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Objective 1.1 | Provide one-stop shopping and enhanced customer capabilities through my|CalPERS implementation.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Implement the initial my|CalPERS solution (September 2011)* • The first phase of my|CalPERS launched on September 19, 2011 and was central to creating the foundation for transforming the core service delivery to our customers. • The stabilization of the system has taken longer than expected, and continues today. However, as the project and program areas work together to resolve issues in core service delivery areas, we are finding that stabilized areas are able to provide services at or beyond the levels provided before launch. For those areas that are not yet back to pre-launch levels or better, we have joint results teams focusing on making improvements to the system and processes. • The my|CalPERS solution has highlighted opportunities to improve not only the system, but our business processes. My|CalPERS is flexible, providing a solid foundation to continue expanding member and employer services – both internal and through self-service. In addition, the solution has enabled us to be more responsive and quickly make changes when needed.
Completed	*Implement my|CalPERS Release 2 (March 2012)* • Release 2 was successfully launched on March 25, 2012, marking the transition of the Judges' and Legislators' Retirement Systems to my|CalPERS and bringing all of our members into a common system.
Removed from the 2011-12 Plan	*Implement my|CalPERS Member Self-Service (January 2013)* • Additional usability testing and member focus group testing prior to the rollout of the enhanced member self-service resulted in a three-month delay for the initial rollout of member self-service from April 2012 to July 2012. Additional member self-service functions were developed, and the implementation is being conducted in three phases stretching through January 2013. • The additional usability testing resulted in a superior product for CalPERS members, allowing CalPERS to make full use of the my|CalPERS engine, but streamlining and simplifying the user experience making it very intuitive while still providing CalPERS members with a wealth of information at their fingertips. The improved solution should help CalPERS improve adoption rates at a more rapid pace as more services are made available on the web.

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Objective 1.2 | Ensure continuity of core service delivery through the successful transition of staff and customers to my|CalPERS.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Complete staff transition readiness activities for the initial my|CalPERS launch (September 2011)* • The Enterprise Transition Management team conducted process change discussions with all impacted program areas to familiarize them with the system and business changes that would result from the implementation of my|CalPERS. These sessions were followed by system training and 'Diving Into my|CalPERS' sessions where staff was informed on the tools, processes and priorities of work at launch. In addition, the team completed documentation of procedures to support and utilize the new my|CalPERS. Operational processes were established within ITSB to manage and support the system, as well as provide support to program areas during implementation. The Implementation Support Services Team was deployed throughout the enterprise to provide 'on the floor' support and escalation for any system questions and/or issues.
Completed	*Provide education, training, and assistance to business partners to promote understanding of my|CalPERS (December 2011)* • The Public Employer Readiness Team, known as PERT, was established in March of 2008 to educate and make ready CalPERS Employers and Business Partners for the new my|CalPERS system. Over the years leading up to initial launch, the PERT team conducted extensive outreach, education, training and communications for over 3,500 employers, Direct Authorization Vendors, Medical and Dental Carriers and Associations, and the State Controller's Office (SCO) – all of whom report retirement enrollments, health enrollments, payroll contributions or financial transaction information to CalPERS. • During its three and a half year life-span, the PERT team conducted 157 webinars; 671 in-person training sessions; and developed 9 Computer Based Training courses – all adding up to my|CalPERS system training for over 7,000 employer representatives throughout the State.
Completed	*Transition PERT assigned staff, responsibilities, project artifacts, tools, training materials, open issues, and lessons learned to program and IT staff (April 2012)* • Project transition to program areas was completed in December 2011. The PERT activities required on an on-going basis have been transitioned to Customer Service and Outreach Division (for staff training) and Customer Account Services Division (for employer support).

