

Adopt an Asset Liability Management - Risk Mitigation Strategy

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

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

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

Initiative Description

Create a risk mitigation strategy to encourage additional employer contributions, develop de-risking policy, and explore the feasibility of asset allocations options.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> Draft Asset Allocation policy may not be approved at Finance and Administration Committee meeting. 	<ul style="list-style-type: none"> n/a

Deliverables and Completed Activities

- Panel/Roundtable discussion with Board and Stakeholders regarding pension funding risk mitigation strategy. (August 2015)
- Present an update on pension funding risk mitigation strategy to the Board. (September 2015)
- Present Asset Allocation Choice Feasibility Study Review to the Board. (September 2015)
- Receive Board approval on pension funding risk mitigation strategy. (November 2015)
- Present annual Pension Funding Level and Risk Report to the Board. (November 2015)
- Develop implementation procedures and timeline for Risk Mitigation Policy. (June 2016)

Note: Previous initiative title: Asset Liability Management - Risk Mitigation Strategy

Start date:	July 2015
End date:	June 2017*
Status:	Completed
*Initiative completed in June 2016	

Enhance Capital Allocation Framework

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

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

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

Initiative Description

Enhance the Capital Allocation framework through improved risk factor modeling and greater understanding of trust-level investment risk and performance attribution.

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Evaluate the roles, uses, and implications of CalPERS' policy benchmarks. (June 2016)
- This initiative deliverable will be revised and included on the 2016-17 Business Plan.
 - Milestone: A presentation to the Trust-Level Risk and Attribution Subcommittee and Investment Strategy Group (ISG) on asset segments' contributions to risk and performance attributes was completed in June and presented to the Investment Committee at the Board Offsite in July 2016.
- Articulate goals for the structure of the Total Fund through the development of priorities. (June 2016)
- Elevate ISG's understanding of Trust-level investment risk and performance attribution, as well as the risk and performance impact of rebalancing or tactical asset class shifts. (June 2016)

FY 2015-16

- Developed roles and responsibilities, identified decision authorities for the Investment Strategy Group and its related subcommittees, and began developing and finalizing charters, memberships, deliverables, and timelines for each subcommittee.

FY 2014-15

- Introduced the Portfolio Priorities Project to the Investment Committee at the January Board offsite. (January 2015)
- The Board adopted proposed revisions to both the Statement of Investment Policy and the CalPERS Total Fund Investment Policy. (June 2015)
- To support the Investment Committee in its oversight capacity, staff presented Terminated Agency Pool (TAP) findings and analysis to the Investment Committee. (December 2014)

Note: Previous initiative titles: Capital Allocation and Asset Allocation

Start date:	July 2014
End date:	June 2017
Status:	On track

Investment Risk Management and Performance Attribution

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

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

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

Initiative Description

Build effective risk review and decision processes within and across asset classes to ensure risks are fully understood, intended, and compensated.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Start date:	July 2012
End date:	June 2017
Status:	On track

Deliverables and Completed Activities

- Partner with ACTO and consultants to identify, model and analyze risk factors driving assets and liabilities. (June 2017)
 - o Milestone: Completed and delivered the Risk Factor presentation at the Board Offsite in July 2016.
- Provide timely, standard analytic reports and analyses that accurately measures performance, risks, and exposures. (June 2017)
 - o Milestone: Completed comprehensive program reviews that measure and communicate performance, risks, and exposures from a total fund perspective.

FY 2015-16

- Further refined the Public Employees’ Retirement Fund (PERF) Total Fund Liquidity Cash Flow Forecasting data model.
- Completed second Global Fixed Income program review and began Private Equity program review work stream. Design and execution of program reviews is to measure and communicate performance, risks and exposures from a total fund perspective, within and across asset classes, to report to the Investment Strategy Group.

FY 2014-15

- Staff completed evaluation of trend analysis included in the Value at Risk reporting on the monthly Risk Report to the Investment Committee.
- Staff presented Asset Allocation targets to the Investment Committee and received approval to change the liquidity target.

FY 2013-14

- Enhanced and reformatted Investment Committee reporting package.

FY 2012-13

- Hired SIO for Asset Allocation and Risk Management.

