



Agenda Item 7a

November 19, 2013

ITEM NAME: 2013-15 Business Plan Update

PROGRAM: Enterprise

ITEM TYPE: Information

EXECUTIVE SUMMARY

This agenda item provides the Board with a status report for the first quarter of the CalPERS 2013-15 Business Plan.

STRATEGIC PLAN

The CalPERS 2013-15 Business Plan (Attachment 2) outlines the 44 initiatives being undertaken to achieve the Strategic Goals and Objectives in the CalPERS 2012-17 Strategic Plan (Attachment 3).

ANALYSIS

In the first quarter, one initiative was due and completed:

- Workforce Strategic Plan Development: Staff concluded best practice research for developing the Workforce Strategic Plan in July 2013. The plan directly supports the strategic plan by identifying key business drivers and creating an effective talent management strategy to improve organizational performance for CalPERS to recruit, retain, develop and empower a broad range of talents against organizational priorities. The plan was presented to the Performance, Compensation and Talent Management Committee in September 2013. Implementation of the Workforce Strategic Plan is underway and is scheduled for completion in June 2014.

One ongoing initiative is currently being reported as "at risk":

- Organization, Systems and Controls: A lack of Investment Office resources needed to support project efforts, in addition to integration challenges with portfolio management systems, may impact the project timeline.

All other initiatives are on schedule. A summary dashboard identifying the current status of all the initiatives and detailed information on completed, at risk, and initiatives needing management attention is attached (Attachment 1). The attachment also includes a section that highlights key accomplishments for the first quarter.

The Actuarial Office has two revisions to the 2013-15 Business Plan:

- Actuarial Valuation System Redesign and Enhance: Update the initiative description as follows to better reflect the scope that can be accomplished within the 2013-15 Business Plan timeframe.
 - *Current Initiative Language: Redesign and enhance the Actuarial Valuation System to support reporting requirements introduced by GASB 68 and support the changes imposed by pension reform legislation*
 - *Revised Initiative Language: Assess current Actuarial Valuation System and procure a vendor to redesign and enhance the Actuarial Valuation System to support reporting requirements introduced by GASB 68 and support the changes imposed by pension reform legislation*
- Review of Actuarial Assumptions & Implementation of Potential New Assumptions: Add a new desired outcome to increase alignment with existing desired outcomes.
 - *New Desired Outcome: Updated actuarial assumptions based upon most current information*

BENEFITS/RISKS

The CalPERS 2013-15 Business Plan is aligned to the CalPERS 2012-17 Strategic Plan. The alignment of operational activities to long-term strategic goals provides focus and clarity to prioritize and guide our work as we keep the Strategic Plan at the forefront of our planning process. The initiatives are tied to budget resources to ensure that the budget process is connected to the planning cycle.

This first quarter report ensures transparency on the Business Plan progress. Competing organization priorities and staff resources are identified as key risks which may impact the completion of some of the initiatives by their target date.

ATTACHMENTS

Attachment 1 – CalPERS 2013-15 Business Plan – First Quarter Status Update
Attachment 2 – Revised CalPERS 2013-15 Business Plan
Attachment 3 – CalPERS 2012-17 Strategic Plan Overview

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