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Status	Initiatives | Key Accomplishments | Milestones
Removed from the 2011-12 Plan	*Complete staff and member transition readiness activities for the my|CalPERS launch of member self-service (January 2013)* • Initial rollout of member self-service was delayed by three months in order to conduct additional usability testing and member focus group testing. Additional member self-service functions were developed and will be implemented in three phases stretching from July 2012 through January 2013. • The additional usability testing allowed CalPERS to make full use of the my|CalPERS engine by streamlining and simplifying the user experience and providing CalPERS members with a wealth of information at their fingertips. The improved solution should help CalPERS improve adoption rates at a more rapid pace as more services are made available on the web.
Completed	*Complete an enterprise post-launch assessment, provide recommendations to Senior Management and adjust transition management activities as needed (April 2012)* • The Post Implementation Assessment measured the effectiveness of communications, issue resolution, training, and knowledge transfer for program area staff and measured Information Technology Services Branch readiness to support my|CalPERS. The survey was administered between January 30 and February 10, and recommendations were delivered to CalPERS leadership in April 2012. • Information from the Post Implementation Assessment was used to address immediate actions to support programs during their transition to the new system. These actions included facilitating opportunities to address common practices to complete user notes, workflow education and issue reconciliation. As part of this, staff created an online training module on how best to use the 'Notes' functionality. In addition, staff trained transition leads on defect tracking, issue resolution and release management to provide division management with up-to-date information on system functionality. The information is currently being used to formulate and prioritize operational efficiencies going forward. An additional assessment will be conducted during the 2012-13 fiscal year to evaluate progress.

Objective 1.3 | Develop an enterprise strategy for transforming service delivery.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Conduct two health care delivery studies to investigate variations and deficiencies in care and treatment delivery (December 2011)* • Priority Care Project Report was presented to the Health Benefits Committee in November 2011. • UCSF report on Potentially Avoidable Conditions was received in December, and presented to the Board in February 2012.

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Status	Initiatives | Key Accomplishments | Milestones
Completed	*Develop an enterprise framework and identify objectives for service delivery transformation over a three- to five-year horizon (June 2012)* • Staff presented the framework and objectives for service delivery transformation to the Board in May 2012. The four service delivery transformation objectives include Access, Quality, Effectiveness, and Services. • The CSS performance metrics and dashboard were presented to the Board in May 2012. Data collection began in July 2012 and a status report will be presented to the Board in November 2012.
Completed	*Develop pension, business partner, health care, and risk business intelligence data mart frameworks by leveraging the my|CalPERS Enterprise Data Warehouse environment (June 2012)* • Staff developed a consolidated pension and health data warehouse and Business Intelligence Roadmap to ensure leaders have the information necessary to understand and improve service delivery. Access to a data warehouse allows CalPERS to better position delivery of services to our customers' needs.
Completed	*Develop a unified strategy that strengthens product and service marketing of all programs (June 2012)* • Staff conducted an industry and competitive analysis to assess the strengths and weaknesses of current industry peers (external view), as well as a visual and verbal audit of all of CalPERS communications (e.g., publications, web site, and video). • Staff developed a Branding Platform for CalPERS which will communicate our promise to our customers and differentiate CalPERS from our competitors. A unified marketing strategy will help customers understand the value of our products and services.

Objective 2.1 | Influence State and federal retirement policy and plan design discussions.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Develop policy expertise by establishing a pension policy and research function (August 2011)* • Staff developed and implemented a functional structure, multi-year and phase-in timelines, and a strategic plan for the new Retirement Research and Planning Division to develop the Board directed "Innovation and Thought Leadership" function for the retirement program.
Target Missed	*Develop and publish two retirement security issue papers (June 2012)* • The first paper, "Pillars of Retirement Security," was published via Social Media and posted on the CalPERS On-Line website on June 18, 2012. • The second issue paper on Business Intelligence was published internally and posted on the Insider on July 26, 2012, missing the target completion date of June 30, 2012. Workload and management changes impacted the ability of staff to complete this paper by the June 2012 target.

