

Summary Initiative Status

This attachment contains a summary profile of each business plan initiative including initiative description, risks that impact the initiative from being completed as scheduled, mitigation strategies to those identified risks, deliverables, completed activities, and any comments regarding the initiative.

The CalPERS 2016-17 Business Plan consists of 29 initiatives. One initiative is reported as at risk and three initiatives have been completed. All remaining 25 initiatives are on track and scheduled to be completed on time.

Business Plan Initiatives Reported as Completed:

- Complete Pilot to Improve Long-Term Care Hospital Transition Care for Senior Members – Completed in September 2016
- Provide Health Costs Education and Outreach – Completed in December 2016
- Master Enterprise Business Continuity Plan – Completed in December 2016

Business Plan Initiative Reported as At Risk:

- Emerging Leader – The initiative was scheduled to be completed in December 2016. Deliverables through 2016 have been completed. Remaining deliverables are contingent upon funding approval.
- Redesign and Enhance the Actuarial Valuation System – The Actuarial Office has been able to successfully complete two project deliverables. Limited availability of key subject matter experts to support the Actuarial Valuation System Redesign and Enhance project may impact the project going forward. A formal budget request for backfill positions to address core workload has been submitted for the 2017-18 fiscal year and is awaiting approval.

Emerging Leader

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 implement a journey-level training program to prepare non-supervisory employees for future leadership roles

Initiative Risk(s)

- Approval of the 2017-18 Formal Budget Request

Mitigation(s)

- If funding is not approved, the project will discontinue. Resources and recommended training activities will be posted on the intranet for interested employees to seek their own development paths.

Deliverables and Completed Activities

- ☑ Secure enterprise support for the program and funding needs (August 2016)
- ☑ Secure funding approval from Executive Staff and FINO for staffing and curriculum development (August 2016)
- ☑ Develop communication and marketing plan to publicize the program and interest possible participants. (December 2016)

Start date: July 2016

End date: December 2016*

Status: At Risk

Deliverables due in 2016 have been completed. Deliverables due by June 2017 are on hold pending FBR approval.

Redesign and Enhance the Actuarial Valuation System

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

Redesign and enhance the Actuarial Valuation System to increase capabilities, streamline processes, and create a more robust valuation system

Initiative Risk(s)	Mitigation(s)
<ul style="list-style-type: none"> Business Capability – Limited availability of key subject matter experts to support the Actuarial Valuation System Redesign and Enhance (AVSRE) project. Alignment – Lacked clarity in operational units that support the functions and needs of AVSRE. Business Process and Rules Maturity – System knowledge is highly concentrated in key staff, with limited documentation or change control process. 	<ul style="list-style-type: none"> Business Capability – A formal budget request for backfill positions to address core workload has been submitted for the 2017-18 fiscal year and is awaiting approval. Alignment – Developed Vision Statement and Business Case to solidify the phased project roadmap. Collaborated with Information Technology Services Branch (ITSB) and a formal Governance Committee to ensure cross-operational needs are met. Business Process and Rules Maturity – Developed and documented an As-Is, To-Be process. Conducted knowledge transfer of the system to avoid this risk in the future.

Deliverables and Completed Activities

- Approve technical architecture structure (November 2016)
- Create the logical data model (January 2017)
- Revise my|CalPERS data extracts (June 2017)
- Implement the physical data model (new AVS database) (June 2017)

Start date:	July 2016
End date:	June 2017*
Status:	At Risk

**Multi-year initiative now scheduled to be completed in October 2018.*

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 investment risk and performance attribution review and decision processes within and across asset classes to ensure risks are fully understood, intended, and compensated

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Performance Reporting Process Review and Enhancements: Improve CalPERS' performance measurement and reporting processes to reduce risks and improve quality and timeliness (June 2017)
 - Document current state workflow and deliverables, develop future state rationalized team structure, and complete portfolio hierarchy closings/cleanups and develop a recurring process (December 2016)
- Performance and Risk Measurement and Attribution: Develop enhanced frameworks and analyses required to produce annual program risk and attribution review for the Trust-Level Risk and Attribution Subcommittee (June 2017)
 - Prepare next iteration of Global Equity, Global Fixed Income, and Real Asset review framework and present to the Investment Strategy Group for approval (August-November 2016)

