



2014-15 PERFORMANCE PLAN

CHECK ONE:
Status Update
<input checked="" type="checkbox"/> 1st Semiannual
<input type="checkbox"/> 2nd Semiannual

Name: Anne Stausboll	Position: Chief Executive Officer
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Investment Performance Measure

Weight	Title	Performance Measure	Incentive Schedule	Performance
5%	Total Fund	Return deviation in basis points relative to: Total Fund performance versus Total Fund benchmark {SJ1CA1 – CPSTO2IC} *Cost-adjusted Benchmark REPORTING PERIOD: 07/01/2012 - 06/30/2015	0 basis points = 0 +20 basis points = 1.0 +30 basis points = 1.5	+70 basis points

Qualitative Performance Measures

Weight	Factor	Performance Measure
55%	Business Plan / Enterprise Objectives	By June 30, 2015, implement the objectives set forth for FY 14-15 in the Board approved 2014-16 Business Plan (See Attachment A).

Status Update

Goal A – Improve Long-Term Pension and Health Sustainability

Fund the System through an integrated view of pension assets and liabilities

- Developed and presented third annual Funding Levels and Risk Report to the Finance and Administration Committee in November. The report was presented jointly by the CFO, Chief Actuary, and CIO, along with the CEO; this reflected the strides we have made in taking an integrated approach across the organization. Various mitigation concepts were advanced, to be further explored and discussed at the February 2015 Board Workshop. Throughout this process we have had extensive communication and outreach with our stakeholders.
- Conducted Terminated Agency Pool (TAP) analysis and presented findings to the Investment Committee in December.

Educate employers and other stakeholders to make informed decisions about retirement security and health care

- Completed over 3,000 public agency actuarial valuation reports, including new section to educate employers on benefits of paying down the unfunded liability faster.
- Completed Governmental Accounting Standards Board Statement (GASB) 68 accounting valuation report templates and calculation methodology. Developed communications plan to articulate the impact of GASB 68 to our members, employers, and stakeholders.
- Conducted California Employers' Retiree Benefit Trust workshops to educate public agencies on our program to prefund post-employment retirement benefits.

- Developed and implemented a comprehensive and aggressive communication plan for the 2015 health coverage year.
- Completed design of leading edge pilot to improve coordination between our health benefits and long-term care program for at-risk members. The pilot is designed to reduce hospital re-admissions and improve patient care.
- Launched CalPERS Compare program, a comprehensive health information tool for PPO members.

Deliver target risk-adjusted investment returns.

- Determination to eliminate ARS (hedge fund) program, followed by media/communications management and implementation.
- Improved fee structures negotiated on new commitments made by the Real Estate Program resulting in initial reporting of FY 2014-15 cost savings of \$87.6 million.
- Completed Year Two report to the California Legislature on the CalPERS Five-Year Plan for Emerging Managers. Hosted Emerging and Diverse Manager Day at CalPERS, with over 130 attendees representing 71 emerging and diverse manager firms.

Ensure high-quality, accessible and affordable health benefits

- Incorporated Population Health Management (PHM) program development into health plan and Pharmacy Benefit Manager Quarterly Business Review meetings to compare and contrast our PHM model with health plan PHM models to identify conceptual differences, provide updates, answer questions, and obtain feedback.

Create a lifestyle of wellness among members and employers

- Collaborated with Worksite Wellness Steering Committee, a partnership comprised of representatives from SEIU Local 1000, California Human Resources, State Controller's Office, State Treasurer's Office, and CalPERS, on project implementation and evaluation strategies.
- Presented informational agenda item to the Pension & Health Benefits Committee in December on wellness-based focus group discussions with contracting agency employers and member organizations, stakeholder meetings and conferences, and survey and research findings. Follow-up presentation scheduled for January 2015 Offsite.

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

Use a focused approach to generate, test, refine and implement new ideas

- To facilitate and promote innovation, developed Enterprise Internal Innovation Roadmap; conducted program pilot and focus groups. Developed framework for the Innovation Toolkit that will provide all staff with basic innovation awareness, concepts, and education.
- Continued to promote and refine use of The Spark (internal social media platform), including pilot of Town Hall feature; objective is to use The Spark as a bottom-up platform to spur and gather innovative ideas.

