

TRS Board of Trustees'
Strategic Plan
FY2026-FY2030



OKLAHOMA
Teachers' Retirement System



A Commitment to Pension Excellence

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Letter from the Executive Director

Dear Members and Stakeholders of the Teachers' Retirement System of Oklahoma,

It is my privilege to present our Strategic Plan for FY2026-FY2030, a comprehensive roadmap that will guide the Teachers' Retirement System of Oklahoma (TRS) as we continue our mission to provide secure retirement benefits to Oklahoma's dedicated educators.

For decades, TRS has served as a cornerstone of financial security for those who have devoted their careers to educating our state's children and workforce. As we look toward the future, we recognize that maintaining this promise requires not only steadfast commitment to our fiduciary responsibilities but also a willingness to evolve and innovate in an increasingly complex landscape.

This five-year strategic plan reflects the insights gathered from extensive engagement with our members, trustees, staff, and stakeholders. It represents our collective vision for a retirement system that is financially sound, technologically advanced, operationally excellent, and resilient in the face of emerging challenges.

Our plan is built upon four strategic initiatives:

Initiative 1: Financial Sustainability and Investment Excellence focuses on strengthening our funded status through prudent investment management, strategic asset allocation, and secured funding. We are committed to generating sustainable returns that will ensure we can meet our obligations to current and future retirees while adapting to evolving market conditions.

Initiative 2: Digital Transformation and Member Service Experience reimagines how we serve our members in the digital age. We will continue to modernize our technology infrastructure, enhance our online platforms, and create seamless, intuitive experiences that meet members where they are—whether they're beginning their teaching careers or planning their retirement.

Initiative 3: Organizational Excellence and Workforce Development recognizes that the strength of our organization lies in our workforce. We will invest in developing a highly skilled, engaged team equipped with the tools, training, and culture necessary to deliver exceptional service while fostering innovation and continuous improvement throughout our organization.

Initiative 4: Enterprise Risk Management and Security Excellence establishes a comprehensive framework to identify, assess, and mitigate risks across all dimensions of our operations. In an era of increasing cybersecurity threats and regulatory complexity, we will build robust defenses to protect member data, ensure business continuity, and maintain the trust placed in us.

These initiatives are interconnected and mutually reinforcing. Together, they form a holistic approach to organizational transformation that will position TRS for long-term success. Implementation will require dedication, collaboration, and resources, but I am confident that our talented team and supportive Board of Trustees will rise to meet these challenges.

I invite you to review this strategic plan carefully and join us in bringing this vision to life. The work ahead will strengthen TRS for generations to come, ensuring that Oklahoma's educators can retire with dignity and financial security.

Thank you for your continued trust and support.

Respectfully,



Sarah Green
Executive Director
Teachers' Retirement System of Oklahoma

TRS Introduction

Mission Statement

We collect, protect, and grow assets to provide a secure retirement income for public education employees.



Vision Statement

Provide quality service to our members in an efficient, economical manner by:

