

2025-28 | DRAFT FIRST READING

# Strategic Plan

CALSTRS®

*Bookmark for introduction section: Letter from CalSTRS CEO Cassandra Lichnock*

## Our Mission

Securing the financial future and sustaining the trust of California’s educators

## Our Vision

Your Reward—A secure retirement

Our Reward—Getting you there

## Our Core Values

The CalSTRS Core Values are a set of attitudes, beliefs and behaviors that define CalSTRS and its employees.

### **CUSTOMER SERVICE**

We never compromise on quality as we strive to meet or exceed the expectations of our customers.

### **ACCOUNTABILITY**

We operate with transparency and accept responsibility for our actions.

### **LEADERSHIP**

We model best practices in our industry and innovate to achieve higher standards.

### **STRENGTH**

We ensure the strength of our system by embracing a diversity of ideas and people.

### **TRUST**

We conduct ourselves with integrity, acting ethically in every endeavor.

### **RESPECT**

We respect the needs of our members, co-workers, and others, treating everyone with fairness, honesty and courtesy.

### **STEWARDSHIP**

We recognize our fiduciary responsibility as the foundation for all decision-making.

## Strategic goals



**Goal 1**

### **Trusted stewards**

Ensure a well-governed, financially sound trust fund.



**Goal 2**

### **Leading innovation and managing change**

Innovate to grow resiliency and efficiency in service of our members.



**Goal 3**

### **Sustainable organization**

Fully integrate sustainability in all we do.

## Goal 1: Trusted stewards

Ensure a well-governed, financially sound trust fund.

Pursuing this goal will advance CalSTRS on the path to realizing our long-term vision as follows:

2031 vision of success measures	As demonstrated by
Funding plan on track	<ul style="list-style-type: none"> <li>• Targeted funding ratio achieved.</li> <li>• Cost savings and added value with an implemented CalSTRS Collaborative Model.</li> <li>• Dynamic and flexible investment approach allows us to innovate and leverage partnerships.</li> </ul>
Risk and return-focused	<ul style="list-style-type: none"> <li>• Diversified asset allocation supports benefit payments and actuarial rate of return.</li> </ul>
Members, employers and policymakers support the value of the defined benefit	<ul style="list-style-type: none"> <li>• Productive relationships with key stakeholders.</li> <li>• Proactive, trusted presence in political environments.</li> <li>• CalSTRS plans, programs and policies support the long-term viability of the fund.</li> <li>• CalSTRS' benefits help make California public education careers an attractive occupation.</li> </ul>
Board culture of excellence in governance	<ul style="list-style-type: none"> <li>• Knowledgeable, engaged and participatory trustees.</li> <li>• Cohesive policy board focused on strategy, risk, performance and people.</li> <li>• User-friendly Board Governance Manual.</li> <li>• Board and executive leadership set the tone for organizational culture.</li> </ul>
Distinct and trusted identity	<ul style="list-style-type: none"> <li>• Trusted by funding partners, members, employers, decision-makers and oversight entities.</li> <li>• Known for transparency and accountability.</li> </ul>
Industry influencers	<ul style="list-style-type: none"> <li>• Recognized staff, corporate and board governance leadership.</li> <li>• Considered as a benchmark organization and a global investment partner of choice.</li> </ul>

<b>Objectives</b>	<b>Three-year progress indicators</b>
<b>A. Achieve full funding of the Defined Benefit Program by June 30, 2046.</b>	<ul style="list-style-type: none"> <li>• Funding plan is on track to achieve targeted funded ratio.</li> <li>• CalSTRS actively manages our investment costs and fee savings.</li> </ul>
<b>B. Develop and launch implementation of the Investments Branch’s shared vision.</b>	<ul style="list-style-type: none"> <li>• Investments are managed using a total fund management approach.</li> <li>• Investments Branch shared vision is developed in alignment with CalSTRS’ vision and mission.</li> </ul>
<b>C. Deliver on Investments Branch’s long-term fund sustainability efforts.</b>	<ul style="list-style-type: none"> <li>• Private market engagement workplan is accomplished.</li> <li>• Board net zero work plan is on target.</li> <li>• Diversity in the management of investments work plan is on target.</li> </ul>
<b>D. Strategically evolve relationships with members, employers, policymakers and partner organizations.</b>	<ul style="list-style-type: none"> <li>• Target audiences are aware of our key priorities.</li> <li>• Strategic relationships contribute to positive outcomes to advance CalSTRS’ mission.</li> </ul>
<b>E. Enhance board practices to evolve excellence in governance.</b>	<ul style="list-style-type: none"> <li>• Board understanding of strategic innovation and diversity, equity and inclusion initiatives.</li> <li>• Board’s role is clarified related to technology oversight.</li> <li>• Enhanced board-level risk discussions.</li> </ul>

## Goal 2: Leading innovation and managing change

Innovate to grow resiliency and efficiency in service of our members.