Deliver superior end-to-end customer service that is adaptive to customer needs

- Obtained customer input to validate that access channels offered by CalPERS are aligned with customer preferences. Implemented several access enhancements including: enabled tax withholdings changes through self-service on the web; added ability to complete dental plan transactions by telephone during open enrollment; provided community property customers the ability to order retirement allowance estimates via all channels; began offering computer-based health business rules training to employers; improved employer access by developing a training toolkit on my|CalPERS system roles and access.
- Made progress in establishing governance for Business Intelligence (BI): established BI Competency Center and developed charter structure to prioritize workload.

Recruit, retain, develop and empower a broad range of talents against organizational priorities

- Continued Succession Planning effort by completing/renewing Executive Assessment Panels and Leadership Development Plans for interested candidates for the Chief Executive Officer, Deputy Executive Officer, and Senior Investment Officer positions.
- Developed targeted outreach/ marketing plan for the Investment Office (INVO) and Office of Audit services (OFAS) to enhance recruitment efforts. Held information session at California State University, Sacramento.

Actively manage business risks with an enterprise-wide view

- Created strategic operating model for Treasury Management, along with Treasury Management Principles to provide basis for policy. This is a key milestone; material to be presented at January 2015 Offsite.
- Implemented processes and technology changes to improve internal controls and financial integrity for the Comprehensive Accounting Financial Report (CAFR). Successfully closed all audit findings from prior year.
- Oversaw and advanced CalPERS' interests in the Stockton and San Bernardino municipal bankruptcies.
- Presented Strategic Measures informational item at the December Governance Committee meeting, including a 2015 Strategic Measures Governance Committee reporting schedule.
- Developed new outside counsel billing policy to significantly tighten controls over outside counsel expenditures.

Goal C – Engage in State and national policy development

Clarify and communicate CalPERS perspective on pension, health and financial markets.

- Obtained significant, positive media attention for health care cost control efforts, including the knee-hip program and integrated health care strategies.
- Developed plan to more effectively communicate CalPERS initiatives and issues by bridging stories to investment and pension beliefs. For example:
 - Opinion editorial in the Sacramento Bee “If pensions are cut, the losers are public employees”, Sacramento Bee, 10/9/14, on bankruptcy.
 - Media messaging on termination of ARS (hedge fund) program tied to investment beliefs. (This story generated the largest amount of news coverage for a single CalPERS story in the last five years.)
- Refreshed Financial Market Principles to focus on derivatives, credit rating agencies and housing finance as key issues.
- Engaged with/advocated with federal regulators on a number of topics including financial market principles, Dodd Frank, climate change risk, and other SEC matters.

Provide education and engagement opportunities to shape policy agenda and expand impact

- Partnered with Canadian Pension Plan Investment Board and the University of California, Davis, to host the September 2014 Global CFO Conference for 26 pension funds from across the globe. The event gathered influential financial professionals recognized as industry leaders from all over the world and provided opportunities to connect, develop partnerships, and share insights on best practices.
- Launched internal Insight and Inquiry series to provide a means for CalPERS staff to become better informed about the research and leading edge work happening across the CalPERS enterprise.
- Published an article, “Increasing Defined Contribution Plan Participation: A California Pilot Project,” in the Fall 2014 edition of the Journal of Retirement. The article highlights the results of the CalPERS “Savings Plus” pilot project, a Retirement Research and Planning Division-led collaborative effort with the California Department of Human Resources and the State Controller’s Office.
- PRI/UNEP Financial Inquiry report on “The Case for Investor Engagement in Public Policy” included Foreword by CalPERS CEO.
- Hosted successful Employer Education Forum in October, with over 600 attendees.

Weight	Title	Performance Measure
40%	Leadership	<p>By June 30, 2015:</p> <ul style="list-style-type: none"> • Continue to develop and implement communication and advocacy programs, to educate stakeholders and influence pension, health, and financial market policies. • Continue to enhance accountability within the organization through implementation of performance metrics to measure progress on strategic and business planning. • Lead initiatives on Accountability and Innovation to ensure a healthy and high-performing organization, based on results of 2013 Organizational Health Index. • Lead and develop internal talent management efforts that support core values and foster a diverse and inclusive workforce. • Provide onboarding for new General Counsel. • Support Board in Chief Investment Officer search; onboard new CIO. • Continue to work with the Board on succession planning for the CEO and CIO positions, and oversee succession planning to establish and grow an internal pipeline for executive level vacancies. • Continue to work with the Board President to enhance the Board and Committee agenda planning process and content and to ensure the effective and efficient flow of pertinent information. • Work with Board President to develop new Board Member Orientation and onboard new members, and to implement ongoing Board Education policy. • Demonstrate the Leadership Expectations in the CalPERS Executive Leadership Competencies Guide (See Attachment B).