Risk Factor Development for Asset Liability Management

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

Develop a model that identifies and analyzes risk factors driving assets and liabilities and explore the potential for risk factor-based allocation

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

- EDHEC Presentation by Executives and consultants to outline exploration of risk factor based modeling (July 2016)
- Board Presentation-Initial results of the risk factor-based modeling of CalPERS liabilities (January 2017)
- Develop Asset Liability Management Policy to document current governance (June 2017)
 - Develop draft of the Asset Liability Management Policy to be presented to the Finance and Administration Committee in February 2017

Start date:	July 2016
End date:	June 2017
Status:	On track

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 and ownership of trust-level investment risk and performance

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Currency Strategy Evaluation: Evaluate the current currency strategy, with a focus on private markets (June 2017)
 - Understand current framework for assessing and evaluating currency impact within the Real Assets and Private Equity investment process (December 2016)
- Opportunistic Credit Strategies: Establish standard processes, reports, policies and procedures, and roles for the Opportunistic Credit Strategies group (June 2017)
- Benchmark Selection: Integrate the work on portfolio priorities, regimes, asset segments and benchmarks in preparation for the 2017-18 ALM Process (June 2017)
 - Develop and present public asset class roles, segments, regimes, and benchmark selection (Global Equity, Global Fixed Income, Inflation) to the Portfolio Allocation Subcommittee, the Investment Strategy Group, and the Investment Committee (December 2016)

Pension Rate Stabilization Prefunding Vehicle

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 employers and other stakeholders with thorough, risk-based information about the expected course and variability of future pension contribution requirements

Initiative Description

Explore alternatives and provide recommendations for establishing a pension rate stabilization prefunding vehicle

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Form a committee that will explore ideas and alternatives for establishing a pension rate stabilization prefunding vehicle (October 2016)
- Develop and implement a stakeholder outreach plan (June 2017)
- Finance and Administration agenda item – Provide recommendations for a funding mechanism for employers to invest in pension prefunding (June 2017)

***NOTE:** The recommendations for this deliverable will be part of a comprehensive report to the Finance and Administration Committee (FAC) in September 2017.*

Start date: July 2016

End date: June 2017

Status: On track

Title and description changed to more accurately reflect work being done in response to Board direction

Promote Access to High-Value Health Care Services

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 employers and other stakeholders with thorough, risk-based information about the expected course and variability of future pension contribution requirements

Initiative Description

Explore feasibility to introduce incentives to promote access to quality and preventive services, increase treatment adherence, and adopt healthy behaviors

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Presentation to the Board about value-based insurance design by Mark Fendrick, University of Michigan (July 2016)
- HPAD and HPRD Chiefs present information to the Board about value-based insurance design. Board will provide additional direction on building value-based design changes into 2018 or 2019 health plans (January 2017)
- Organize and present a session on low back pain and spine care at the January 2017 statewide Smart Care California conference (January 2017)
- Ensure that health plans offer to all members a National Diabetes Prevention Program that is recognized by the Centers for Disease Control and Prevention (February 2017)
- Based on Board feedback, determine feasibility of building value-based insurance design changes into 2018 or 2019 health plans (April 2017)
- Develop recommendations for reducing the overuse of imaging for low back pain and develop strategies for obtaining highest value care for spine pain (June 2017)

Start date: July 2016

End date: June 2017

Status: On track

Provide Health Costs Education and Outreach

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 employers and other stakeholders with thorough, risk-based information about the expected course and variability of future pension contribution requirements

Initiative Description

Provide employers with aggregate views of health data to identify major health care costs and assess impacts