Note: Previous initiative title: Investment Risk Management

Sustain the Growth of the California Employers’ Retiree Benefit Trust (CERBT) Fund and Improve Service to Our Employers

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

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

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

Initiative Description

Develop and implement strategies to sustain the growth of the CERBT fund and enhance the delivery of service to our employers.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Deliverables and Completed Activities

- Utilize market analytics to begin current year marketing and retention strategies. (August 2015)
- Complete CERBT employer retention workshop schedule for fall. (October 2015)
- Complete CERBT employer retention workshop schedule for spring. (May 2016)
- Complete all marketing and retention activities. (June 2016)

FY 2014-15

- Developed retention and marketing databases.
- Completed archiving project.

Note: Previous initiative title: California Employers’ Retiree Benefit Trust (CERBT) Fund Growth Strategies

Start date:	July 2014
End date:	June 2017*
Status:	Completed

*Initiative completed in June 2016

Complete Pilot to Improve Long-Term Care Hospital Transition Care for Senior Members

Strategic Goal A: Improve long-term pension and health benefit sustainability
Objective: Educate employers and other stakeholders to make informed decisions about retirement security and health care
Initiative: Provide existing and prospective Long-Term Care Program policy holders with premium and other information to improve decision making

Initiative Description

Assess the specialized hospital transition care management program to improve quality and reduce hospital readmissions for Preferred Provider Organization Health Plan members with Long-Term Care policies.

Start date:	June 2015
End date:	September 2016
Status:	On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Pilot participant engagement and outreach. (July 2015)
- LTCG, Inc. and AccentCare to provide participant utilization and satisfaction survey reports. (May – July 2016)
- Based upon report findings, conduct pilot evaluation and develop a report to determine if the Long-Term Transitional Care program will be implemented. (September 2016)

Note: Previous initiative title: Improve Hospital Transition Care for Senior Members Through the Long-Term Care Transitional Care Pilot

Enhance Business Effectiveness, Resource Allocation, and Efficiency of Investment Programs

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

Objective: Deliver target risk-adjusted investment returns

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

Initiative Description

Enhance cost effectiveness, resource allocation, and efficiency of the investment program to increase net returns on assets.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Deliverables and Completed Activities

- Develop and implement integrated processes to manage out designated private equity, real estate, public equity, and hedge fund legacy assets. (June 2016)
- Explore and propose governance and protocols to improve efficiencies in the manager selection and monitoring process, including a centralized model. (June 2016)
- Develop and release the Master Custodian Request for Proposal. (June 2016)

FY 2015-16

- Identified and implemented key monitoring metrics for entire Legacy Portfolio, including: current and projected Net Asset Value (NAV), risk-adjusted return, horizon to realization, path to realization, and liquidation rights.
- Developed Manager Monitoring Decision Matrix to assist in the post-selection process of monitoring overall manager performance.

FY 2014-15

- Updated the initial Investment Office FY 2014-15 cost savings to \$217 million.
- Developed the implementation plan for Phase One of the Expense Recognition Project.

Note: Previous initiative titles: Business Effectiveness and Cost Effectiveness

Start date:	July 2015
End date:	June 2017
Status:	On track

Enhance Investment Platform and Controls

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

Objective: Deliver target risk-adjusted investment returns

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

Initiative Description

Enhance the investment platform and internal controls environment to achieve optimum efficiency.

Start date: July 2015

End date: June 2017

Status: On Track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Explore, evaluate, and propose improvements to governance, organization, oversight, and protocols. (June 2016)
 - Remaining work for this initiative deliverable has transitioned to core workload.
 - Milestone: Completed transition of equity currency execution responsibilities, integrated risk oversight, and continued exploration of multi-asset technology solutions.
- Through a pilot in Global Equity, begin the expansion of Artemis, a system used for processing cash flows, rebalancing, and communicating trades, from Affiliate Funds to the PERF. (June 2016)
 - This initiative deliverable will be revised and included on the 2016-17 Business Plan.
 - Milestone: Completed fit/gap analysis deliverable and presented findings to the Investment Office Operation Committee.
- Establish the core capabilities and a governance/architecture model to manage investment data. (June 2017)
 - Milestone: Developed data governance policies with process workflows for selected high priority data domains.
- Complete Phase 1 of an integrated solution that incorporates a Portfolio Management System and Accounting and Data Services for Private Equity. (June 2017)
 - Milestone: Completed core release 2B application build and system testing and began user testing and system training.

