

New 2013-15 Initiatives

Strategic Goal A | Improve long-term pension and health benefit sustainability

Initiative Title	Initiative Language	Due Date
Health Care Member Tools	Identify tools that help members make informed health care decisions	June 2014
Medicare Flexibility	Develop recommendations for the CalPERS Board of Administration for a Medicare only health care plan	June 2014
Employer Health Benefits	Create flexibility for growth within public agency and school employer provided health programs	June 2015
Review of Actuarial Assumptions & Implementation of Potential New Assumptions	Review actuarial assumptions to verify adequate funding of the pension system and apply actuarial assumption changes found during review of demographic assumptions to Benefit Administration procedures and systems	June 2015
Actuarial Valuation System Redesign and Enhance	Redesign and enhance the Actuarial Valuation System to support reporting requirements introduced by GASB 68 and support the changes imposed by pension reform legislation	June 2015
Integrated Health Models	Expand integrated health models that promote evidence-based protocols and electronic health records to improve provider cost effectiveness and quality of care	June 2015
Population Health Management	Standardize health plans' approach to population health management across the continuum of care for active and retired members	June 2015
Improve Health Care for Senior Members	Assess the needs of senior CalPERS members and develop specialized care management programs that improve quality and reduce costs	Dec 2014

The new initiatives in Goal A represent the work staff is performing to ensure long-term sustainability of the System. This includes the continued evolution of investment and actuarial policies to address pension program sustainability, seeking new ways to deliver health care, and enhancing our automated systems to meet GASB and Pension Reform standards, while taking steps to forecast future demands on the pension system due to changing demographics and investment returns.

New 2013-15 Initiatives

Strategic Goal B | Cultivate a high-performing, risk-intelligent and innovative organization

Initiative Title	Initiative Language	Due Date
Workforce Strategic Plan Implementation	Implement the strategic workforce development plan that incorporates succession planning, automated HR system, staff training and mentoring, and talent management	June 2014
Strategic Risk Measures	Create risk appetite statements, tolerances, and key risk indicators for strategic goals and top risks of the organization	June 2015
Policy Management	Develop a Policy Management framework to establish an enterprise-wide policy oversight approach and compliance function	June 2014
Quarterly Reporting	Develop and implement quarterly fund reports	Dec 2013
Service Delivery Transformation: Access	Improve availability and ease of customer access to our services through the enhancement of access channels, webinars and computer-based training expansion, and self-services expansion	June 2014
Service Delivery Transformation: Quality	Enhance the quality of service to ensure it is value-added, accurate and follows customer care principles by developing core competency training, streamlining core business processes, and developing full voice of the customer satisfaction picture	June 2015
Service Delivery Transformation: Effectiveness	Implement business intelligence analytics, MSS enhancements, improved marketing that ensure resources are efficiently utilized to deliver timely, helpful and effective services	June 2015
Service Delivery Transformation: Service	Improve services offered by delivering a complex case management process, phase one of the life cycle education and other products and information which are responsive to customer needs	June 2014
Municipal Bankruptcies	Provide legal representation to the system and develop a strategy to protect the system and mitigate risks	June 2015
End-to-End Business Intelligence	Enhance end-to-end services through the use of business intelligence by enhancing enterprise research, innovation and organizational performance	June 2015

The new initiatives in Goal B focus on inspiring a workplace that is high-performing, risk-intelligent and rich in innovation while enhancing customer service delivery. A robust workforce strategy incorporates succession planning, staff training and mentoring, and talent management. Municipal Bankruptcies addresses staff efforts to protect the integrity and soundness of the system.

New 2013-15 Initiatives

Strategic Goal C | Engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs

Initiative Title	Initiative Language	Due Date
Thought Leadership	Identify, evaluate, and as appropriate, conduct research initiatives that enhance the development of our retirement and health care policy	June 2015
Pension Beliefs	Develop and adopt pension beliefs to inform State and national policy debates, as well as funding strategy	June 2014

The new initiatives in Goal C further develop efforts to engage in State and national policy development. The communication of our pension beliefs will help shape retirement policy and outreach messaging on issues important to stakeholders.