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Provide internal legal summary on the issue of providing aggregated data to stakeholders (July 2016)
- Create aggregated data reporting template for the CalPERS Health Benefits Program Annual Report (report should be broken out by views/groups) (August 2016)
- Develop and roll out a stakeholder communication plan and schedule to increase awareness and utilization of the CalPERS Health Benefits Program Annual Report (September 2016)
- Provide draft of the CalPERS Health Benefits Program Annual Report for Executive Team to review (October 2016)
- Issue final CalPERS Health Benefits Program Annual Report and make publicly available (November 2016)

Start date: July 2016

End date: December 2016

Status: Completed

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: July 2016

End date: September 2016

Status: Completed

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- 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)

HPAD will report findings to the Board in April 2017.

Investment Program Long-Term Planning

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

Explore long-term planning considerations including private assets business model, talent management, and office locations

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- "Futurist" Offsite: Engage the CalPERS Board members in a dialogue focused on broader long-term considerations for investing in the year 2035 (July 2016)
- Private Markets Business Model: Research alternative business models for the private markets (June 2017)
 - Identify list of 50 influential entities to survey and discuss alternative approaches for CalPERS to access private equity characteristics and returns (December 2016)

Start date: July 2016

End date: June 2017

Status: On track

External Manager Monitoring, Expectations, and Reduction Strategy

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

Develop enhanced governance and protocols to improve efficiencies and controls in assessing and engaging external managers and migrating additional asset types in house

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Establish Manager Evaluation and Engagement Program concept, functions, and governance (June 2017)
 - Develop one-year business plan for approval by the Investment Management Committee (Approved by Investment Management Committee, September 2016)
- Establish a new CalPERS Emerging and Transition Manager 2020 Plan (June 2017)
 - Draft new Emerging and Transition Manager 2020 Plan (2017-2022), identify appropriate objectives and initiatives including a global solicitation process for Transition Manager candidates (September 2016)
 - Present Emerging and Transition Manager 2020 Plan (2017-2022) to the Investment Committee as an Information item (December 2016)

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

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Implement refined reports and procedures required to achieve Global Investment Performance Standards (GIPS) verification (June 2017)
 - Review existing polices and work flow processes for calculating and reporting performance (July 2016)
 - Analyze best practices and current processes in order to identify gaps relative to GIPS requirements (September 2016)
 - Develop implementation plan to address gaps relative to GIPS requirements (November 2016)

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 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Private Equity Portfolio Management Accounting & Data Services (PEARS): Complete and Go-Live Release 2B. Determine scope and requirements, complete design and build, and begin testing Release 3. Deploy remote access capabilities. (June 2017)
 - Complete user acceptance testing and Go-Live with remaining Release 2B functionality (includes the Quarterly Monitoring Report and Long Term Cash Forecasting Report) (December 2016)
 - Accept Release 3 project plan, requirements, and solution design. Release 3 is expected to be the final, major release for PEARS. It includes additional reporting, including reports to meet recent legislative requirements, automation of current manual processes, and improvements upon production functionality (December 2016)
- Asset Allocation Transition Management Platform: Continue the expansion of Artemis to support the fund structure and capital allocation needs of Global Equity. Implement software platform for Global Equity transitions management. Launch an analysis to determine how the Plan level allocation processes can leverage the Artemis platform. (June 2017)
 - Contract with Ryedale and Charles River who will provide support on the development of the expansion of Artemis to support the fund structure and capital allocation needs of Global Equity (August 2016)
 - Build Global Equity software pilot prototype, conduct testing, and deploy an initial version into production (December 2016)
- Trade Controls and Compliance Review: Examine current state of the trade control functions and processes within Public Assets; identify and recommend enhancements to improve trade-flow, compliance controls, and procedures (June 2017)

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

Develop a framework for the integration of CalPERS Investment Beliefs and ESG risk considerations into the investment decision-making process