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Status	Initiatives | Key Accomplishments | Milestones
	• Legal Office staff also published a paper (*Vested Rights of CalPERS Members*) analyzing CalPERS member vested rights under the law. The paper is intended to educate stakeholders on vested rights issues and can be found on our website.
Completed	*Develop recommendations for the Board on improvements to risk pooling, including allocation of salary experience (June 2012)* • In October 2011, the CalPERS Board approved the implementation of a systematic review of the Board's actuarial policies, practices and approaches in three phases. The purpose of the review is to ensure that all actuarial polices are current and are consistent with the CalPERS mission and core values. • After reviewing the actuarial office risk pooling practices, staff identified 19 different risk pooling issues. The issues, benefits, risks and potential solutions for each risk pooling issue were presented to the Board in June 2012. The Board amended existing Board policy to provide for a phase-out of the difference between the employer's individual rate and the employer's rate in the pool over a five year period.

Objective 2.2 | Influence State and federal health care policy to improve the cost effectiveness of the health program and health outcomes.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Establish a health care policy and research function to assist in development of a proactive policy platform (August 2011)* • While full operation of Health Policy Research Division is being phased in over time, initial steps to realign needed staffing and resources, develop additional funding requests, and define core scopes of work have been completed.
Completed	*Develop a three- to five-year strategy for transforming health products and offerings to meet the needs of members and employers (December 2011)* • CalPERS Board of Administration approved the Health Benefits Purchasing Review strategies and initiatives on January 24, 2012, ensuring that CalPERS will build momentum to gain efficiencies, contain costs, and improve outcomes while transforming health products and offerings to meet the needs of members and employers. CalPERS exercised leadership in the health market to produce cost-effective, quality, and sustainable health plans for our members and employers.
Completed	*Partner with four participating program employers to implement Workplace Wellness Programs (December 2011)* • Through collaboration with Kaiser Permanente, worksite wellness programs were implemented for two local public agencies, County of Solano and California State University, Northridge, in order to improve the health of members identified as "at-risk" for diabetes, improve overall employee health, and test the pilot approach. Of the 693 employees Kaiser identified as at risk for diabetes, 64 percent completed lab testing. Kaiser is working with these employees to improve their health by directing them to appropriate health care professionals to provide follow up and continuation of care.

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Status	*Initiatives | Key Accomplishments | Milestones*
	• CalPERS, in partnership with Santa Cruz County, Abbott, the California Association of Physician Groups, and the Institute for Health and Productivity Management, formed a partnership to develop a worksite wellness program that increased employee health, morale and productivity, and resulted in lower overall costs. More than 500 County employees participated, with 37 percent (twice the national average) completing the program and follow-up testing. • In partnership with Blue Shield of California and the California Department of Public Health (CDPH), a worksite wellness program was implemented at the CDPH campus in Richmond, California. In May 2011, Blue Shield launched an onsite wellness pilot for all employees, regardless of health plan affiliation, resulting in 65 percent member participation. • As a result of this business initiative, CalPERS also approved a worksite wellness pilot to be administered by Anthem Blue Cross, in collaboration with Shasta County and Pelican Bay State Prison. The pilot will focus on the unique health and wellness needs of a rural population. Anthem Blue Cross will provide onsite health promotion activities, health assessments, biometric screenings, and wellness resources for employees over a three-year period.
Completed	*Develop payment-related policies for participating health plans that contain costs and improve quality (June 2012)* • Staff proposed payment-related policies to the Pension and Health Benefits Committee in June 2012 that will go into effect in January 2013. • Work will continue into the 2012-14 Business Plan as the initial elements of the Health Benefits Purchasing Review are implemented.

Objective 2.3 | Enable the delivery of strategic investment priorities by implementing the 2011-12 Investment Office Roadmap.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Deliver consistent risk-adjusted investment returns (June 2012)* • Prepared and delivered a workshop to the Investment Committee on absolute return investing. • Restructured the Real Estate portfolio. • Launched the Request for Proposal development phase of the Private Equity Investment Book of Record project. • Developed a new strategic plan for Real Estate and Private Equity. • Restructured and developed a Private Equity staffing plan. • Implemented the Global Equity Capital Allocation Model. • Rationalized active Global Equity external managers (terminated 27 managers since 2009). • Implemented a new approach to counterparty risk management in Global Fixed Income.

