

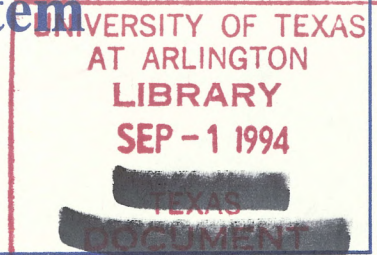
TRS 2000 Vision

A Plan for the Future



**Teacher Retirement System
of Texas**

March 1994



**Teacher Retirement System
of Texas**

1000 Red River Street
Austin, Texas 78701-2698

EXECUTIVE DIRECTOR
Wayne Blevins, Ed.D.



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Dear TRS Associate:

As we approach the threshold of a new century, the dynamics of the workplace and society become more apparent. The benchmark year of 2000 has always sounded futuristic and much planning is being made for its arrival. Our needs and desires are constantly changing and our culture demands faster and more convenient service. We expect greater value from the things we buy and the services that we receive.

The members of the Teacher Retirement System of Texas are no different. They expect prompt, courteous, caring service delivered in a cost effective manner. Our members also become more familiar with technology each day. They use touchtone telephones, automatic teller machines, and microcomputers to conduct their personal business from home, office, car or just about anywhere at just about anytime of the day or night.

This changing society places new demands upon TRS and while we have an excellent reputation for service, we must always seek ways to improve. We must improve our skills and enhance the resources used to deliver a service that is heralded for its excellence. TRS 2000 is our way of addressing these challenges. It is an initiative to review service delivery, business practices, use of technology, our organizational structure and corporate culture. From this review comes recommendations for improved service to our members and annuitants through the implementation of changes to the processes and resources used to deliver this service. Indeed, someone has observed that the best way to plan for the future is to create it!

The following pages outline a broad vision for the future of TRS. It explains planned improvements in service delivery, expanded services, technological improvements, and revisions to our organizational structure to make it stronger and more efficient. None of these improvements is possible without the commitment and determination of each TRS associate. TRS 2000 must be a cooperative and collaborative effort. I look forward to your input and support as we work to achieve a shared vision of this organization, this pension fund, this TRS.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Blevins".

Wayne Blevins



AGH 4/7/17
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Introduction

The business practices, organizational philosophies, organizational structure and related attributes of the Teacher Retirement System have evolved over many years. TRS has grown dramatically and much of the current organizational culture has developed in reaction to that growth. TRS personnel have done an excellent job of meeting the needs of the membership over the life of the organization. However, while working to keep up with a growing membership a number of organizational challenges have developed.

Since most departments have just tried to keep up with the workload there has not been sufficient time spent on planning the future of TRS programs. Assembly line type departments have been established in reaction to a growing workload. This assembly line approach has removed much of the decision making responsibilities from front line employees and complex managerial approval processes now exist. Organizational and processing weaknesses have resulted in an excessive amount of time spent checking and re-checking work. This has created an inefficient workplace that is hindering our ability to meet member and annuitant needs in a timely manner.

In order for TRS to meet the needs of a growing and dynamic membership, significant cultural, procedural and structural changes are required. A vision of the future is needed so that members and employees alike understand the future of the pension fund and health care programs. The vision of the future depicts TRS as an organization with the distinctive attribute of a focused effort upon improved service to our members and annuitants.

The Vision

The TRS 2000 Vision is quite simple and closely mirrors the organization's mission statement:

TRS will become a dynamic organization recognized for providing exemplary service and timely responses to member and annuitant needs in ways that are convenient to them and that are provided by a streamlined and empowered workforce with the tools, knowledge, and skills necessary to carry out their responsibilities.