FY 2015-16

- Private Equity Portfolio Management Accounting & Data Services (PEARS) went live with Release 1 in October 2015.
- To improve efficiencies and execution controls across securities, derivatives, and lending and currency markets, staff finalized the Execution Services Strategy (ESS) staffing and resourcing plan.

Note: Previous initiative title: Investment Platform and Controls

Investment Beliefs and Environmental, Social, and Governance (ESG) Risk Integration

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

Objective: Deliver target risk-adjusted investment returns

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

Initiative Description

Integrate the CalPERS Investment Beliefs and ESG risk considerations within and across all investment programs to guide investment policy, decision making, and manager expectations.

Start date:	July 2015
End date:	June 2017
Status:	On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Assess the integration to date of the Investment Beliefs. (June 2016)
- Conduct research on the integration of ESG tools and analytics into the investment decision-making process. (June 2017)
 - Milestone: Delivered results including detailed analysis and categorization of papers most relevant to CalPERS from the Sustainable Investment Research Initiative (SIRI) refresh to the Governance and Sustainability Subcommittee.
- Evaluate and establish criteria for commitment of new capital to emerging manager programs as documented in the Emerging Manager Five-Year Plan. (June 2017)
 - Milestones: Presented the updated Year-Over-Year External Manager Exposure Chart to the Investment Committee in June 2016 and strengthened CalPERS presence in emerging manager networks by attending various stakeholder conferences and events.

FY 2015-16

- Facilitated the Towers Watson Investment Beliefs Implementation presentation at the July 2015 Board offsite. The purpose of the presentation was to explore and obtain Board feedback on how beliefs can be best mapped to the investment framework and aligned policies.
- Developed and received Investment Committee approval on the Year Three Annual Report to the Legislature on the progress of the Emerging Manager Five-Year Plan, which provides a strategic framework to guide CalPERS investments and engagement with emerging investment managers.

Note: Previous initiative title: Investment Beliefs and Environmental, Social, and Governance (ESG) Risk

Health and Wellness Platform

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

Objective: Create a lifestyle of wellness among members and employers

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

Initiative Description

Develop and implement a statewide wellness platform to engage employees, employers, and retirees in improving member health.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Note: In November 2015, the Board directed that this initiative not be continued at this time due to the delay of the Excise Tax.

Start date:	July 2015
Status:	Deferred

Contracting Agency Outreach and Health Data Sharing

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

Objective: Ensure high-quality, accessible, and affordable health benefits

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

Initiative Description

Engage employers in Health Policy discussions and identify ability to share health data with employers to develop workplace health improvement strategies.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Note: Initiative deferred because additional resources to support the added workload were not approved in the Budget Change Proposal process.

Start date:	July 2015
Status:	Deferred

Medicare-Only Health Contracting Alternatives

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

Objective: Ensure high-quality, accessible, and affordable health benefits

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

Initiative Description

Explore feasibility of simplifying Medicare Advantage contract and, if directed by the Board, implement changes.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Deliverables and Completed Activities

- Receive Board approval of single non-Kaiser Medicare Advantage Plan. (July 2015)
- Develop Open Enrollment materials, implementation, and communication plans. (September 2015)
- Present information to impacted stakeholders. (December 2015)

Start date:	July 2015
End date:	January 2016
Status:	Completed

Enterprise Internal Innovation

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

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

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

Initiative Description

Develop and implement a responsive innovation program that will inspire staff to share innovative ideas and solutions that improve performance and service.

Start date:	July 2012
End date:	June 2016
Status:	Completed

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- EII program design pilots. (September 2015)
- EII Enterprise-wide Implementation Plan. (October 2015)
- EII program officially branded as "Idea Factory." (December 2015)
- Enterprise-wide educational workshops. (January 2016)
- Implement the Idea Factory enterprise-wide. (June 2016)
- EII Communication Plan. (June 2016)

FY 2014-15

- Launched end-to-end EII Program test.
- Provided project communications to engage key business partners throughout the enterprise.

