❖ Continue to communicate TRS decisions
  - ❖ Continue Plain Language program with TRS publications
  - ❖ Continue to refine language relating to estimating benefits, employment after retirement, and decision to retire in the *TRS Benefits Handbook*
  - ❖ Educate on the availability of the TRS email subscription service
  - ❖ Continue to support social media efforts

Elite Research, LLC

Empowering researchers in nonprofit, academic, government, and business realms by educating and mentoring clients, providing research and editing expertise

1.800.806.5661

9901 E. Valley Ranch Pkwy, Suite 2035

Irving, TX 75063

consulting@eliteresearch.com

www.eliteresearch.com

Questions?