Status Update

Continue to develop and implement communication and advocacy programs, to educate stakeholders and influence pension, health, and financial market policies

- Continued outreach and education with stakeholders through regular briefings and roundtables, including quarterly Labor and Employer Roundtables; focus on asset liability management, GASB, 2015 health plan implementation. Held annual stakeholder Meet and Greet in September.
- Hosted Employer Education Forum including focus groups for employers.
- Partnered with Canadian Pension Plan Investment Board and the University of California, Davis, to host the September 2014 Global CFO Conference for 26 international pension funds to share best practices on financial related issues.
- Hosted Emerging and Diverse Manager Day for investment community.
- Began developing relationship with US Conference of Mayors; CEO and CIO attended and spoke at conference.
- Continuing leadership and involvement by CalPERS executives in a wide range of NGOs, coalitions, and associations related to pension, health, investments and governance. I personally served as co-chair of Ceres, began serving as an Advisory Council Member of the UNEP Financial Inquiry, and participated in the NIRS Visionary Circle.

Continue to enhance accountability within the organization through implementation of performance metrics to measure progress on strategic and business planning

- This continues to be a challenging initiative to implement, in large part because it is a significant cultural change. We have completed development of 15 strategic measures and data collection processes to assist in assessing the effectiveness of CalPERS Strategic Plan Goals. Status reports for the individual measures are scheduled for May, September, and December. Work still needs to be done to identify and implement targets for the specific measures.
- Progress has been made on aligning our business planning with the budget process. We are working on

developing a multi-year workforce/resource plan.

Lead initiatives on Accountability and Innovation to ensure a healthy and high performing organization, based on results of 2013 Organizational Health Index

- To address Accountability:
 - Enhanced all Manager and Supervisor performance evaluations and annual performance plans to include criteria on ensuring Role Clarity and Process-Based Capabilities.
 - Continued to feature and promote the mentoring program. Developed “Mentor your Manager” program, designed to promote communication about roles and responsibilities.
 - Made improvements to staff Onboarding process.
- To address Innovation:
- Developed Enterprise Internal Innovation Roadmap; conducted program pilot and focus groups. Developed framework for the Innovation Toolkit that will provide all staff with basic innovation awareness, concepts, education.
- Continued to promote and refine use of The Spark (internal social media platform), including pilot of Town Hall feature; objective is to use The Spark as a bottom-up platform to spur and gather innovative ideas.

Lead and develop internal talent management efforts that support core values and foster a diverse and inclusive workforce

- Completed Annual Diversity and Inclusion Report.
- Held four All-Staff Forums in August 2014 to acknowledge staff for their accomplishments in 2013-14 and address upcoming priorities.
- Hosted numerous staff recognition events, diversity and inclusion events, and community service/ fundraising events.
- Hosted annual career fair with higher educational organizations.
- Continued to highlight Informal Initiative Share What You Know and promote career success stories.
- Instituted several new training programs, designed in particular around OHI results and initiatives.
- Held quarterly leadership sessions for managers and supervisors with external speakers.

Provide onboarding for new General Counsel

- Onboarding of General Counsel appointed in June 2014, has been completed. Onboarding activities included transition of responsibilities from the Interim General Counsel, in addition to providing guidance on the Legal Office organizational structure and filling of key management positions.

Support Board in Chief Investment Officer search; onboard new CIO

- CIO search was conducted and completed with the appointment announced at the September 2014 Board Meeting. Onboarding activities included guidance to the CIO on filling key investment management positions.