Pursuing this goal will advance CalSTRS on the path to realizing our long-term vision as follows:

2031 vision of success measures	As demonstrated by
Member-centric culture supports strategic vision of innovation	<ul style="list-style-type: none"> <li>• Effective interactions and communication.</li> <li>• Strong organizational culture that embraces change, opportunities, innovation, and continuous improvement through creativity and learning.</li> </ul>
Customer service creates meaningful experiences and lifelong connections	<ul style="list-style-type: none"> <li>• Throughout their careers, educators recognize the value of the benefits CalSTRS provides.</li> <li>• Engaged, educated and confident members and retirees.</li> <li>• Employers are engaged and satisfied with CalSTRS services.</li> </ul>
Operational excellence	<ul style="list-style-type: none"> <li>• Leader of pension industry peers for optimized administrative cost and service value, efficiency, productivity, accuracy and effectiveness.</li> <li>• Leaders in leveraging innovations to improve efficiency.</li> <li>• Anticipatory organization that adapts to change.</li> </ul>
Technologically modern, secure operations	<ul style="list-style-type: none"> <li>• Known for accuracy, efficiency, reliability and intuitiveness.</li> <li>• Cybersecurity program supports and protects technology and innovation.</li> <li>• Customer experience and operations benchmarks on par with financial services and institutional investment peers.</li> </ul>

<b>Objectives</b>	<b>Three-year progress indicators</b>
<b>A. Transition services and operations to the new pension administration system platform.</b>	<ul style="list-style-type: none"> <li>• Transition to the new system, with minimal disruptive impact to members and employers.</li> <li>• Project staff are reallocated in appropriate roles.</li> </ul>
<b>B. Expand and extend capabilities and culture to support a strategic and innovation mindset.</b>	<ul style="list-style-type: none"> <li>• Staff are engaged and share ideas for innovation.</li> <li>• Innovation governance structure is established.</li> </ul>
<b>C. Enhance the customer experience.</b>	<ul style="list-style-type: none"> <li>• Improvement in member and employer engagement, satisfaction and level of effort.</li> </ul>
<b>D. Enhance operational agility, efficiency and effectiveness.</b>	<ul style="list-style-type: none"> <li>• Use of emerging technologies enables business agility, efficiency and adaptability, resulting in improved stakeholder experience.</li> <li>• Cost-conscious culture is enhanced.</li> <li>• Defined contribution program is appropriately positioned to accommodate program growth.</li> </ul>
<b>E. Leverage relevant opportunities in disruptive technologies.</b>	<ul style="list-style-type: none"> <li>• Controls are in place to monitor and mitigate innovation-driven risks and opportunities, including artificial intelligence, where appropriate.</li> </ul>



### Goal 3: Sustainable organization

Fully integrate sustainability in all we do.

Pursuing this goal will advance CalSTRS on the path to realizing our long-term vision as follows:

2031 vision of success measures	As demonstrated by
Unified sustainability principles embedded as the operating norm	<ul style="list-style-type: none"> <li>• Successfully completed integration plan with defined metrics.</li> </ul>
Diversity, equity and inclusion efforts drive organizational outperformance	<ul style="list-style-type: none"> <li>• Employee engagement survey results.</li> <li>• Benchmarking against industry peers.</li> <li>• Achievement of strategic initiatives and operational performance benchmarks.</li> </ul>
Premier mission-driven employer that attracts and retains top talent and develops internal staff	<ul style="list-style-type: none"> <li>• Optimized employee benefit and compensation offerings.</li> <li>• Quality candidate pools.</li> <li>• Forward-thinking strategies to recruit, retain and grow the skills of a diverse workforce.</li> <li>• High levels of employee engagement.</li> </ul>
Optimized work environment that supports delivery of the mission	<ul style="list-style-type: none"> <li>• Sustainable productivity that meets service level agreements.</li> </ul>
Prepared to address risks and disruptions with appropriate urgency	<ul style="list-style-type: none"> <li>• Organizational approach to risk positions us to be responsive, anticipatory and agile.</li> <li>• Refreshed business continuity capabilities.</li> <li>• Forward-looking cybersecurity program anticipates and mitigates risks.</li> </ul>

<b>Objectives</b>	<b>Three-year progress indicators</b>
<b>A. Shape a resilient, sustainable workforce.</b>	<ul style="list-style-type: none"> <li>• CalSTRS uses forward-thinking strategies to recruit and develop staff.</li> <li>• Completed scheduled workforce planning deliverables.</li> </ul>
<b>B. Advance sustainability efforts across the organization.</b>	<ul style="list-style-type: none"> <li>• Board and staff are knowledgeable about organizational sustainability priorities.</li> </ul>
<b>C. Mature how risks are identified, defined, viewed and managed.</b>	<ul style="list-style-type: none"> <li>• Fully integrated maturity plan resulting in enhanced risk awareness, ethics and compliance.</li> </ul>
<b>D. Strengthen preparedness capabilities.</b>	<ul style="list-style-type: none"> <li>• Completed cloud migration.</li> <li>• Evolved business continuity, planning and resilience.</li> </ul>
<b>E. Mature cybersecurity program to further anticipate risks.</b>	<ul style="list-style-type: none"> <li>• Architecture and controls are in place to support proactive cybersecurity posture.</li> </ul>
<b>F. Establish and scale centralized approach to resource allocation and reallocation.</b>	<ul style="list-style-type: none"> <li>• Streamlined resource management governance process is in place.</li> </ul>



**CALSTRS**<sup>®</sup>  
HOW WILL YOU SPEND YOUR FUTURE?