














**CalPERS 2016-17 Business Plan**  
**Mid-Year Report – Initiative Summary**  
**July 1, 2016 – December 31, 2016**

Goal A   Improve long-term pension and health benefit sustainability	End Date	Status
<b>Investment Risk Management and Performance Attribution</b> – Build effective investment risk and performance attribution review and decision processes within and across asset classes to ensure risks are fully understood, intended, and compensated	June 2017	
<b>Risk Factor Development for Asset Liability Management</b> – Develop a model that identifies and analyzes risk factors driving assets and liabilities and explore the potential for risk factor-based allocation	June 2017	
<b>Redesign and Enhance the Actuarial Valuation System</b> – Redesign and enhance the Actuarial Valuation System to increase capabilities, streamline processes, and create a more robust valuation system	June 2017	
<b>Enhance Capital Allocation Framework</b> – Enhance the Capital Allocation framework through improved risk factor modeling and greater understanding and ownership of trust-level investment risk and performance	June 2017	
<b>Pension Rate Stabilization Prefunding Vehicle</b> – Explore alternatives and provide recommendations for establishing a pension rate stabilization prefunding vehicle	June 2017	
<b>Promote Access to High-Value Health Care Services</b> – Explore feasibility to introduce incentives to promote access to quality and preventive services, increase treatment adherence, and adopt healthy behaviors	June 2017	
<b>Provide Health Costs Education and Outreach</b> – Provide employers with aggregate views of health data to identify major health care costs and assess impacts	December 2016	
<b>Complete Pilot to Improve Long-Term Care Hospital Transition Care for Senior Members</b> – 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	September 2016	
<b>Investment Program Long-Term Planning</b> – Explore long-term planning considerations including private assets business model, talent management, and office locations	June 2017	
<b>External Manager Monitoring, Expectations, and Reduction Strategy</b> – Develop enhanced governance and protocols to improve efficiencies and controls in assessing and engaging external managers and migrating additional asset types in house	June 2017	
<b>Enhance Business Effectiveness, Resource Allocation, and Efficiency of Investment Programs</b> – Enhance cost effectiveness, resource allocation, and efficiency of the investment program to increase net returns on assets	June 2017	
<b>Enhance Investment Platform and Controls</b> – Enhance the investment platform and internal controls environment to achieve optimum efficiency	June 2017	
<b>Investment Beliefs and Environmental, Social, and Governance (ESG) Risk Integration</b> – Develop a framework for the integration of CalPERS Investment Beliefs and ESG risk considerations into the investment decision-making process	June 2017	

Status Key:  On Track  At Risk  Off Track  Completed  Deferred

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<b>Goal B   Cultivate a high-performing, risk-intelligent, and innovative organization</b>	<b>End Date</b>	<b>Status</b>
<b>Complete Cost Effectiveness Measurement (CEM) Evaluation and Identify Enhancements</b> – Evaluate and analyze 2014-15 CEM Benchmarking customer service reporting data to identify the feasibility of pension administration cost savings and performance improvements	June 2017	
<b>Improve the Use of Data to Drive Business Insights</b> – Provide self-service access and education to business intelligence data to support risk mitigation, planning, innovation, and organizational performance	June 2017	
<b>Capture Customer Feedback</b> – Utilize customer surveys to collect customer satisfaction data, and analyze the survey data to track and improve customer service	June 2017	
<b>Improve Customer Engagement and Communications</b> – Review core business processes and publications to enhance customer engagement and the overall end-to-end experience	June 2017	
<b>Implement Financial Literacy Education for Members</b> – Implement a plan to enhance members’ understanding of key concepts related to financial literacy through increased education and training	June 2017	
<b>Implement Digital Communication Strategy</b> – Enhance digital communications capabilities to support outreach and communication to members, employers, and other stakeholders	June 2017	
<b>Emerging Leader</b> – Develop and implement a journey-level training program to prepare non-supervisory employees for future leadership roles	December 2016	
<b>Organizational Health Index</b> – Assess the Organizational Health Index survey results and identify and address high priority improvements to CalPERS culture	June 2017	
<b>Expand Diversity Program</b> – Develop and begin implementing a plan to expand the Diversity and Inclusion Program to recruit and empower a broad range of talents to meet organizational priorities	June 2017	
<b>Compensation Policy Review</b> – Develop recommendations to the incentive compensation programs and policies governed by the CalPERS Board of Administration	June 2017	
<b>Master Enterprise Business Continuity Plan</b> – Update master Business Continuity Program that accounts for enterprise priorities and can be executed post a major disruption	December 2016	
<b>Align Technology Planning to Business Priorities</b> – Establish an approach to ensure technology planning aligns to business priorities	June 2017	
<b>Enhance Enterprise Compliance Capabilities</b> – Implement enhancements to enterprise compliance capabilities throughout the organization as described in the five-year compliance plan	June 2017	
<b>Enhance Cyber Security Program</b> – Implement risk mitigation strategies to enhance management of security events, access to information and data loss prevention to safeguard information assets	June 2017	

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Goal C   Engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs	End Date	Status
<b>Enhance External Partnerships</b> – Develop partnerships with industry experts, the business community, employers, and stakeholders on key policy issues to strengthen awareness and understanding of CalPERS long-term strategic priorities and goals, and forge solutions in the best interests of the system's members and employers	June 2017	
<b>Employer Excise Tax</b> – Assess appropriately the impacts of excise tax and execute an outreach plan that provides stakeholders information on the excise tax policy and other Affordable Care Act components	June 2017	

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