Continue to work with the Board on succession planning for the CEO and CIO positions, and oversee succession planning to establish and grow an internal pipeline for executive level vacancies

- Following national searches, retained new Chief Investment Officer and General Counsel.
- Continued succession planning process by completing/renewing Executive Assessment Panels and Leadership Development Plans for interested candidates for the Chief Executive Officer, Executive, and Senior Investment Officer positions. Held networking session for Board and Senior Investment staff.

Continue to work with the Board President to enhance the Board and Committee agenda planning process and content and to ensure the effective and efficient flow of information

- Following selection process, retained new fiduciary counsel, as well as federal representatives on legislative issues, for Board.
- Resolved CEO/CIO Roles.
- Continued to meet weekly with Board President to plan Board meetings and offsites, facilitate flow of communication, and provided Board members with weekly updates on sensitive and timely topics.

Work with Board President to develop new Board Member Orientation and onboard new members, and to implement ongoing Board Education policy

- Provided orientation for new Board Member and Designee.
- Began development of Board Education Program pursuant to new legislation.

CalPERS 2014-16 Business Plan





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Business Plan Introduction

In 2012 the CalPERS Board of Administration adopted the CalPERS 2012-17 Strategic Plan that guides the development of our Business Plans. This comprehensive Business Plan supports and helps us accomplish our strategic goals, which are focused on three areas:

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

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

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

Our core values of *Quality, Respect, Accountability, Integrity, Openness* and *Balance* continue to guide our work. As we rise to meet the challenges ahead, we continue in our commitment to helping our members and employers build bright futures and live healthy lives. We are proud to serve those who serve California.



CalPERS Vision, Mission, and Core Values

For more than eight decades, CalPERS has built retirement and health security for people who invest their lifework in the State.

Each of the CalPERS Strategic Goals tie to the following CalPERS Vision, Mission and Core Values:

CalPERS Vision

A trusted leader respected by our members and stakeholders for our integrity, innovation and service

CalPERS Mission

Provide responsible and efficient stewardship of the System to deliver promised retirement and health benefits, while promoting wellness and retirement security for members and beneficiaries

CalPERS Core Values

Quality | Respect | Accountability | Integrity | Openness | Balance



Overview of Strategic Objectives

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

Strategic Objectives

- Fund the System through an integrated view of pension assets and liabilities
- Educate employers and other stakeholders to make informed decisions about retirement security and health care
- Deliver target risk-adjusted investment returns
- Ensure high-quality, accessible and affordable health benefits
- Create a lifestyle of wellness among members and employers

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

Strategic Objectives

- Use a focused approach to generate, test, refine and implement new ideas
- Deliver superior end-to-end customer service that is adaptive to customer needs
- Recruit, retain, develop and empower a broad range of talents against organizational priorities
- Actively manage business risks with an enterprise-wide view

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

Strategic Objectives

- Clarify and communicate CalPERS perspective on pension, health and financial markets
- Provide education and engagement opportunities to shape policy agenda and expand impact



CalPERS 2014-16 Business Plan

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

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

Strategic Initiative – Actively manage and assess funding risk through an asset liability management framework to guide investment strategy and actuarial policy

Business Plan Initiatives
Governmental Accounting Standards Board (GASB) Statement 68 Reports – Enhance the current Actuarial Valuation System to produce accounting valuations that provide employers with the pension cost information they need to comply with Governmental Accounting Standards Board Statement 68 (December 2015)
Actuarial Valuation System Redesign and Enhance – Redesign and enhance the Actuarial Valuation System to increase computational capabilities, streamline processes and create a more robust valuation system to handle environmental changes such as myCalPERS, Public Employees’ Pension Reform Act and new Governmental Accounting Standards Board accounting statements (June 2016)
Investment Risk Management – Enhance the comprehensive portfolio risk management framework with continued improvements within and across asset classes (June 2016)
Asset Allocation – Assess an Asset Allocation framework based on risk factors to determine the feasibility to implement a new framework within the Investment Office (June 2016)

Desired Outcomes

- Increased employer access to information needed to prepare their financial reports under new accounting standards
- Evolve risk perspective for both private and public assets, and enhance risk reporting
- Conclude viability of implementing a risk-factor based allocation framework



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

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

Strategic Initiative – Provide employers and other stakeholders with thorough, risk-based information about the expected course and variability of future pension contribution requirements