Specific characteristics of this vision of the future

- Operation of a permanently staffed information center whose sole focus will be to respond to members' inquiries expeditiously with a goal of answering telephone calls within three rings
- Through the implementation of improved processes, adaptation of document image technology, and improved integration of systems, members will receive a meaningful response to their written requests within two weeks
- Through reorganization, the development of improved file processing, the increased focus on comprehensive (retirement, claims, refunds, etc.) counseling, and access to electronic

information, members will receive all counseling or benefit assistance in one location from a TRS associate

- With the integration of TRS computer and telephone systems, members will have the ability to access and interact with automated and recorded information at all times of the day or night from their own telephone or personal computer
- Expanded counseling programs and the use of video-conferencing or satellite broadcast of programs will provide members with increased access to retirement planning programs in their schools and other locations throughout the state
- TRS will be organized around basic service delivery processes to streamline and simplify the processes to improve service delivery
- Employees who have been empowered to make decisions and provided with the electronic information necessary to make decisions will be able to quickly respond to members and annuitants by reviewing and analyzing data on the spot

It will take considerable effort to achieve these attributes. The following is a summary of current conditions that offer formidable challenges.

Summary of current conditions

Secondary only to providing an annuity or benefit, responding to a member's request for services is the most important function of TRS. These requests generally come in two ways, by telephone or mail. Incoming telephone calls are a major challenge. Today, some callers hang up before they are served by TRS. Over the last several months 1100-1200 calls were abandoned at the switchboard per month. Other callers spend several minutes in holding queues before they are served. We have the telephone systems to handle the needs, but we do not have the organizational infrastructure necessary to take advantage of the system's capabilities. An examination of many areas of TRS will show that written inquiries present a major challenge as well. Written communications and service must be improved. In some cases response to correspondence now takes two months or more. Letters explaining that there will be a lengthy delay are sent automatically in some areas. Organizational, technological, and procedural changes are needed to help us work to reduce these response times.

Counseling or benefit assistance given in response to member service needs is now provided by several departments. Members are asked a series of questions so that TRS may determine which department will counsel and in some cases members are assisted in more than one place. Benefit or file analysis is also done in several departments. There is little difference in the analysis activities between these departments. Pre-retirement planning programs are limited. Most of the counseling emphasis has been with those members who are within a year of retirement. Members who are more than a year away from retirement receive very little retirement planning assistance.

Information availability must also be improved. TRS has limited automated information readily available to members. Our members are becoming more technologically literate and it is our

responsibility to respond to this trend. Many organizations offer their customers the ability to gather automated information from telephone systems, through dial-in computers, and related information services. TRS should pursue these avenues for serving its customers. Members are currently required to submit written requests for much of the information that they receive. While confidentiality has been cited as the reason, individual situations should be reviewed to find ways of providing the necessary level of confidentiality while increasing the ease of informational access to TRS members.

Recommended Changes

A Definition of Service

One key to the success of TRS 2000 will be a renewal or redefinition of "service". We must focus on providing timely and convenient services consistent with member and annuitant expectations. This definition may include shorter time frames for delivery of services. Services may be provided through different mechanisms and in different locations than those currently used. A key to this definition will also be the ability of TRS to adapt and respond to member/annuitant, trustee, legislative, and management needs. In order to meet this definition of service, TRS will be required to become more flexible. This will require significant changes in our culture regarding the way we view and utilize our policies, procedures, technology, and staff expertise.

Cultural Changes

The cultural changes that are necessary include multiple considerations. First, like functions will be centralized. A larger pool of empowered employees must be established with the training and skills to communicate with members and districts. These employees will be given the best possible information systems and tools to reach the data and information necessary to assist the member and districts. In order to be successful, islands of information must be bridged and made available to all employees who need it to perform their responsibilities. And finally, TRS must create a more anticipatory culture instead of one characterized as post-event reactionary.