Start date:	July 2016
End date:	June 2017
Status:	On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- INVO 2020 D&I Plan: Implement the INVO D&I 2020 Plan initiatives focused on increasing diversity of corporate boards, external managers, and INVO staff (June 2017)
 - Identify new ownership and seek approval from the Diversity and Inclusion Steering Committee to move the Diverse Director Database to new owner (Equilar) (October 2016)
 - Finalize and present the annual "CalPERS Commitment to Diversity & Inclusion Report" to the Finance and Administration Subcommittee as an information item (September 2016)
 - Develop, initiate, and seek approval for the INVO 2020 Diversity and Inclusion Education and Training Plan and the Established Manager Engagement Plan
- ESG Strategic Plan Implementation: Implement the six strategic initiatives within the ESG Strategic Plan, analyze results against listed KPIs, and integrate core work into INVO
 - Integrate Global Governance team members with Global Equity and Execution Services Strategy teams and implement structure to fully support continued collaboration (October 2016)
 - Establish three working groups for the Governance and Sustainability Subcommittee focused on proxy voting, regulation, and research, respectively (December 2016)

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 2014-15 CEM Benchmarking customer service reporting data to identify the feasibility of pension administration cost savings and performance improvements

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

- Analyze 2014-15 CEM report and provide update to Executive team and CalPERS Board (August 2016)
- Identify our reasonable maximum CEM service score levels for each potential increase category and recommend target improvement activities (November 2016)
- Implement one target improvement activity to increase our CEM customer service score and determine when implemented item will show results on CEM customer service score (March 2017)
- Implement second target improvement activity to increase our CEM customer service score and determine when implemented item will show results on CEM customer service score (June 2017)

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

Description change to include fiscal year of CEM benchmarking.

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

Provide self-service access and education to business intelligence data to support risk mitigation, planning, innovation, and organizational performance

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Develop and administer Business Intelligence Customer Value Survey and Pilot (December 2016)
- Complete first Business Intelligence Case Study (December 2016)
- Develop Business Intelligence Customer Value Report, which will be used to assess and improve self-service access to data (June 2017)
- Finalize and Implement the Business Intelligence Marketing Plan (June 2017)
- Increase efficiency and availability of Self-Service Data Reports so that users will have increased access to Business Intelligence data (June 2017)

Capture Customer Feedback

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

Utilize customer surveys to collect customer satisfaction data, and analyze the survey data to track and improve customer service

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Develop and implement two comprehensive business process surveys (December 2016)
- Implement Phase I, a comprehensive review of customer feedback identifying actionable items for customer experience improvements (February 2017 – completed early)
- Implement Phase II, an ongoing approach for expediting action on customer feedback, ensuring our responsiveness to customer needs (May 2017)
- Implement one additional business process survey (June 2017)

Start date: July 2016

End date: June 2017

Status: On track

Improve Customer Engagement and Communications

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

Review core business processes and publications to enhance customer engagement and the overall end-to-end experience

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Evaluate service credit purchase types and determine best approach to reduce complexity (October 2016)
- Revise targeted publication content enhancements (June 2017)
- Implement identified customer touch point improvements related to selected three core business processes (June 2017)
- Evaluate one other business area and develop complexity reduction plan (June 2017)
- Implement two life-event outreach items (June 2017)
- Implement two Member Self-Service enhancements (June 2017)

Start date: July 2016

End date: June 2017

Status: On track

Implement Financial Literacy Education for Members

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 a plan to enhance members' understanding of key concepts related to financial literacy through increased education and training

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Obtain Board approval of amended Section 20138 of the 2017 Technical Bill package to remove the age 45 limitation and expand educational offerings (November 2016)
- Record and publish revised Retirement Income Sources video to leverage existing educational tools and resources to improve financial literacy (April 2017)
- Launch Financial Literacy marketing and communications campaign to promote available resources (April 2017)

Start date: July 2016

End date: June 2017

Status: On track

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

Enhance digital communications capabilities to support outreach and communication to members, employers, and other stakeholders

