



Finance and Administration Committee Agenda Item 8a

November 15, 2016

Item Name: CalPERS 2017-2022 Strategic Plan (First Reading)

Program: Enterprise

Item Type: Information

Executive Summary

This agenda item includes the proposed CalPERS 2017-22 Strategic Plan (first reading) for review and comment by the Finance and Administration Committee. The second reading of the CalPERS 2017-22 Strategic Plan will be presented for approval in December 2016.

Background

In February 2016, the Board and Executive Team began the process to develop our next Strategic Plan. The draft CalPERS 2017-22 Strategic Plan (Attachment 1) represents the culmination of a comprehensive process including Board and Executive workshops, environmental scan analysis, external stakeholder engagement, and outreach to CalPERS staff. Based on critical inputs and conversations with internal and external stakeholders, five key themes were developed related to; fund sustainability, health care affordability, reducing complexity, risk and talent management. These themes were used to develop the Strategic Goals. In addition, Staff prepared a Communication and Implementation Plan Timeline (Attachment 2).

Analysis

The 2017-22 Strategic Plan identifies five new goals for the Enterprise that focus on the following areas:

- Strengthening long-term sustainability of the pension fund
- Transforming health care purchasing and delivery to achieve affordability
- Reducing complexity across the enterprise
- Cultivating a risk-intelligent organization
- Promoting a high-performing and diverse workforce

These strategic goals are similar to the goals contained in our 2012-2017 Strategic Plan and will guide the organization and our work over the next five years.

New Vision and Mission statements were developed as an outcome of the June, July and September Board Workshops. We are very excited about these new vision and mission statements. And, when linked with our core values, they provide a full picture of who we are and what we stand for.

CalPERS' staff will continue to reach out to internal and external stakeholders, communicating the strategic direction and identifying opportunities to partner on items of shared interest.

Budget and Fiscal Impacts

Resources for the CalPERS 2017-22 Strategic Plan will be funded by redirecting existing internal resources or funds and will be requested through the annual budget planning process.

Benefits and Risks

The 2017-22 Strategic Plan will set a strategic direction for the enterprise for the next five years, assisting in the allocation of resources and communication of CalPERS' goals and objectives. The Plan is specifically designed to address the most significant risks and opportunities facing CalPERS, and will be regularly reviewed to respond to a changing environment.

Attachments

Attachment 1 – Draft 2017-22 Strategic Plan

Attachment 2 – Communication and Implementation Plan Timeline

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