Providing on-demand and accurate access to personal financial information,

Educating members about their retirement benefits,

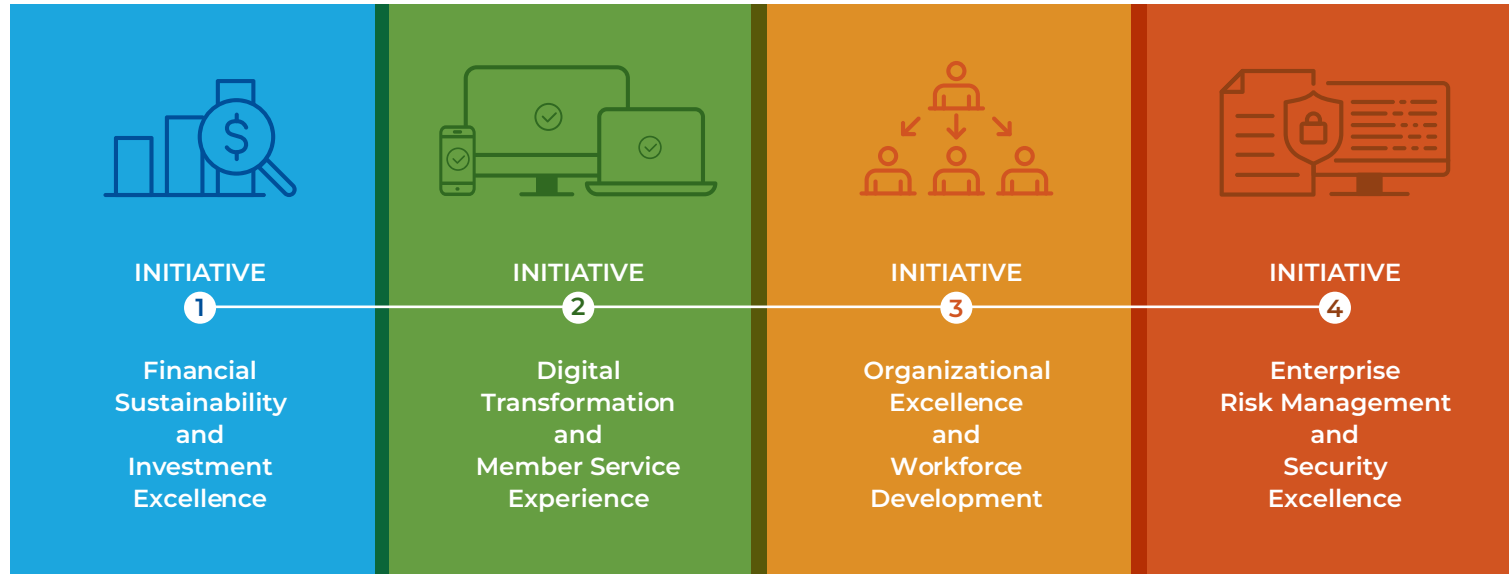
Managing plan assets competently and prudently while achieving long-term risk-adjusted net returns in excess of market benchmarks and the actuarial assumed return, and

Informing members about the TRS financial status to maintain confidence in our ability to provide benefits.

Board of Trustees

| CHAIR | TRUSTEES | | DESIGNEES | FOR THE |
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TRS Strategic Objectives



“These initiatives are interconnected and mutually reinforcing. Together, they form a holistic approach to organizational transformation that will position TRS for long-term success.”

Sarah Green, Executive Director, TRS



INITIATIVE

1

Financial Sustainability and Investment Excellence

Objective: Support long-term pension security through sound actuarial practices, financial discipline and prudent portfolio management.

STRATEGIC ACTIONS

1. Promote actuarial soundness through rigorous financial oversight and systematic reduction of unfunded actuarial accrued liability (UAAL)
2. Encourage adequate funding of the System through continued dedicated revenue, consistent contributions, and investment return targets to reduce UAAL
3. Achieve Board approved strategic asset allocation (SAA) aligned with optimized risk tolerance and time horizon - execute disciplined rebalancing strategy towards achieving strategic allocation targets
4. Partner with best-in-class investment managers and advisors demonstrating multi-strategy capabilities and consistent performance
5. Enhance investment governance framework and risk management protocols
6. Build internal investment capabilities through staff development and technology

KEY PERFORMANCE INDICATORS

Actuarial Soundness Metrics:

- Funding Ratio: Achieve 85% by Year 3, 90% by Year 5
- UAAL: Reduce by 40% by Year 5
- Funding Period: Achieve 5-year funding period by Year 5

Investment Performance Metrics:

- Portfolio Return: Achieve actuarial required rate of return (7%) over the long-term while minimizing risk and managing a cost-effective investment program
- Manager Selection: Continue to build partnerships with world-class investment managers
- Asset Allocation: Invest towards achieving Board's target private market allocations
- External Stakeholder Reporting: Continue to professionalize investment reports for public consumption



INITIATIVE

1

Timeline:

YEAR

1

Move towards SAA;
Reduce overweight public
equity allocation to **52.4%**;
continued dedicated
revenue; continued
strategic partnership and
technology deployment

YEARS

2-3

Move towards SAA;
Reduce overweight public
equity allocation to **47.8%**;
continued dedicated
revenue; continued
strategic partnership and
technology deployment

YEARS

4-5

Move towards SAA;
Reduce overweight public
equity allocation to **46.5%**;
continued dedicated revenue;
continued strategic partnership
and technology deployment





INITIATIVE 2

Digital Transformation and Member Service Experience

Objective: Deliver seamless digital member experience while modernizing operational infrastructure and ensuring comprehensive legal support framework.