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

- Communications dashboard: Develop and manage for business intelligence and customer relationship management (April 2017)
 - Develop monthly CSR dashboard
- Implement initial relationship collection (research best practices, trends, and other considerations for customer relationship management) to strengthen our customer relationships and ultimately improve our capabilities to personalize messages and improve reach (April 2017)
 - Develop summary report of findings and recommendations
- Pilot digital transformation of three products from traditional forms of communication to digital platforms (June 2017)
 - Identify three communication products
- Key measurements (benchmarks): Create for initial (current state) and post-implementation to baseline initiative (June 2017)
 - Establish baseline measurements

Start date:	July 2016
End date:	June 2017
Status:	On track

Organizational Health Index

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

Assess the Organizational Health Index survey results and identify and address high priority improvements to CalPERS culture

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- Lack of communication on progress/plan of action for addressing team member concerns. Presents a risk that team members don't think anything is being done to address their concerns.

Mitigation(s)

- Executive team is revisiting assigning executive champions for each of the three priority areas that have come out of the survey.
- HRSD continues to develop recommendations and plans to ensure the project stays on track.

Deliverables and Completed Activities

- Executive Team participates in a workshop to review the 2016 OHI results and selects areas of focus: (1) Increasing employee involvement in shaping the direction of CalPERS to ensure a shared vision and strategic clarity; (2) Improving accountability and individual performance; and (3) Developing employee talent and skills (July 2016)
- HRSD will coordinate and facilitate with champions to establish teams and develop project plans for each focus area to begin the action planning phase (November 2016)
- Develop and implement Communication Plan in partnership with PAOF to update all employees and include them in implementing action plans (December 2016)
- Assist Executive Champions and team in successfully implementing the Strategy and Employee Involvement project plan (March 2017)
- Assist Executive Champions and team in successfully implementing the accountability and individual performance project plan (March 2017)
- Assist Executive Champions and team in successfully implementing the talent development project plan (March 2017)

Expand Diversity Program

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 begin implementing a plan to expand the Diversity and Inclusion Program to recruit and empower a broad range of talents to meet organizational priorities

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

- Establish a governance committee that will set priorities and monitor program functions (December 2016)
- Establish up to three focus areas for the CalPERS Diversity and Inclusion Program (January 2017)
- Develop an enterprise strategy for diversity and inclusion (March 2017)
- Develop and implement a marketing and communication plan (March 2017)
- Provide recommendations and facilitate a Board educational workshop on diversity and inclusion (June 2017)

Start date:	July 2016
End date:	June 2017
Status:	On track

Initiative description changed to better depict work being done on the initiative.

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

Develop recommendations to the incentive compensation programs and policies governed by the CalPERS Board of Administration

Start date: July 2014

End date: June 2017

Status: On track

Initiative Risk(s)

- Additional deliverables are contingent upon staff receiving Board direction to pursue and prepare additional policy and compensation recommendations.

Mitigation(s)

- In the event Board direction is received to proceed with deliverables, staff will take action accordingly.

Deliverables and Completed Activities

- Gain Board approval of and implement Incentive Metrics and Performance Goals for FY 2016-17 Performance Plans (November 2016)
- Present agenda item to board and obtain approval of revisions to the existing Executive and Investment Management Compensation Program Policy ("Policy") (December 2016)
- Pursue long-term incentive compensation policy changes

Master Enterprise Business Continuity Plan

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

Update master Business Continuity Program that accounts for enterprise priorities and can be executed post a major disruption

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 Business Impact Analysis (BIA) for each Division (July 2016)
- Develop Business Continuity Plans for each Division (September 2016)
- Develop Enterprise Business Continuity Plan (October 2016)
- Deliver Enterprise Business Continuity Plan to the California Office of Emergency Services (CalOES) (December 2016)

Start date:	July 2016
End date:	December 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 an approach to ensure technology planning aligns to business priorities

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- Approval of CalPERS' 2017-22 Strategic Plan could be delayed.

Mitigation(s)

- Focus and build upon areas of agreement and work with ESPD to align project timelines.