FY 2013-14

- Developed Enterprise Internal Innovation Program Description and EII Program Implementation Roadmap.
- Finalized employee-driven innovation strategy development and submitted strategies and tactics for Executive review.

FY 2012-13

- Conducted research of best practices for public and private organizations which excel at Innovation.
- Recruited enterprise team to develop definitions, designs, and propose options to Executive Owner.

Complete Cost Effectiveness Measurement (CEM) Evaluation and Identify Enhancements

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

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

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

Initiative Description

Evaluate and analyze CEM Benchmarking reporting data to identify the feasibility of pension administration cost savings and performance improvements.

Start date:	July 2015
End date:	June 2017
Status:	On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Analyze 2013-14 CEM report and provide update to Executive team and CalPERS Board. (October 2015)
- Develop and implement effective CEM data collection process and methodology to improve timeliness and accuracy of CEM data. (November 2015)
- Implement target improvement activities to increase our CEM customer service score. (June 2016)

Note: Previous initiative title: Cost Effectiveness Measurement (CEM) Evaluation

Improve the Use of Data to Drive Business Insights

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

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

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

Initiative Description

Enhance end-to-end services through the use of business intelligence by enhancing enterprise research, innovation, and organizational performance.

Start date:	July 2012
End date:	June 2017
Status:	On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Develop BI Request Management process. (September 2015)
- Develop comprehensive Queries/Extracts catalog to provide the foundation for future extracts. (December 2015)
- Establish BI training plan. (June 2016)

FY 2014-15

- Drafted a charter for and launched the Business Intelligence Competency Center (BICC).
- Developed BI priorities and BI Request Process.

FY 2013-14

- Completed project plan, charter and communication plan for BI governance infrastructure project.
- Developed and documented draft processes to ensure appropriate access to and quality of BI data.
- Developed communication plan.

FY 2012-13

- Developed strategic dashboard.
- Enhanced tactical reports and ability to access them.

Note: Previous initiative title: End-to-End Business Intelligence

Implement Digital Communication Strategy

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

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

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

Initiative Description

Develop and implement a strategy to enhance digital communications capabilities to support outreach and communication to members, employers, and other stakeholders.

Initiative Risk(s)

- Staff resources.

Mitigation(s)

- Reprioritize assignments.

Deliverables

- Develop a Digital Communications Strategic Plan to enhance outreach and communication. This includes launching an internal Digital Communications Toolkit (connectED) to enhance CalPERS' staff understanding of communications literacy in the digital age. (February 2016)
- Provide Board and Executive social media training. (June 2016)

Note: Previous initiative title: Digital Communications

Start date:	July 2015
End date:	June 2017
Status:	On track

Customer Service Optimization Strategies

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

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

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

Initiative Description

Implement strategies that strengthen operations and optimize customer service through enhanced functionality, compliance, and business process improvements.

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Implement two myCalPERS enhancements. (January 2016)
- Develop and implement two reasonability reports. (April 2016)
- Implement enhanced edits to data validation. (June 2016)
- Develop and implement accountability toolkit. (June 2016)
- Implement two additional myCalPERS enhancements and two new retirement Member Self-Service functionalities. (June 2016)

Note: Previous initiative title: Service Delivery Transformation

Start date: July 2015

End date: June 2017*

Status: Completed

*Initiative completed in June 2016

Customer Experience

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

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

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

Initiative Description

Implement strategies to increase customer feedback opportunities and advance the customer experience.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Deliverables and Completed Activities

- Develop and implement business process surveys. (December 2015)
- Implement correspondence writer's guide training course. (March 2016)
- Revise targeted publication content enhancements. (June 2016)
- Implement customer touch point improvements. (June 2016)
- Implement customer outreach product for three life/career events. (June 2016)

Note: Previous initiative title: Service Delivery Transformation

Start date:	July 2015
End date:	June 2017*
Status:	Completed

*Initiative completed in June 2016

Workforce Strategic Plan Implementation

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

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

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

Initiative Description

Continue implementation of the five-year Strategic Workforce Plan to administer the Organizational Health Index survey, develop and implement an Emerging Leader training program, and talent management strategies that focus on role clarity, accountability and support diversity and inclusion.

