



## Goal A – Improve long-term pension and health benefit sustainability

**Strategic Objective – Fund the System through an integrated view of pension assets and liabilities**

### **Business Plan Initiatives**

**Funding Risk Appetite/Tolerances** – Improve understanding of funding risk appetite, tolerances, targets and limits (July 2014)

**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)

**Investment Risk Management** – Establish a comprehensive portfolio risk management system and practices to measure, manage, and communicate investment risks (June 2015)

**Strategic Objective – Educate employers and other stakeholders to make informed decisions about retirement security and health care**

### **Business Plan Initiatives**

**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)

**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 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)

**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 (December 2014)

**LTC Strategy Implementation** – Implement Board-approved strategies (June 2014)



## Goal A – Improve long-term pension and health benefit sustainability (cont.)

### Strategic Objective – Deliver target risk-adjusted investment returns

#### Business Plan Initiatives

**Investment Performance** – Restructure the portfolio to deliver consistent risk-adjusted investment returns (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)

**Environmental, Social, Governance (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)

### Strategic Objective – Ensure high-quality, accessible and affordable health benefits

#### Business Plan Initiatives

**Health Benefit Purchasing Structure** – Communicate and implement changes to health benefit purchasing structure (June 2014)

**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)

### Strategic Objective – Create a lifestyle of wellness among members and employers

#### Business Plan Initiatives

**Employer Wellness Partnerships** – Establish partnerships based on a comprehensive wellness strategy that provides tools for employers to engage their employees (June 2015)

**Engaged Health and 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)



## Goal B – Cultivate a high-performing, risk-intelligent and innovative organization

**Strategic Objective – Use a focused approach to generate, test, refine and implement new ideas**

### **Business Plan Initiatives**

**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)

**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)

**Strategic Objective – Deliver superior end-to-end customer service that is adaptive to customer needs**

### **Business Plan Initiatives**

**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)

**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, member self-service enhancements, and 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 that are responsive to customer needs (June 2014)

**Strategic Objective – Recruit, retain, develop and empower a broad range of talents against organizational priorities**

### **Business Plan Initiatives**

**Knowledge Transfer, Insourcing, and Consultant 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)



## Goal B – Cultivate a high-performing, risk-intelligent and innovative organization (cont.)

**Workforce Strategic Plan Development** – Create an enterprise-wide, strategic workforce development plan that supports high-performance and a healthy organization and culture (September 2013)

**Workforce Strategic Plan Implementation** – Implement the strategic workforce development plan that incorporates succession planning, automated Human Resources system, staff training and mentoring, and talent management (June 2014)

### Strategic Objective – Actively manage business risks with an enterprise-wide view

#### Business Plan Initiatives

**Information Security Roadmap** – Implement Information Security Roadmap to enhance security measures designed to protect information assets (June 2015)

**Policy Management** – Develop a Policy Management framework to establish an enterprise-wide policy oversight approach and compliance function (June 2014)

**Investment Expense Reporting** – Design and implement the Financial Office functions to account and report on Investment Expenses (June 2014)

**Investment Reconciliation Process** – Develop and implement improved Investment Reconciliation processes (June 2014)

**One Budget Model** – Develop one Enterprise budget to support enhanced resource management, Board oversight and operational efficiency, transparency, and accountability (June 2014)

**Quarterly Reporting** – Develop and implement quarterly fund reports (December 2013)

**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)

**Strategic Risk Measures** – Create risk appetite statements, tolerances, and key risk indicators for strategic goals and top risks of the organization (June 2015)

**Municipal Bankruptcies** – Provide legal representation to the system and develop and implement a strategy to protect the system and mitigate risks (June 2015)



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

**Strategic Objective – Clarify and communicate CalPERS perspective on pension, health and financial markets**

**Business Plan Initiatives**

**Investment Beliefs** – Adopt investment beliefs and incorporate into investment policy and decision making (December 2013)

**Pension Beliefs** – Develop and adopt pension beliefs to inform State and national policy debates, as well as funding strategy (June 2014)

**Strategic Objective – Provide education and engagement opportunities to shape policy agenda and expand impact**

**Business Plan Initiatives**

**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)

**Thought Leadership** – Identify, evaluate, and as appropriate, conduct research initiatives that enhance the development of our retirement and health care policy (June 2015)

**Demonstrate Industry Leadership** – Develop a framework for coordinated engagement and leadership in industry policy (June 2015)