



Finance and Administration Committee Agenda Item 6b

March 15, 2016

Item Name: CalPERS 2016-17 Business Plan (Second Reading)

Program: Enterprise

Item Type: Action

Recommendation

Approve the 2016-17 Business Plan.

Executive Summary

This agenda item contains the second reading of the CalPERS 2016-17 Business Plan and is presented to the Finance & Administration Committee for review and approval.

Strategic Plan

The CalPERS 2016-17 Business Plan supports all three goals of the CalPERS 2012-17 Strategic Plan by identifying initiatives designed to achieve the goals.

Background

The 2016-17 Business Plan describes the initiatives that staff will undertake to support the three goals from the 2012-17 Strategic Plan:

- 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 2016-17 Business Plan will guide the work of the organization during the final year of the 2012-17 Strategic Plan. The Business Plan contains 30 initiatives:

- 16 new initiatives, and
- 14 in-progress initiatives from the 2015-17 Business Plan

All of the initiatives are listed in Attachment 1. One new initiative under Goal A was not included in the first reading of this Plan:

- Promote Access to High-Value Health Care Services: Explore the feasibility to introduce incentives to promote access to quality and preventive services, increase treatment adherence, and adopt healthy behaviors

The 2016-17 Business Plan will support the organization's three strategic goals by sharpening organizational focus, sustaining the pension and health programs, enhancing customer service, and advancing policy development. The 2012-17 Strategic Plan Implementation Overview (Attachment 2) provides an overview of completed, new, and in-progress initiatives that have been undertaken since the 2012-17 Strategic Plans' adoption.

The 2016-17 Business Plan uses a one-year planning cycle so it will align with the current Strategic Plan, which also ends in 2017. We will return to a two-year planning cycle with the following Business Plan, which will align with the 2017-22 Strategic Plan.

Budget and Fiscal Impacts

Resources for the CalPERS 2016-17 Business Plan initiatives are being funded by existing internal resources, or funds that were requested through the annual budget planning process.

Benefits and Risks

The CalPERS 2016-17 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 – CalPERS 2016-17 Business Plan Initiatives

Attachment 2 – CalPERS 2012-17 Strategic Plan Implementation Overview

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