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Create a dedicated OHI Webpage on Inside CalPERS. (July 2015)
- Comprehensive OHI Communication Plan. (March 2016)
- 2016 OHI Survey. (June 2016)
- Complete feasibility concept paper for Emerging Leader. (December 2015)

FY 2014-15

- Executive Succession Planning: Initiated and completed the FY 2015-16 cycle of DEO succession planning and facilitated completion of DEO Executive Assessment Panels and CEO/CIO Readiness Assessments.
- Recruitment Outreach and Marketing: Attended career fairs and worked with Communications and Stakeholder Relations (CSR) to conduct a social media campaign “miniseries” and to film a third video for use at career fairs and outreach events.
- Supervisory Skills Enhancement: Delivered instructor-led and Web-based workshops on positive employee relations, performance management and coaching, and the hiring process.
- OHI: Introduced “Mentor Your Manager,” created an OHI page in Inside CalPERS, and created a Spark “Thanks” badge as a recognition tool for providing role clarity, etc.

FY 2013-14

- Executive Succession Planning: Completed Executive Assessment Panels for Executive succession candidates and working to establish Leader Development Plans.
- Informal Mentoring: Released five Informal Mentoring Conversation videos on Inside CalPERS and added language incorporating Informal Mentoring as a new performance factor on manager/supervisor evaluations.

Start date:	October 2013
End date:	June 2017*
Status:	Completed

*Initiative completed in June 2016

Note:

Workload associated with this initiative has transitioned to the 2016-17 Business Plan as the OHI and Emerging Leader initiatives.

Compensation Policy Review

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

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

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

Initiative Description

Implement recommendations from the Compensation Policy Review for 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 Board’s policies, philosophy, and rationale remain appropriate and relevant.

Initiative Risk(s)

- Without gaining clear direction and understanding in January of the Board’s expectations for Grant Thornton’s review of the compensation program, it will be difficult for the consultant to ensure that ongoing discussions and forthcoming recommendations will be relevant and address the needs of the program.

Mitigation(s)

- Work closely with Grant Thornton to ensure the consultants are well-versed in the history of the compensation program and ongoing concerns, in addition to ensuring the consultants meet with key stakeholders to obtain additional detail prior to the January Board Offsite.

Deliverables and Completed Activities

- Develop any recommendations which are approved by the Board of Administration. (June 2016)
- Provide periodic updates on status of projects. (June 2016)

FY 2014-15

- Staff coordinated with compensation consultant to deliver the Compensation Incentives and Best Practices Workshop at the Board Offsite.
- Staff recommended and received Board approval of a revision to the Executive Compensation Program policy to move to semiannual status reporting.
- Staff aligned the Board-approved changes to the Executive & Investment Management qualitative rating scale and semiannual reporting schedule to the Career Executive Assignment (CEA) Compensation Policy and delivered notification to impacted CEA staff.
- Staff delivered and facilitated the Executive Compensation Policies Review for Government Code 20098, CEA, and Investment Officer III Positions