A recently completed analysis by the TRS 2000 steering committee indicates that considerable staff time is spent trying to determine whether information from 20-30 years ago is accurate. Since the records are old and many districts have long since destroyed their records, it is often frustrating and irritating to the member to be required to prove service creditability from so long ago. TRS should change its philosophy to one that requires the frequent review of member accounts to insure their timeliness and accuracy. Although more time will be spent at the beginning of the file process, the savings throughout the process will outweigh the disadvantages. Not only will the retirement process be simplified, but any actions required during the career of the member will be based upon accurate and more timely information. In addition to these advantages, the quality of the data will be improved. As we work to improve service response,

the philosophy of waiting until the date of retirement to determine creditable service will no longer be acceptable.

The move from traditional records systems and current processes will have a major impact on the organization as well. The anxiety experienced through the anticipation of change and implementation of new technology will present some challenges. To help overcome this anxiety we must strive to keep the TRS 2000 Vision clear and visible and fully explain each step and the benefits as we work toward the realization of our vision.

Organizational Changes

Over the long term, TRS should streamline its organizational structure and consider aligning the organization into five basic areas.

- Benefit Services
- Financial Services
- Investments
- Support Services
- Executive Support

It is important that these areas be developed using very specific and identifiable missions. Only those functions that are related to the mission should be included. The organizational structure may evolve to one of self managed teams or other structures that are different from the structure of today. Empowerment of employees must take place for this organizational transformation to be successful and it should be phased in with deliberative caution. Employees will assume more responsibility and accountability for their actions since the reliance on several layers of approval to check their decisions will be eliminated.

The development of an effective organizational structure is never complete. It should be a dynamic process, responding expeditiously to whatever changes are required to facilitate an improved service delivery environment. However substantive organizational matrix changes come about slowly and we must be sensitive to the anxiety level of those TRS associates who have enjoyed distinguished careers while serving our members and annuitants meritoriously. Thus, in this quest for an organizational structure at TRS that promotes exemplary service delivery, we must build upon our strengths and introduce a climate of spirited, yet pragmatic innovation.

While the organizational structure will evolve over the next few months, the basic areas being considered are briefly described below:

Benefit Services

The Benefit Services area will provide the primary interface with the members of the pension plan and participants in the retiree health insurance program. This area may be subdivided into three basic functional units of responsibility. First, enrollment and member record keeping will be responsible for ensuring that members are correctly enrolled in TRS programs and that all member records are accurate and updated. A second functional unit will be responsible for determining what benefits are available to members and participants. This will be accomplished by analyzing the member records and determining the member's eligibility for various TRS benefit programs. This unit will be responsible for gathering needed documents and information required to complete a member's file. Finally, a third functional unit will handle all counseling with members, participants, and districts. The communication tools used for counseling will include written correspondence and verbal interaction by mail, fax, telephone or in person, use of automated telephone information systems, use of portable computers in the field, and the use of video conferencing capabilities to broadcast programs and to hold interactive video conferences. Pre-retirement planning, education, and counseling will be stressed and TRS will take advantage of technology to reach a larger segment of our active membership communicating the importance of pre-retirement planning.

Financial Services

The Financial Services area of the future will be responsible for all aspects of TRS financial activities. All financial accounting and reporting will be handled by this area. This includes all benefit, investment, and general accounting activities for the health insurance and pension fund programs. Benefit eligibility and benefit choice will be handled by benefit services, but once the benefit choice is made the financial services area will assume the responsibility to pay the benefit or make the disbursement.

Investments

TRS 2000 review has just begun in investments so no recommendations can be offered at this time.

Support Services

The various support functions within TRS play a vital role in delivering TRS services. These include human resources, technology, printing, mailing, security and grounds maintenance. Many of these functions are currently embedded as a part of other TRS areas and are also organizations to themselves. Some of these types of services can be purchased from the private sector. Current business practices as well as state initiatives require the ability to evaluate and compare the cost effectiveness of some public support services to private sector services. Once the support costs are defined and combined with other service delivery costs, TRS will be able to more accurately determine the cost of providing services in the future. TRS should evaluate each of these to

determine the benefits through a comparative analysis of internal operations versus privatization.