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Status	Initiatives | Key Accomplishments | Milestones
	• Began managing the new U.S. Treasury bucket in the Liquidity portfolio and increased Inflation exposure. • Migrated LRS, JRS, LTC and CERBT to new asset allocation policies with $1.4 billion in asset transactions. • Rolled out my|CalPERS for enhanced reporting of Supplemental Income Plan contributions. • Established 5 priorities for Corporate Governance team and re-organized the team around them. • Developed the CalPERS Sustainable Investment Report for 2012. • Presented the plan to manage international fixed income products and the evaluation of a plan to internally manage international assets to the Investment Committee.
Completed	*Continue to evolve capital allocation framework from traditional asset based to alternative, more dynamic allocation mechanisms (June 2012)* • Developed and implemented a new risk-based asset allocation framework. • Selected four finalists and announced intent to negotiate award for multi-asset class partners. • Presented the terminated agency pool candidate portfolios and metrics to the Investment Committee.
Completed	*Establish a comprehensive risk management system and practices to measure, manage, and communicate investment risks to enhance risk adjusted returns of the fund. Reduce operational risk by developing a risk aware culture with an integrated governance structure, clear metrics, and operational risk management processes (June 2012)* • Completed the analysis for an improved understanding of portfolio drawdown risk and impact on funded status. • Rolled out BarraOne to the asset classes. • Conducted BarraOne user training for the asset classes. • Established an agreed upon mandatory attendance process at the Form 700 webinar for all new INVO hires. • Implemented a process in collaboration with ECOM and HRSD to monitor and track completion of all required filings and trainings. • Began utilizing the Enterprise risk appetite determination tool framework – will be further refined to reflect quantifiable metrics.
Completed	*Design and implement a robust, integrated operating model that minimizes complexity, improves transparency, and strengthens processes, systems, and controls (June 2012)* • Kicked off the next round of Rapid Results Projects including - (1) Investment Delegations; (2) Financial Technical Training Curriculum; and (3) Standards for Due Diligence and Standards for Monitoring External Investment Portfolio Managers. • Two high priority Target Operating Model Initiatives completed - Custody and Fund Accounting and Investment Risk Management System. • Selected the vendor and completed the contract for Valuation Management Services for Real Assets.

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Status	Initiatives | Key Accomplishments | Milestones
	• Restructured Investment Committee reporting and agendas - (1) created Total Fund Monthly Update that replaced over 200 pages of monthly supplemental reporting; (2) produced new Quarterly CIO Performance Report; and (3) redesigned the Investment Committee agenda, including standardizing the annual program review format. • Utilized the new annual program review format for the annual reviews presented to the Investment Committee in February 2012. • Implemented the custodian governance model.
Completed	*Ensure cost effectiveness of the investment program to improve net returns on assets (June 2012)* • Presented the Performance and Cost Effectiveness presentation to the Investment Committee in March 2012. • Developed cost effectiveness quarterly report to track consultant and external manager cost savings. • Worked with CEM to obtain relevant cost and staff benchmarks versus peers. • Hired Investment Financial and Audit Services IO III to assist with Cost Effectiveness objectives. • In the process of using the CEM survey, identify cost target to manage INVO compared to relevant peer groups. • Developed framework for business process reengineering with all stakeholders in INVO and the Enterprise to control, code, track and report all investment expenses accurately.
Completed	*Enhance our ability to recruit, develop, and retain a highly-skilled, diverse, and motivated team to ensure the success of the Investment Office (June 2012)* • Conducted the first Investment Office Onboarding Course - Transitioning from Private to Public Service. • Created a strategic approach for staff development and retention. • Organization and Recruiting - (1) Real Estate and Private Equity reorganized to segregate underwriting and monitoring functions; (2) Global Equity reorganized to separate capital allocation and portfolio management and trading, and to create a combined internal/external manager monitoring unit; (3) the Targeted Investment Programs Division was created; and (4) filled 65 positions since July 2011. • Conducted second session of training for leadership education. • Investment Compliance and Operational Risk Division created. • Targeted Investment Programs Division created.