Start date:	July 2014
End date:	June 2016*
Status:	On track

*Initiative continuing to the 2016-17 Business Plan

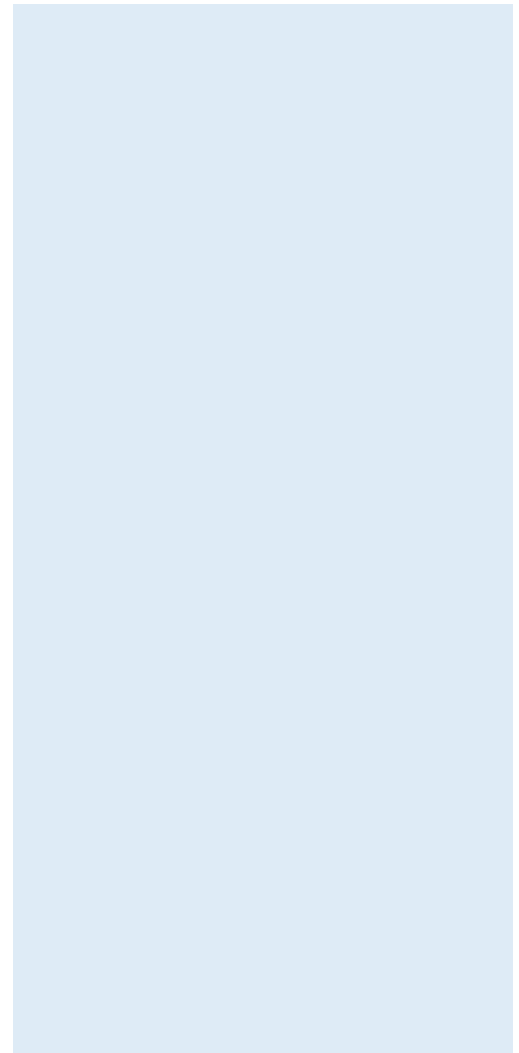
CalPERS 2015-17 Business Plan Initiative Year-End Report

September 2016

Workshop with the Board.

- Conducted an educational workshop for the Board of Administration on the Compensation Policy Review projects findings and recommendations.

Note: Previous initiative title: Compensation Policy Implementation



Workforce Investment, Knowledge Transfer, and Consultant Reductions

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

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

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

Initiative Description

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.

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Develop EPAD Personal Development Marketing Plan. (October 2015)
- Develop KT validation process (document) to ensure that KT contract deliverables are being managed and adhered to. (April 2016)
- Deploy Skills Repository Solution for three non-ITSB divisions. (June 2016)

FY 2014-15

- Participated the Joint Management Labor Committee and discussed collaborative workplace ideas, with a greater focus on career services and how this supports upward mobility for employees.
- Developed a Communication Plan that leverages existing training and professional development opportunities to promote workforce investment.

FY 2013-14

- Developed and implemented a communication plan to socialize Knowledge Transfer for Contract Managers, Division Chiefs, and impacted staff.
- Developed and implemented an on-site consultant tracking process and annual Knowledge Transfer Exception Tracking report for Executive Staff.
- Developed policy for pushing contract and procurement training to target audiences on an ad hoc basis.

FY 2012-13

- Created and posted Knowledge Transfer forms, reports, policies, procedures, and FAQs to a shared internal knowledge transfer website. The Human Resources Services Division developed an education plan.

Note: Previous initiative title: Knowledge Transfer, Insourcing, and Consultant Reduction

Start date:	July 2012
End date:	June 2016
Status:	Completed

Participating Employer Financial Hardship / Insolvency

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

Objective: Actively manage business risks with an enterprise-wide view

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

Initiative Description

Assess the impacts of participating employer bankruptcy cases and evaluate legislative and/or regulatory action to protect the System and mitigate risks.

Start date:	July 2013
Status:	Deferred

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Systematize the procedures for handling payment defaults or other non-performance by contracting agencies. (December 2015)
- Work with ACTO and FINO to clarify, systematize, and communicate the process for voluntary and involuntary termination of participation in the System by contracting agencies. (December 2015)
- Introduce amendments to Gov. Code §§20537 and 20572. (February 2016)
- Introduce amendments to Gov. Code §20574. (February 2016)

FY 2014-15

- Participated in hearings in the City of San Bernardino bankruptcy case.
- Finalized decision regarding legislative amendments, identified what form such legislation will take, and drafted proposed statutory amendments.
- Reviewed San Bernardino’s proposed plan of adjustment with attention to provisions of the plan that relate to CalPERS and pensions.

FY 2013-14

- Provided ongoing legal representation to the system in the San Bernardino and Stockton bankruptcy cases.
- Through mediation, successfully reached an agreement with the City of San Bernardino regarding various terms that will help form the basis for a plan of adjustment.
- Actively engaged with the City of Stockton in order to obtain a proposed plan of adjustment that does not impair pensions.

Note: At the direction of the Board, initiative activities related to legislative amendments have been deferred.