STRATEGIC ACTIONS

Digital Transformation and Member Service Excellence:

1. Complete MyPAS platform implementation providing members on-demand access to personal financial information
2. Advance process automation achieving significant internal efficiency gains
3. Deploy integrated IT platforms eliminating system silos and streamlining processes
4. Implement business intelligence tools enabling data-driven decision-making
5. Accelerate electronic 1099-R adoption reducing costs and improving convenience

Legal Foundation and Compliance:

6. Create searchable knowledge database of legal guidance with intelligent retrieval capabilities
7. Provide dedicated legal resources ensuring comprehensive MyPAS legal foundation including development of legal review protocols for all major initiatives

KEY PERFORMANCE INDICATORS

Digital and Member Service Metrics:

- **MyTRS Registration Rate:** 50% active and retired members by Year 5
- **System Uptime:** 99.5% availability
- **Member Satisfaction:** 85% satisfaction rating by Year 3, 90% by Year 5
- **Electronic 1099-R Adoption:** 30% by Year 2, 50% by Year 5
- **Process Efficiency:** 30-40% reduction in manual processing time by Year 5
- **Automation Rate:** 50% of repetitive processes automated by Year 5
- **MyTRS Self-Service Resolution:** 70% by Year 5

Legal and Compliance Metrics:

- **Legal Compliance Rate:** 100% across all regulatory requirements
- **Initiative Legal Review:** 100% of strategic projects reviewed before implementation
- **Customer (staff) satisfaction:** 90%+ satisfaction rate measured as a function of overall satisfaction, perceived responsiveness, and clarity/professionalism of guidance
- **Knowledge Database Usage:** 80%+ of staff utilizing database quarterly



INITIATIVE

2

Timeline:

YEAR

1

Launch BI platform; initiate electronic 1099-R campaign; secure dedicated legal resources; implement legal review protocols

YEARS

2-3

Deploy integrated IT platforms; implement core automation; expand analytics capabilities; maintain ongoing legal support

YEARS

4-5

Complete MyPAS MVP; Mature automation programs; advanced analytics deployment; system optimization; proactive risk management; establish knowledge database





INITIATIVE 3

Organizational Excellence and Workforce Development

Objective: Build a high-performing organization through strategic talent management and operational efficiency.

STRATEGIC ACTIONS

1. Conduct comprehensive workforce analysis addressing critical staffing gaps
2. Standardize job classification system ensuring consistency and equity
3. Maintain competitive market position for compensation and benefits (top quartile)
4. Develop succession planning framework for all critical positions
5. Establish robust professional development culture
6. Implement technology solutions enhancing team productivity

KEY PERFORMANCE INDICATORS

- **Operational Efficiency Improvement:** 20-30% by Year 5
- **Employee Retention Rate:** 90%+ annually
- **Employee Satisfaction Score:** 85% by Year 5
- **Compensation Competitiveness:** Top quartile positioning by Year 3
- **Succession Coverage:** 100% of critical positions with documented plans by Year 3
- **Training Participation:** 100% of staff completing 40+ hours annually
- **Time-to-Fill Critical Positions:** Reduce by 25% by Year 3
- **Internal Promotion Rate:** 30%+ of leadership positions filled internally



INITIATIVE

3

Timeline:

YEAR

1

Complete job code standardization and market analysis; launch succession framework

YEARS

2-3

Implement competitive compensation adjustments; develop talent pipelines

YEARS

4-5

Mature succession processes; continuous optimization





INITIATIVE 4

Enterprise Risk Management and Security Excellence

Objective: Protect organizational assets, member data, and operational integrity through comprehensive security framework.

