



Agenda Item 7a

February 17, 2016

ITEM NAME: 2015-17 Business Plan Mid-Year Update

PROGRAM: Enterprise

ITEM TYPE: Information

EXECUTIVE SUMMARY

This agenda item consists of the Mid-Year Status Report for the CalPERS 2015-17 Business Plan. The report reflects each business plan initiative status, upcoming activities and recent accomplishments as of December 31, 2015.

STRATEGIC PLAN

The CalPERS 2015-17 Business Plan identifies the initiatives required to achieve the goals of the CalPERS 2012-17 Strategic Plan.

BACKGROUND

The CalPERS 2015-17 Business Plan describes the initiatives staff will undertake to support the organization's three Strategic Goals:

- **Goal A:** Improve long-term pension and health benefit sustainability
- **Goal B:** Cultivate a high-performing, risk-intelligent and innovative organization
- **Goal C:** Engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs

ANALYSIS

The plan builds on the progress made over the past three and a half years since adopting the CalPERS Strategic Plan in 2012. We continued the two-year planning cycle, which includes an annual refresh process, to help align business planning with the CalPERS budget process and long-term Strategic Goals of the organization. We are introducing a new look and format to the attached summary reports. We have also revised several Business Plan initiative titles to better describe the intent of the initiative.

The mid-year status report includes the following:

- High-level summary that provides the status of all initiatives (Attachment 1)
- Individual status reports for all business plan initiatives (Attachment 2)

Business Plan Initiatives completed by December 31, 2015:

- Medicare-Only Health Contracting Alternatives (completed early – December 2015)

Business Plan initiatives reported deferred or at risk:

- Compensation Policy Review – *At Risk*
- Health and Wellness Platform – *Deferred*
- Contracting Agency Outreach and Health Data Sharing – *Deferred*
- Participating Employer Financial Hardship/Insolvency – *Deferred*

Identifying initiatives “at risk” allows staff to communicate events, conditions or challenges that could impact the successful completion of the initiative. The goal is to ensure transparency and engage discussion among the Executive team and the Board. Staff will also outline mitigation activities if appropriate.

Reporting initiatives “deferred” reflect a change in direction from the Board and the Executive team due to changes caused by internal or external factors that require CalPERS to stop work related to a specific initiative.

All remaining initiatives are on track and on schedule – please refer to Attachment 2 for additional details.

BUDGET AND FISCAL IMPACTS

Resources for the CalPERS 2015-17 Business Plan initiatives are being funded by existing internal resources, or funds that were requested through the annual budget planning process.

BENEFITS/RISKS

The CalPERS 2015-17 Business Plan is aligned with the CalPERS 2012-17 Strategic Plan. The alignment of operational activities with 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.

Competing organizational priorities and staff resources may be identified as key risks that could potentially impact the completion of some initiatives by the planned completion dates.

ATTACHMENTS

Attachment 1 – Status Summary for all CalPERS 2015-17 Business Plan Initiatives

Attachment 2 – Individual Status Reports for all CalPERS 2015-17 Business Plan Initiatives

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