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Objective 2.4 | Enhance financial, actuarial, and program reporting to educate stakeholders.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Include additional information on funding status and contribution levels in pension plan actuarial valuation reports (November 2011)* • For employers and other stakeholder groups, the annual Public Agency, State, and School reports have been expanded to include historical funding status and contribution level information.
Completed	*Conduct a review of economic assumptions used in actuarial valuation reports and implement needed changes (April 2012)* • Staff completed a Review of Discount Rate and Other Economic Assumptions and presented recommended changes and their impacts to the Board in March 2012. The Board approved lowering the discount rate assumption from 7.75 percent to 7.5 percent.
Completed	*Improve transparency and accessibility of financial information by completing two website enhancements (June 2012)* • The new design and restructure of the CalPERS On-Line website launched in mid-April 2012, and was presented at the April Board of Administration meeting. • Advancements have been made to enhance the disclosure of funding status of contracting local agency plans by posting the annual valuation reports on CalPERS On-Line.
Target Missed	*Develop and implement a public agency health care cost trend report (June 2012)* • Work to finalize and publish the report was put on hold due to conflicting workload issues, primarily the health plan rate negotiations that were approved by the Board in June 2012. A draft report was completed in July 2012 that included available cost information for 2011, although complete data for 2011 will not be available until September. This report is expected to be released in the fourth quarter of 2012 and will include the 2011 calendar year information.

Objective 3.1 | Complete planned efforts of the organizational structure, processes, and cultural alignment initiatives.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Identify and implement the restructuring of two core business processes for the new organizational structure (June 2012)* • CSS presented the performance metrics framework to the Board in May 2012, at the Pension and Health Benefits Committee. Staff will proceed with collecting baseline performance metrics. • Staff solicited and received feedback from Actuarial Services and the Investment Office on creating a cash management process, and monthly and daily PERF forecast reports were approved by the Financial Office Initiative Steering Committee.

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Status	*Initiatives | Key Accomplishments | Milestones*
	• The monthly cash forecast report provides information to the Investment Office showing forecast amounts on a monthly basis over a one-year timespan. This information is used by the Investment Office for planning investment allocation. • The daily cash forecast report is used to forecast the cash inflows (e.g. contributions from employers) and cash outflows (e.g. benefit payments). The report is also used to inform the Investment Office, State Street Bank and State Controller's Office of the money movement for that particular day.
Completed	*Communicate processes and rationale for changes to staff and stakeholders through all implementation phases (June 2012)* • Internal memos were sent to staff informing them of organizational structure changes. The new organizational structure is displayed on the Insider website, and communications were featured in the InCalPERS employee newsletter, as well as new organizational charts, division names, and functions. • The organizational structure email address is monitored for employee questions and inquiries.
Completed	*Complete implementation of the organizational structure and related decision rights changes (June 2012)* • Completed implementation of the organizational structure, including creation of Enterprise Strategy and Performance Division, transition of health management to Customer Account Services Division, and revised delegations of authority. • The transition of Affiliated Investment Program staff and JLRS staff to Affiliate Program Services Division was completed in July 2012. • Established new research functions including the Retirement Research and Planning Division, the Health Policy Research Division, and the Center for Innovation.
Completed	*Ensure 90 percent of all staff complete the Values Workshop (June 2012)* • Enterprise-wide completion rate was 93 percent, exceeding the 90 percent target.
Completed	*Develop an actionable improvement strategy for two measures from the organization health survey (June 2012)* • Staff implemented the Career Services Program in April 2012. Under this new program, Career Services Analysts provide employees with consultative services regarding upward mobility, potential career paths, and personal and professional development. This program recognizes that our employees are our greatest asset and builds internal strength by developing staff to ensure a broad range of diverse skills, ideas, and perspectives. In just a short few months, several staff members have utilized Career Services consultations and received promotions. • The Job Rotation Program 24-month pilot was successfully launched in June 2012 with participation across the organization. The policy and forms necessary to implement the program were developed, and information on the pilot program was communicated to staff through information sessions. The job rotation program supports both succession planning and employee career planning, and will help managers build bench strength and foster employee development.