Business Plan Initiatives
Enhance Employer Disclosures in Valuation – Improve information provided in actuarial valuation reports by adding prefunding options, projected rates and the normal cost by benefit formula in the annual valuations for June 30, 2013, and June 30, 2014 (December 2015)
Explore Asset Allocation Options for Employers – Conduct a feasibility study for multiple asset allocation options to assist employers in taking a more active role in managing investment risk (June 2016)

Strategic Initiative – Expand member and employer access to information regarding the cost and quality of health care and ways to impact those trends

Business Plan Initiatives
Employer Health Benefits – Assess the desire of contracting agencies for CalPERS to offer a more flexible health benefit design in order to attract and retain public agencies and school systems (June 2015)
California Employers’ Retiree Benefit Trust Fund Growth Strategies – Develop and implement strategies to sustain the growth of the California Employers’ Retiree Benefit Trust fund and enhance the delivery of service to our employers (June 2015)



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

Strategic Initiative – Provide existing and prospective Long-Term Care Program policy holders with premium and other information to improve decision making

Business Plan Initiative

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)

Desired Outcomes

- Provide employers and stakeholders with additional disclosure information to further enable them to make informed decisions about retirement
- Improved presence, voice and information sharing with stakeholder groups
- Expand employer retiree healthcare funding through the California Employers' Retiree Benefit Trust
- Reduced incidence of disease and unwarranted care to improve health cost trends
- Increased number of covered lives



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

Strategic Objective – Deliver target risk-adjusted investment returns

Strategic Initiative – Implement programs and initiatives that improve investment performance and ensure effective systems, operations and controls are in place

Business Plan Initiatives
Investment Performance – Utilize asset class benchmarks to maximize their alignment with the CalPERS investment objectives (June 2016)
Cost Effectiveness – Improve cost effectiveness of the investment program to increase net returns on assets (June 2016)
Organization, Systems and Controls – Design, develop and implement a target operating model for the Investment Office that minimizes complexity, improves transparency and strengthens processes, systems, governance and controls with continued focus on portfolio management tools, performance management and operational risk mitigation (June 2016)
Emerging Manager Programs – Implement the CalPERS five-year plan to provide opportunities for participation of emerging investment managers across the Investment Office (June 2016)
Environmental, Social, Governance (ESG) Investment Strategy – Integrate relevant ESG risk considerations into investment decision making, investment manager expectations, corporate engagement and regulations for investor protection to achieve effective management of three forms of capital: financial, physical and human (June 2016)

Desired Outcomes

- Deliver target risk-adjusted investment performance at the total fund level and in each asset class
- Increased operational efficiencies and cost effectiveness for investments
- Enhanced integrity and analysis of investment office data
- A culture that proactively identifies and acts to manage risk exposure



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

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

Strategic Initiative – Implement new approaches and expand efforts already proven to reduce health care costs and improve health outcomes, including changing how we contract with health plans

Business Plan Initiative

Population Health Management – Standardize health plans’ approach to population health management across the continuum of care for active and retired members (June 2015)

Desired Outcomes

- Strong health information technology infrastructure and sustainability of health programs
- Reduced incidence of disease and unwarranted care to improve health cost trends

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

Strategic Initiative – Establish partnerships that focus on increasing public and private sector focus on wellness

Business Plan Initiative

Employer Wellness Partnerships – Continue partnership with SEIU Local 1000, California State Controller’s Office, California State Treasurer’s Office and California Department of Human Resources to implement the Worksite Wellness pilot project and motivate employers to encourage wellness for members (June 2015)

Strategic Initiative – Develop and administer an independent wellness platform that ensures the active engagement of employees and employers

Business Plan Initiative

Employer Wellness Platform – Identify, evaluate and recommend a comprehensive wellness strategy that appropriately engages employees and employers in improving member health status (December 2014)

Desired Outcome

- Reduced incidence of disease and unwarranted care to improve health cost trends



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

Strategic Initiative – Adopt methodologies that empower staff to quickly test, vet and refine ideas that improve internal and external performance and service

Business Plan Initiatives

Enterprise Content Management – Implement an Enterprise Content Management system to centralize enterprise content (documents, web content, electronic media), improve the Intranet organization and searchability of content and establish governance process to improve Intranet usability (December 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 2016)

Desired Outcomes

- Enhanced consistency and quality of communication between divisions
- Improved operational efficiencies