STRATEGIC ACTIONS

1. Implement advanced fraud prevention and detection program with real-time monitoring
2. Deploy rigid cybersecurity regimen adopting industry-standard frameworks (NIST/ISO 27001)
3. Strengthen physical security protocols with layered protective measures
4. Establish integrated security governance framework with executive oversight
5. Build security-aware organizational culture through continuous training

KEY PERFORMANCE INDICATORS

- **Fraud Incidents:** Zero tolerance target; declining trend if incidents occur
- **Fraud Detection Time:** <24 hours for suspicious activity
- **Cybersecurity Incidents:** Zero material breaches
- **Vulnerability Remediation:** 95%+ within 30 days
- **Phishing Simulation Click Rate:** <5% by Year 3
- **Security Training Completion:** 100% annually
- **Patch Management Compliance:** 95%+
- **Physical Security Incidents:** Zero unauthorized access events
- **Security Audit Compliance:** 100% of recommendations addressed within timeline



INITIATIVE

4

Timeline:

YEAR

1

Complete security assessments; establish governance; deploy foundational controls

YEARS

3-5

Implement advanced detection systems; deploy comprehensive cybersecurity tools; upgrade physical infrastructure

YEARS

5+

Mature security programs; implement advanced analytics; achieve industry certifications



Implementation Governance

Oversight Structure

- **Board of Trustees:** Annual strategic plan progress updates
- **Executive Leadership:** Monthly performance monitoring and adjustment
- **Strategic Initiative Teams:** Monthly execution meetings with defined milestones

Progress Reporting

- Annual comprehensive strategic plan assessment and report to Board
- Mid-cycle (FY28) strategic plan refresh based on performance and environmental changes

Resource Allocation

- Annual budgets aligned with strategic priorities
- Dedicated project management resources for major initiatives
- External expertise engaged as needed for specialized support

Risk Monitoring

- Annual risk assessment updates
- Contingency planning for initiatives encountering obstacles
- Adaptive management approach allowing course corrections



The previous 5-year plan set a foundation for modernization, communication, and the overall health of the system. The next 5 years focus on sustained growth, stability, and continued strides towards 100% funding.

Kelsey Ardies, Chair,
TRS Board of Trustees



Success Metrics

By Year 5, TRS will achieve:

- Funding ratio of 90%+ with declining UAAL
- Investment returns exceeding benchmarks and actuarial assumptions
- 85%+ member satisfaction with digital services
- 75%+ electronic communication adoption
- 20-30% operational efficiency improvement
- 85%+ employee retention and satisfaction
- Zero-tolerance security environment with industry-leading practices
- 100% legal compliance and comprehensive risk management
- Top-quartile positioning for talent competitiveness
- Data-driven decision-making culture supported by modern technology



This strategic plan positions TRS to fulfill its mission of providing secure retirement income while delivering exceptional service to Oklahoma's public education employees through financial discipline, operational excellence, and unwavering commitment to fiduciary responsibility.

Terminology and Definitions

Actuarial Valuation:

The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB, such as the funded ratio and the ADEC.

Assumed Rate of Return:

A projected rate of investment growth used primarily for long-term financial planning, such as in pension funds. It is an estimate used to calculate future liabilities and required contributions and is determined by the Board of Trustees based on economic forecasts.

Funded Ratio:

The ratio of the actuarial value of plan assets to the actuarial accrued plan liabilities.

Funding Period:

The number of years in the future that will theoretically be required to amortize (i.e., pay off or eliminate) the Unfunded Actuarial Accrued Liability, based on the statutory contribution rates, dedicated revenue, and assuming no future actuarial gains or losses.

Strategic Asset Allocation:

A long-term investment strategy that involves setting and maintaining a target mix of asset classes, like stocks, bonds, and cash, based on an investor's goals, risk tolerance, and time horizon. The portfolio is then periodically rebalanced to keep it aligned with these original targets, providing a stable, disciplined approach to managing risk and working toward financial goals over an extended period.

Unfunded Actuarial Accrued Liability (UAAL):

The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.



OKLAHOMA
Teachers' Retirement System

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