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Objective 3.2 | Develop a culturally diverse workforce and business relationships that model diversity and inclusion best practices.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Institute policies and practices requiring office supplies to be purchased from certified small or disabled veteran enterprise businesses (March 2012)* • Instituted pilot purchasing project to purchase all office supplies from small and disabled veteran business enterprise (DVBE) vendors. • The Pilot was successful, and now 95% of all office supplies for the enterprise are purchased from small and DVBE companies. This represents a significant increase from 50% of all office supply purchases in the 2010-11 fiscal year.
Completed	*Design and implement leadership culture competency and multi-generational workforce training (June 2012)* • Staff facilitated two sessions with the Executive Team as part of the Diversity and Inclusion Development Journey. Session I was conducted on October 31, 2011 and Session II was conducted on January 31, 2012. Each session was five hours in length. The goal of each session was to enhance leadership's understanding of diversity and inclusion and emphasize the leader's role in increasing diversity and fostering an inclusive work environment. • Staff hosted a workshop on the multi-generational workforce, "What a Difference a Generation Makes" for CalPERS leaders on April 12, 2012. The workshop demonstrated the importance for managers and supervisors to understand what events shape each generation, why generations behave the way they do, and how to leverage generational dimensions of diversity for business success.
Completed	*Increase the diversity of applicants for outside counsel by expanding outreach and engagement efforts (June 2012)* • The Legal Office created pools of outside counsel firms in the areas of: Health Care Law, Labor/Employment, Bankruptcy, Immigration, and Business Litigation. Ten new contracts have been executed with diverse firms. • Staff continues outreach and monitoring efforts with all contracted law firms, gathering data on their diversity and inclusion programs and initiatives. Outreach efforts also continue with professional organizations to expand the diversity of outside counsel pools.

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Status	Initiatives | Key Accomplishments | Milestones
Completed	*Launch employee web-based diversity and inclusion training and a leadership resource toolkit (June 2012)* • Employee web-based Diversity & Inclusion Training was launched on June 4, 2012. The series of courses provides staff with knowledge and tools to listen and communicate more effectively, understand and respect differing viewpoints, and interact successfully in a team environment. • Online Managers/Supervisors Toolkit was launched on June 25, 2012. With the help of the Diversity and Inclusion Leadership Toolkit, managers and supervisors learn about diversity and inclusion in the workplace. The Toolkit features easy-to-use resources for improving communications skills, building team relationships, and suggestions for practicing diversity and inclusion behaviors and Core Values within our diverse workplace.

Objective 3.3 | Integrate enterprise risk management into governance structures and culture to effectively evaluate, monitor, and manage risk across the organization.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Develop an enterprise risk inventory (September 2011)* • Staff identified an inventory of 146 risks and definitions, grouped into a hierarchy of categories and subcategories for Board and Executive reports, and identified "risk assessors" for each risk and obtained qualitative ratings of controls and risks. • The results of the risk assessment were used to populate the first enterprise risk dashboard that was presented to the Risk Management Committee on June 13th, 2011.
Completed	*Ensure 80 percent of all managers and supervisors complete risk management training (December 2011)* • Held Risk Training for managers and supervisors with 87% in attendance. • Make-up training sessions were held in February resulting in a cumulative total of 95% attendance.
Completed	*Establish an enterprise repository of policies, identified risk tolerances, and risk measurement systems (June 2012)* • Developed draft risk appetite and tolerances for Long Term Care, Customer Service, Pension Funding, and Information Security as directed by the Executive Risk Committee. Working with program areas to develop additional statements for top risks. • Staff identified all policies on internal and external websites and created a policy repository for staff, including existing risk tolerances, risk indicators, compliance and reporting requirements for identified policies. The second phase of this objective is included in the 2012-14 Business Plan.