Modified 2013-15 Initiatives

Strategic Goal A | Improve long-term pension and health benefit sustainability

Initiative Title	Initiative Language	Due Date
Funding Risk Appetite/Tolerances	Improve understanding of funding risk appetite, tolerances, targets and limits	July 2014
Employer Wellness Partnerships	Establish partnerships based on a comprehensive wellness strategy that provides tools for employers to engage their employees	June 2015
Investment Performance	Restructure the portfolio to deliver consistent risk-adjusted investment returns	June 2015
Investment Risk Management	Establish a comprehensive portfolio risk management system and practices to measure, manage, and communicate investment risks	June 2015
Cost Effectiveness	Improve cost effectiveness of the investment program to increase net returns on assets	June 2015
Organization, Systems, and Controls	Design, develop and implement a target operating model that minimizes complexity, improves transparency and strengthens processes, systems, governance and controls	June 2015
Emerging Investment Manager Strategy	Implement a five-year plan to provide opportunities for participation of emerging investment managers across all asset classes	June 2015
ESG Investment Strategy	Integrate environmental, social and governance risk considerations into investment decision making by supporting regulations for investor protection and effectively engaging companies, investment managers and policy makers to promote stable capital markets	June 2015

The modified initiatives in Goal A represent projects that will continue into the 2013-15 planning cycle. The planning cycle refresh process is designed to reevaluate priorities and timelines and adjust to changing business needs, and new or changing priorities. This refresh process brings focus and clarity to the work we do, as we strive to achieve our long-term Strategic Goals.

Modified 2013-15 Initiatives

Strategic Goal B | Cultivate a high-performing, risk-intelligent and innovative organization

Initiative Title	Initiative Language	Due Date
Workforce Strategic Plan Development	Create an enterprise-wide, strategic workforce development plan that supports high-performance and a healthy organization and culture	Sept 2013
Information Security Roadmap	Implement Information Security Roadmap to enhance security measures designed to protect information assets	June 2015
Investment Reconciliation Process	Develop and implement improved Investment Reconciliation processes	June 2014
Enterprise Content Management	Implement an Enterprise Content Management system to centralize enterprise content, improve content structure and establish governance process to improve Intranet usability	June 2015
Strategic Measures	Develop and implement strategic measures that utilize business intelligence tools to evaluate enterprise results and assess effectiveness of the CalPERS 2012-2017 Strategic Plan; and to assist with the long-term strategic decision making and planning process	June 2014
Enterprise Internal Innovation	Develop and implement a responsive innovation program that will inspire staff to share innovative ideas and solutions that improve performance and service	June 2014

The modified initiatives in Goal B represent projects that will continue into the 2013-15 planning cycle. In some cases, such as the Workforce Strategic Plan, Internal Innovation and Strategic Measures, staff developed a phased approach to better anticipate work to be completed in each fiscal year.

Modified 2013-15 Initiatives

Strategic Goal C | Engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs

Initiative Title	Initiative Language	Due Date
Investment Beliefs	Adopt investment beliefs and incorporate into investment policy and decision making	Dec 2013
Demonstrate Industry Leadership	Develop a framework for coordinated engagement and leadership in industry policy	June 2015
Strategic Partnerships	Develop relationships with academia, California business community and financial industry partners, through thought leadership initiatives to support the effectiveness of our retirement, health and investment programs	June 2015

The modified initiatives in Goal C were extended to allow the project teams to further engage stakeholders to impact State and national policy development.

2012-14 Initiatives Continuing in the 2013-15 Plan with no Changes

Strategic Goal A | Improve long-term pension and health benefit sustainability

Initiative Title	Initiative Language	Due Date
Health Care Customer Resources	Provide members with useful information and tools that lead to shared decision-making for our members and employers	June 2014
Health Benefit Purchasing Structure	Communicate and implement changes to health benefit purchasing structure	June 2014
Engaged Health & Wellness Platform	Utilize evidence based programs with outcomes and measurement to create an independent wellness platform with flexible options that engages employers, members and providers	June 2014
LTC Strategy Implementation	Implement Board-approved strategies	June 2014

Strategic Goal B | Cultivate a high-performing, risk-intelligent and innovative organization

Initiative Title	Initiative Language	Due Date
Knowledge Transfer, Insourcing, and Consulting Reduction	Develop staff competencies and encourage insourcing by transferring workload from consultants to State staff, resulting in a reduction in consultant expenditures and a more skilled workforce	June 2014
Investment Expense Reporting	Design and implement the Financial Office functions to account and report on Investment Expenses	June 2014
One Budget Model	Develop one Enterprise budget to support enhanced resource management, Board oversight and operational efficiency, transparency, and accountability	June 2014

Strategic Goal C | Engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs

All existing Goal C 2012-14 initiatives were extended to the 2013-15 Plan to continue our engagement in State and national policy development.