Executive Support

As the name indicates, this area will provide the support and guidance necessary to facilitate the mission of the entire agency. Since most of the day-to-day decisions will be made at lower levels of the organization, the executive support team will set strategic directions for the organization and will work with the TRS board of trustees, state, federal policymakers, and TRS members and annuitants to address the needs of the pension fund and health care programs.

Steps to the TRS 2000 Vision

The following list identifies the initial steps that will be taken in pursuit of the TRS 2000 Vision. These are intended as summaries only. Detail project plans will be submitted to gain executive approval for each project.

Several of the following will occur concurrently.

- STEP 1 Install local area networks, microcomputers, and electronic document image management technology to increase the accessibility of electronic information.
- STEP 2 Design and implement a centralized TRS information center to initially handle 70 percent of incoming telephone inquiries. These inquiries are of very general and repetitive nature. This center will remove telephone disruption from several departments so that these areas may concentrate on more complicated tasks. Members will receive better service since the primary focus of this group will be to respond to telephone inquiries. These TRS employees will not be responsible for or distracted by other responsibilities.
- STEP 3 Design and implement a TRS organizational structure to support this vision and future service delivery needs.
- STEP 4 Design and implement a benefit processing center. This area will be responsible for gathering and analyzing all member files and information needed to determine benefit eligibility and make benefit estimate calculations. The completed files will be provided to counseling staff for assisting the member in making the benefit choice. The benefit processing center will handle the eligibility determination and file processing for all benefits. This includes refunds, service purchases, service and disability retirements, beneficiary claims, and insurance eligibility. The advantage to the member is that service will be improved as processes are streamlined and fragmented systems are consolidated.

- STEP 5 Implement new counseling services (this will be multi-phase project) that use information produced by the benefit processing center designed in STEP 4. Counselors will serve members regardless of their specific benefit need. They will be trained to provide counseling in the areas of refunds, service purchase, retirement, beneficiary claims, TRS-Care insurance, school district completion of TRS forms, and related areas. Pre-retirement programs will be developed and counseling availability increased. Members will benefit from the increased ability of TRS to provide comprehensive counseling and the increased availability of pre-retirement programs.
- STEP 6 Design and implement an organizational unit responsible for enrolling members in TRS programs and for maintaining accurate and timely data on all members and participants. This unit will be responsible for maintaining all statistical, historical and personal information on members and participants. This electronic information will be the basis for other TRS processes. Specific responsibilities will be the maintenance of names, addresses, telephone numbers, spouse and beneficiary information, and other pertinent data.
- STEP 7 Design and implement a streamlined contribution collection and reporting process. Increased electronic communication with districts and streamlined payroll reporting requirements will be a major portion of this project. As previously explained, audits of incoming data will improve the accuracy and timeliness of information so that retirement and related processes do not require the audit of these records many years in the future. Members will no longer be required to search for historical proof of compensation or service as part of the retirement process.
- STEP 8 Install and implement electronic document management systems in the investment and support areas of TRS.
- STEP 9 Restructure support services where required to meet the needs of TRS.

SUMMARY

TRS 2000 will be able to improve the service to the membership and the efficiency of the organization by following these and other steps that will follow. Each step must clearly correlate to the vision of providing timely responses to member and annuitant needs in ways that are convenient to them. These services must also be provided by a streamlined and empowered workforce with the tools necessary to carry out their responsibilities.

Coordination of this transformation will require proactive monitoring and support from TRS associates throughout the organization. The TRS 2000 steering committee appreciates the

overwhelming support of the organization in providing input and assistance. The key to previous success at TRS is found in the skill and expertise of its employees, supported by a dedicated and enlightened board of trustees. Indeed, a successful organization is but the lengthened shadow of a motivated workforce, committed to public service. And so it is at TRS. We look forward to continuing this collaborative, collegial partnership as we work together to achieve our shared vision.

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