



**Maryland State Retirement and Pension System
Board Governance Policy Manual
Operational Planning Policy**

Ensure that the System engages in a planning process to meet the needs of the System and communicates the Agency's resultant business plan throughout the organization.

POLICY GUIDELINES

Roles and Responsibilities

1. The Executive Director shall:
 - a. Identify business risks, opportunities, and needs;
 - b. Identify and prioritize business plan initiatives; and
 - c. Recommend to the Board the mission and long-range strategic and annual business plans and any amendments thereto.

2. The Board shall:
 - a. Provide management with input on the mission and long-range strategic and annual business plans;
 - b. Approve the mission and long-range strategic and annual business plans and request that adequate resources are in place to support them; and
 - c. Monitor the implementation of the long-range strategic and annual business plans.

The Planning Process

3. During the fourth quarter of each fiscal year, the Executive Director shall complete a business planning analysis of the Agency and shall by the close of the fiscal year, submit to the Board a report on this analysis. At a minimum, the

analysis and report shall include:

- a. A review of the progress made in implementing the previous year's business plan.
- b. An analysis of the continued appropriateness of the mission, which shall include a consideration of the following issues:
 - i. The Agency's constituents and their relative priority;
 - ii. The alignment between the Agency's current operations and capabilities and potential changes in benefit design;
 - iii. The level of service excellence the Agency aims to provide to participants; and
 - iv. The role the Agency shall play in communicating with the governor and state legislature in their decisions regarding plan design.
- c. An assessment as to whether the Agency is positioned to achieve its mission, including an assessment of issues such as:
 - i. Investments and funding;
 - ii. Member services and benefits administration;
 - iii. Human resources;
 - iv. Information systems;
 - v. Financial operations;
 - vi. Governance; and
 - vii. Communications.
- d. Confirmation of the need to continue addressing existing business plan initiatives and identification of any new business plan initiatives to be undertaken.
- e. Recommended new business initiatives, including at a minimum:
 - i. Rationale for undertaking the initiative, including benefits, impact, and consequences of not undertaking the initiative;

- ii. Timelines for completion;
 - iii. Assignment of responsibilities for implementation;
 - iv. Budget implications;
 - v. Affirmation that the initiatives are aligned with the long-range strategic plan; and
 - vi. Provisions for reporting to the Board.
4. The Executive Director shall conduct a long-range strategic planning process with the full engagement of the trustees and staff of the Agency. This process shall result in a plan which sets forth an analysis of the environment in which the Agency operates, including the Agency's strengths, weaknesses, opportunities and threats. The plan shall set forth long-range goals for the Agency, as well as the objectives that must be achieved in meeting those goals. The plan shall identify the assignment of responsibilities, methods for reporting progress against the plan, and timeframes for the completion of each goal. The Executive Director and trustees shall review progress against the long-range strategic plan by the close of the fiscal year and simultaneous with the analysis of the previous year's annual business plan. Modifications to the long-range plan shall, if necessary, be made at that time, thus maintaining a perpetually long-range perspective of agency development.

Planning Sessions

- 5. In approving the long-range strategic and annual business plans, the Board shall be satisfied that the plans are reasonable and support the strategic direction of the system. Agency staff shall receive copies of the plans.
- 6. Once the long-range strategic and annual business plans are approved, the Board shall refrain from adding additional initiatives for either plan unless the necessary additional management time and budget requirements can be made available.
- 7. Should management determine that changing circumstances shall not allow it to meet a particular initiative, the Board shall be informed in a timely manner and the business plan shall be adjusted accordingly.