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

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

Strategic Initiative – Promote the use of business intelligence throughout the organization to optimize customer service and delivery

Business Plan Initiative

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)

Strategic Initiative – Enhance business processes to achieve high-quality, timely, effective and efficient customer service delivery to our members and employers

Business Plan Initiative

Service Delivery Transformation – Enhance the customer experience by improving customer access, effectiveness and quality of our services through process improvements, people and the optimization of technology (June 2016)

Desired Outcomes

- Improved access to accurate CalPERS data and information to enhance customer service
- Increased utilization of self-service capabilities
- Improved access, effectiveness and quality in core business processes and service delivery
- Increased customer satisfaction
- Timely customer service
- Improve customer understanding and knowledge of CalPERS benefits and services



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

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

Strategic Initiative – Develop and implement a comprehensive talent management strategy that includes recruitment, knowledge transfer, succession planning, and a methodology to regularly gauge employee satisfaction

Business Plan Initiatives
Workforce Investment, Knowledge Transfer and Consultant Reductions – Develop and enhance the CalPERS workforce and reduce the reliance on third party consultants by recruiting skilled staff, increasing retention, improving processes and providing staff with training and knowledge transfer opportunities (June 2016)
Workforce Strategic Plan Implementation – Continue implementation of the five-year Strategic Workforce Plan to incorporate succession planning, recruitment outreach and marketing, Supervisory Skills Enhancement and talent management strategies that focus on role clarity, accountability and support diversity and inclusion (June 2016)
Compensation Policy Review – Conduct a comprehensive review of all compensation programs and policies governed by the CalPERS Board of Administration including all Executives, Senior Managers designated in a Career Executive Assignment, and select investment staff to ensure the Boards’ policies, philosophy and rationale remain appropriate and relevant (June 2015)

Desired Outcomes

- Effective transition of consultant services to staff, to reduce future costs and provide organizational expertise
- Continuous development of supervisory and leadership talents
- An enterprise-wide strategic recruitment outreach approach
- Increased role clarity and accountability
- A high-performance and healthy organization and culture



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

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

Strategic Initiative – Develop a robust risk-intelligent culture through enhanced governance, risk assessment and mitigation, and collaboration with stakeholders

Business Plan Initiatives
Information Security Roadmap – Implement risk mitigation strategies to enhance management of security events, access to information and data loss prevention to safeguard information assets (June 2016)
Strategic Risk Measures – Create a direct link between the organization’s strategic measures and the enterprise top risks using key risk indicators to enhance risk-informed decision making and achievement of strategic goals (June 2015)
Participating Employer Financial Hardship / Insolvency – Develop and implement a strategy to protect the system and mitigate risks resulting from participating employer financial hardship or insolvency (June 2015)
Strategic Measures – Develop and implement strategic measures that utilize business intelligence tools to evaluate enterprise results and assess effectiveness of the CalPERS 2012-17 Strategic Plan; and to assist with the long-term strategic decision making and planning process (December 2014)
Financial Office Strategic Transformation – Develop and implement improved processes and data integrity, and improve policy management throughout the entire Financial Office (June 2016)
Treasury Management – Develop and implement enterprise treasury management function to enhance cash controls, cash integrity and liquidity management (June 2016)

Desired Outcomes

- Improved security of CalPERS information assets
- Improved monitoring and oversight of information security
- Increased efficiency in managing information security
- Increased protection against fraud, waste and abuse
- Reduced exposure to legal liability
- Support effective governance of CalPERS
- Timely and accurate management financial reports, improved business processes and centralized policy management
- Preserve the soundness and integrity of the pension system



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

Strategic Initiative – Establish principles and beliefs to guide public policy engagement by the System

Business Plan Initiatives

Financial Market Reform Principles – Develop financial market reform principles to influence global legislative and regulatory engagement and policy development (June 2015)

Investment and Pension Beliefs Communication Strategies – Develop and execute external communication and outreach strategies that foster a greater understanding of investment and pension beliefs, promote policy leadership, and strengthens confidence in CalPERS among key stakeholders (June 2016)

Desired Outcomes

- Increased engagement with policymakers on retirement issues
- Improved presence, voice and information sharing with stakeholder groups
- Increased usage of CalPERS messages and materials