Treasury Management

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

Objective: Actively manage business risks with an enterprise-wide view

Initiative: Develop a robust risk-intelligent culture through enhance governance, risk assessment and mitigation, and collaboration with stakeholders

Initiative Description

Develop and implement enterprise treasury management function to enhance cash controls, cash integrity, and liquidity management.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Deliverables and Completed Activities

- Provide Finance & Administration Committee with Treasury Management Update. (September 2015)
- Prepare preliminary reports and analysis for Enterprise Treasury Team review and consideration. (December 2015)
- Complete technology assessment on current treasury management needs. (June 2016)

FY 2014-15

- Developed a current state assessment for the Treasury Management Program that describes cash and liquidity components for each Trust and determines criteria for different levels of cash based on availability and use.
- Developed policy for the Treasury Management Program, which was approved by the Board in March 2015.
- Finalized Key Performance Indicators (KPIs) for Board reporting and internal operational procedures by detailing the calculations, process of escalation, and roles and responsibilities associated with KPIs.
- Developed cash forecasts for all trusts, along with procedure documentation to ensure payment of member benefits and organizational obligations.

Start date:	July 2014
End date:	June 2016
Status:	Completed

Align Technology Planning to Business Priorities

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

Objective: Actively manage business risks with an enterprise-wide view

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

Initiative Description

Establish a comprehensive enterprise roadmap that aligns technology investments to business strategy and priorities.

Initiative Risk(s)

- Dependency on the 2017-22 CalPERS Strategic Plan and Business Plans.

Mitigation(s)

- Work closely with the Enterprise Strategy and Performance Division to align project timelines.

Deliverables and Completed Activities

- Draft enterprise strategy framework and present to the Senior Leadership Council and its subgroup. (October-December 2015)
- Draft current-state Enterprise Technology Roadmap. (October-December 2015)
- Strategic alignment of FY 15-16 IT projects and current applications. (April 2016)
- Strategic alignment of FY 16-17 IT Projects and current applications. (May 2016)
- Application portfolio assessment categorized by business value, technical condition and cost. (June 2016)
- Enterprise Technology Roadmap – “Future State” that aligns to the new Strategic Plan. (January 2017)
- IT Service Portfolio. (May 2017)
- ITSB Core Workload and Project Capacity Model. (June 2017)

Note: Previous initiative title: Business and Technology Alignment Roadmap

Start date:	July 2015
End date:	June 2017
Status:	On track

Enhance Internal Controls

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

Objective: Actively manage business risks with an enterprise-wide view

Initiative: Develop a robust risk-intelligent culture through enhance governance, risk assessment and mitigation, and collaboration with stakeholders

Initiative Description

Develop and implement improved processes and internal controls to improve financial policy management throughout the organization.

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a

Deliverables and Completed Activities

- Develop the 2015-17 Enterprise Compliance Plan. (June 2016)
- Present quarterly status updates to the Risk and Audit Committee. (June 2016)
- Develop financial policies and internal control framework to enhance budget, accounting, and expense management. (June 2016)

Start date:	July 2015
End date:	June 2016
Status:	Completed

Enhance Cyber Security Program

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

Objective: Actively manage business risks with an enterprise-wide view

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

Initiative Description

Implement risk mitigation strategies to enhance management of security events, access to information and data loss prevention to safeguard information assets.

Start date:	July 2012
End date:	June 2017
Status:	On track

Initiative Risk(s)

- New cyber security threats are discovered continually.
- Skilled and experienced cyber security staff are difficult to recruit and maintain.

Mitigation(s)

- The risks created by new cyber security risks are assessed and the projects focus is adjusted as necessary.
- Hire consultants to assist staff in implementing new solutions.
- Outsource or use cloud service providers for functions that cannot be supported by staff.

Deliverables and Completed Activities

- Complete project initiation and charter and create and baseline project plans, budgets, and resources for the Enterprise Identity System (EIS) wave 2 and Security Information Event Management (SIEM) phase 2. (October-December 2015)
- Procure, design, and install SIEM infrastructure. (March 2016)
- Implement self-service password reset capability. (July 2016)
- Implement cloud-based single sign-on for some high-value targets such as The Spark. (July 2016)

FY 2014-15

- Completed phase 3 of projects and developed recommendations for phase 4 projects.
- Initiated the SIEM project.

