



Agenda Item 6b

November 14, 2012

ITEM NAME: 2012-2014 Business Plan Quarterly Update

PROGRAM: Enterprise

ITEM TYPE: Information

EXECUTIVE SUMMARY

In April 2012, the Board approved a new two-year CalPERS business plan for the period July 1, 2012 – June 30, 2014. (Attachment 3) This provides the Committee with a quarterly status report on these initiatives.

STRATEGIC PLAN

This item provides an update on implementation of the Strategic Plan through the Business Plan initiatives.

ANALYSIS

Attachment 1 sets forth the status of the three 2012-14 Business Plan initiatives that were due during the First Quarter (July-September 2012). Two of these initiatives—the July Board Workshop on Asset Liability Management, and the adoption of the new five year Strategic Plan – were completed timely. The third initiative – developing target performance measures for the new Strategic Plan – is a more extensive undertaking than originally anticipated and staff is reevaluating the process and timeline for this project. In the meantime, however, the 2012-14 Business Plan has been realigned to the new Strategic Plan, and both the Business Plan and the Strategic Plan are being deployed.

Attachment 2 is a summary of the progress made during the First Quarter for the 2012-14 Business Plan.

As a result of workload associated with the new Pension Reform legislation, which is effective January 1, 2013, staff has reprioritized some workload. As previously reported to the Board, the annual public valuations (Objective 1.5) will be delayed by a few weeks. In addition, in consultation with the Board President and the Chair of the Pension and Health Benefits Committee, the Board Workshop and related policy review of the smoothing and amortization policies (Objective 1.6) has been postponed. The workshop is now scheduled for February 2013 and the review of the policies is scheduled for March 2013. If other adjustments are necessary due to pension reform implementation, we will advise the Board.

RISK/BENEFITS

This quarterly item ensures transparency around progress being made on the Business Plan.

ATTACHMENTS

- Attachment 1 – CalPERS 2012-14 Business Plan – Initiatives Due in the First Quarter
- Attachment 2 – CalPERS 2012-14 Business Plan – First Quarter Status Update
- Attachment 3 – CalPERS 2012-14 Business Plan

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