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Status	Initiatives | Key Accomplishments | Milestones
Completed	*Implement the 2011 Information Security Strategy (June 2012)* • Staff developed a strategic plan that drives information security initiatives for the 2011-2017 period. The Plan was presented to the Executive Risk Committee, and staff is seeking budget approval to implement the Plan. The plan will be updated each year, or more frequently if needed. • Acquired and implemented an automated governance platform to support policy compliance and risk management. Conducted a successful pilot and validated the operational aspects of the automated tool. • Provided mandatory information security training to CalPERS employees with a completion date of December 31, 2011. Participated in New Employee Orientation to introduce information security practices to new employees. • Completed the bi-annual risk assessment as required by the California State Administrative Manual Section 5300 to identify and manage information security risk. Increased the awareness and priority of continuously managing information security risk with program area Division Chiefs/Office Heads.

Objective 3.4 | Increase staff expertise and reduce reliance on consulting services to ensure the development and retention of core business expertise.

Status	Initiatives | Key Accomplishments | Milestones
Completed	*Add required knowledge transfer language to all multi-year consulting services contracts (December 2011)* • Staff developed standardized language to be included on all applicable multi-year contracts with consultants that requires the transfer of knowledge and expertise from the consulting firm to CalPERS staff. A process was designed and implemented in December 2011 to track the transfer of knowledge to staff, and each business area is responsible for developing a specific knowledge transfer plan that is incorporated into the contract.
Completed	*Reduce enterprise consultant contract expenditures by 5 percent (June 2012)* • A framework and tracking program to monitor the planned reduction in consultant contract expenditures was developed and implemented, with quarterly reports for Executive staff review. • As of June 30, 2012, the Consulting and Professional Services line in the 2011-12 CalPERS Administrative Budget has expenditures and encumbrances totaling 93.75 percent of the budgeted amount. This reflects a 6.25 percent reduction in spending below the allocated amount, exceeding the 5 percent target.

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Objective 3.5 | Improve strategic vision and system oversight, clarify accountability, and improve decision-making through implementation of the Board Governance initiatives.

Status	Initiatives | Key Accomplishments | Milestones
Target Missed	*Implement approved Powers Reserved by the Board by adopting new Board Committee structures and Delegations of Authority (April 2012)* • The Board approved delegation resolutions for each Committee and the Chief Executive Officer in December 2011 and successfully implemented the new Committee structures in February 2012. • All Executive staff delegations of authority, with the exception of the Deputy Executive Officer, Operations and Technology and Chief Operating Investment Officer were executed by June 30, 2012. The two remaining delegations will be executed by the end of August 2012. • All Division Chief delegations of authority, with the exception of the Division Chiefs in the Operations area and Division Chief, Investment Office Policy and Business Services Division were executed by June 30, 2012. The Division Chiefs in the Operations area and Division Chief, Investment Office Policy and Business Services Division will be executed by the end of August 2012.
Completed	*Revise and implement appropriate Board policies, governance principles, and certifications (June 2012)* • The Board approved three new policies: Governance Policy in February 2012; Gift Policy in April 2012; and Travel Policy in June 2012. • Developed processes for the Annual Board Fiduciary Certification and Executive Staff Free From Undue Influence Certification with the Board in June 2012. • Implemented webcasting of Board and Committee meetings in February 2012 to improve transparency.
Completed	*Ensure alignment with Board strategy by instituting new Board agenda materials, templates, guidelines, and consent calendars (June 2012)* • New agenda and agenda item templates were developed and a consent calendar process was implemented in February 2012. In addition, guidelines for developing agenda items were developed and distributed to staff.
Completed	*Launch a planning process to develop a three- to five-year Strategic Plan (June 2012)* • The Strategic Planning Process and Framework was developed and presented to the Board at the January 2012 Offsite, and the draft plan was presented to the Board at the July 2012 Offsite. Final plan to be presented to the Board in August 2012.