FY 2013-14

- Completed phase 2 of projects and presented the Enterprise Risk Dashboard to the Risk & Audit Committee.
- Expanded data loss prevention capabilities, completed eDiscovery implementation and staff training for public records act requests, and completed the Remote Access Assessment to safeguard CalPERS systems.

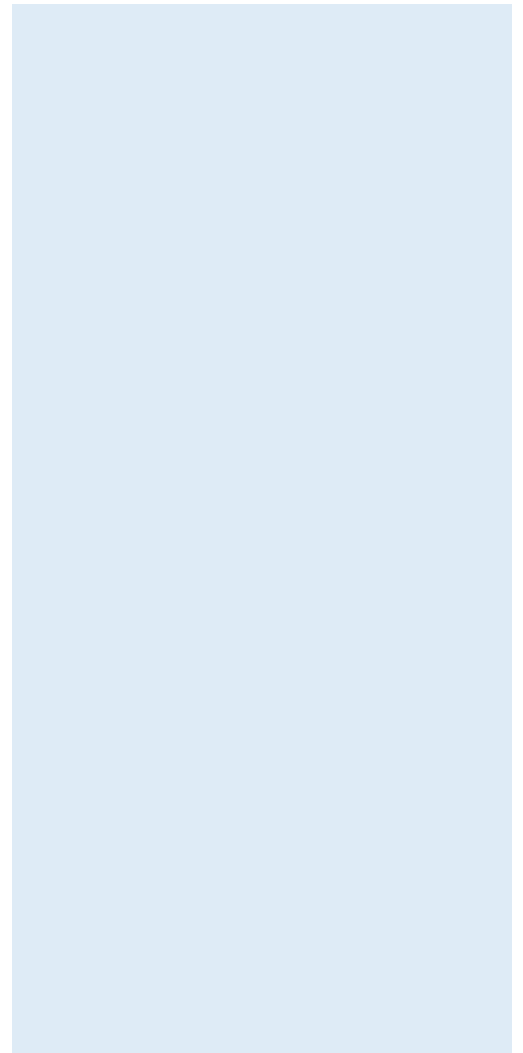
CalPERS 2015-17 Business Plan Initiative Year-End Report

September 2016

FY 2012-13

- Reassessed security risks to ensure focus on top priorities.

Note: Previous initiative titles: Information Security Roadmap and Technology Security Improvements



Leadership and Research Communication Strategies

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

Objective: Clarify and communicate CalPERS perspective on pension, health, and financial markets

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

Initiative Description

Develop and execute communication strategies to leverage CalPERS' leadership on key policy issues including Asset Liability Management, Environment, Social, and Governance, Retirement Security, investment and pension beliefs, and new research.

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables

- Develop key messages that will increase senior leadership's engagement, awareness, and agreement regarding selected issues. (December 2015)
- Develop a comprehensive communication plan and key strategies regarding pension, healthcare, and investment industry issues. (June 2016)
- Develop a comprehensive research plan and schedule. (June 2016)

Start date: July 2015

End date: June 2017*

Status: Completed

*Initiative completed in June 2016

Enhance External Partnerships

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

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

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

Initiative Description

Develop and execute strategies for creating relationships with key academic and industry partners to communicate our perspective on critical aspects of pension, health, and investment markets.

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables

- Host Global Chief Financial Officer Forum. (September 2015)
- Host Business Roundtable at CalPERS. (December 2016)
- Complete Executive Employer Visits initiative to engage with key employer stakeholder leaders. (June 2017)

Note: Previous initiative title: External Partnership Strategies

Start date:	July 2015
End date:	June 2017
Status:	On track

Financial Literacy

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

Objective: Provide Education and engagement opportunities to shape policy agenda and expand impact

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

Initiative Description

Develop a plan to enhance members' understanding of key concepts related to financial literacy and retirement security.

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Document best practices, existing CalPERS educational strategies, and tools. (December 2015)
- Document enhancements to existing CalPERS educational strategies and tools. (December 2015)
- Develop financial literacy plan. (June 2016)

Start date: July 2015

End date: June 2017*

Status: Completed

*Initiative completed in June 2016