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

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

Strategic Initiative – Develop new strategic partnerships with academic institutions, governmental organizations, non-profits, the financial sector and the California business community

Business Plan Initiative

Strategic Partnerships – Develop relationships with academia, California business community and financial industry partners, through thought leadership activities and events, such as collaborating with the National Association of Corporate Directors, the Investment Equity Finance Conference for international Chief Financial Officers and partnering with the University of California, Berkeley on a value based pricing design program analysis, to support the effectiveness of our retirement, health and investment programs (June 2015)

Strategic Initiative – Develop a series of thought leadership initiatives that promote CalPERS priorities and policies

Business Plan Initiative

Thought Leadership – Identify, evaluate and as appropriate, conduct research initiatives including a defined contribution pilot project, evaluation of the economic impact of benefit payments and longitudinal analysis to CalPERS retirement data. This information will enhance the development of our retirement and health care policy (June 2015)

Strategic Initiative – Elevate the profile of CalPERS Board of Administration and Executive Leadership through strategic involvement at industry and stakeholder events

Business Plan Initiative

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

Desired Outcomes

- Increased engagement with policymakers on retirement issues
- Increased usage of CalPERS messages and materials
- Increased Board and Executive involvement with media and pension industry conferences
- Recognized leadership in health care industry



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July 2014

CalPERS Executive Leadership Competencies

The CalPERS Executive Leadership team will exemplify these essential attributes and competencies in working together to achieve the strategic objectives of the organization while cultivating a risk intelligent culture:

Ethics and Integrity

- Exhibits ethical, honest and professional behavior at all time with all staff, customers, and stakeholders
- Chooses the right course of action, even in the face of opposition or influence
- Takes responsibility for own actions and for those of the group, team or organization
- Exemplifies the CalPERS core values of quality, respect, integrity, openness, accountability and balance

Building Coalitions

- Develops networks and builds alliances; collaborates with customers and stakeholders to build strategic relationships and address needs
- Creates and manages a positive perception of the organization and its programs and services
- Performs effectively in an open public setting and serves as a trusted advisor and educator to customers and stakeholders
- Builds relationships of trust, confidence, and respect with members of the Board
- Works effectively with the Board to develop and manage strategic initiatives that accomplish objectives and meet CalPERS fiduciary responsibility

Leading People

- Fosters an inclusive workplace that values diversity and respects and recognizes individual contributions
- Promotes continuous learning and the development of self and others to achieve maximum potential
- Fosters and maintains cooperative and productive relationships across all levels and functions
- Seeks to understand concerns, emotions, feelings, and differing viewpoints to resolve conflicts constructively
- Inspires commitment, pride and trust by modeling CalPERS core values
- Applies broad and extensive Executive/senior level management experience to establish and achieve strategic goals

Leading Change

- Formulates strategic goals and objectives and implements plans consistent with CalPERS long-term interests
- Builds a shared vision and influences others to translate vision into action
- Encourages new ideas and innovation; designs and implements new or cutting edge programs/processes
- Demonstrates maturity, resiliency and sound judgment when dealing with organizational challenges
- Cultivates a risk intelligent culture, and assesses and mitigates risk when making decisions or recommending organizational strategies and tactics

Results Driven

- Recognizes when a decision must be made and acts in a thoughtful and timely manner
- Makes decisions that produce high quality results by applying technical knowledge, analyzing problems and calculating risks
- Deals effectively with ambiguity and learns from success and failure
- Anticipates and meets the needs of both internal and external customers; delivers high-quality products and services
- Understands and ensures appropriate application of principles, strategies, requirements, regulations, and policies related to pension administration, health benefit purchasing and administration, financial markets and institutional investment programs

Business Acumen

- Strategically manages human, financial/investment, material and information resources and assets
- Understands the organization's financial processes and effectively manages program budgets using cost-benefit thinking to set priorities and achieve results
- Builds and manages the workforce based on organizational goals, budget considerations, and staffing needs
- Keeps up-to-date on technological developments and effectively uses technology to achieve results

CalPERS Executive Leadership Competencies

The CalPERS Executive Leadership team will exemplify these essential attributes and competencies in working together to achieve the strategic objectives of the organization while cultivating a risk intelligent culture:

