Finance & Administration Committee

California Public Employees' Retirement System

Meeting Summary

August 15, 2012

The Finance & Administration Committee met on August 14, 2012.

The Committee was presented with the action agenda item 5A, Contract Extensions and Staffing Model for my|CalPERS, that would begin the process of decreasing our reliance on contractors in the Information Technology Services Branch. The contract extension would allow time to hire and train staff in-house to support my|CalPERS into the future. The Committee had detailed discussions with staff regarding staffing plans, skill sets, timing and resources.

THE COMMITTEE RECOMMENDS AND I MOVE, the Board approve the following:

Extend the Accenture contract by one year, to September 13, 2014, and approve the reporting of the proposed Accenture contract amendment.

The Committee received the following report:

The Committee was presented the final report for the 2011-12 CalPERS Business Plan. In the 2011-12 fiscal year, CalPERS faced some challenges but also made significant progress towards our business objectives. There were 43 initiatives that were successfully completed and three missed their target completion dates. Of these three, one was completed, one is on track for completion by the end of August, and one is scheduled for completion in the fourth quarter of 2012. Some of the highlights from this plan include the launch of the new my|CalPERS system, the investment fund recovering more than $70 billion since the financial markets crashed, and our health program initiating a three to five year strategy through the Health Benefits Purchasing review. We also strengthened our infrastructure by realigning our organization, enhancing our risk-intelligent culture, and improving the organization of the Board Committees and governance structure.

At this time I would like to share some highlights of what to expect at the September Finance & Administration Committee meeting:

Staff will propose a five-year extension to the Learning Management System contract.

The Committee will be reviewing the FY 2011-12 CalPERS budget and expenditures.

The Committee will also review two annual reports from staff that detail contract values at or above $100,000 and the percentage of activity on contracts with Small Business and Disabled Veteran Business enterprises. In addition, staff will review recent modifications in contract terms and conditions.

The Actuarial Office will inform the Committee of changes to the GASB accounting standards and how these changes will impact both CalPERS and employers.

The next meeting of the Finance & Administration Committee is scheduled for September 11, 2012, in Sacramento, California.