Deliverables and Completed Activities

- Increase IT fiscal transparency by developing a technology business baseline, which includes IT spend, services and staffing resources (December 2016)
- 2nd reading of 2017-22 Strategic Plan, which will establish CalPERS' enterprise priorities (February 2017)
- Leveraging data collected from the four ITSB divisions, produce an annual recommendation report that highlights areas that IT can reduce technical complexities (April 2017)
- Enhance internal governance model by leveraging Application Value Inventory Data, which will assist the organization in determining which CalPERS applications should be invested in, migrated, or eliminated (April 2017)
- Re-Evaluate the IT Service Portfolio to ensure that it meets the IT Project Governance and Prioritization Criteria (May 2017)
- Analyze the ITSB Workforce Allocation System (WAS) data and create an IT Project Capacity Model which will be used to approve, deny, or defer future project requests (June 2017)

Enhance Enterprise Compliance Capabilities

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 enhancements to enterprise compliance capabilities throughout the organization as described in the five-year compliance plan

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- Competing enterprise priorities
- Change Management
- Roles and responsibilities not fully defined / clarified
- Complex organization, rules, and mandates

Mitigation(s)

- Continue to enhance governance protocols for management to clarify responsibilities and promote effective decision making
- Continue to enhance and implement an effective Compliance and Ethics Communications Plan to promote staff awareness of initiatives and changes related to the Compliance Plan
- Reinforce “Tone from the Top” , Three Lines of Defense & Integrated Assurance Model to continue defining roles and responsibilities
- ECOM created the Compliance Operations, Communications and Reporting Unit to manage Compliance Plan initiatives and to coordinate governance groups and stakeholder relationships for the division

Title and description change to better depict work being done on initiative.

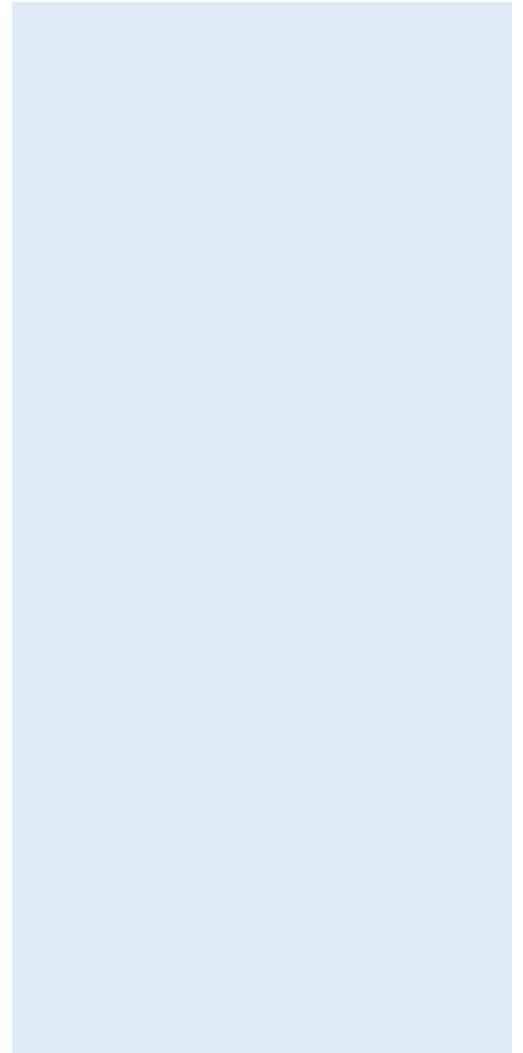
Deliverables and Completed Activities

- Enhance ethics-related policies and practices (June 2017)
 - Review and improve current processes for monitoring and reporting Form 700 disclosures
 - Review and improve Ethics and Whistleblower processes
- Mature a comprehensive compliance education and training curriculum (June 2017)
 - Implement the Compliance and Ethics Communications Plan

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- Develop education and training curriculum to strengthen enterprise knowledge of laws and policies
- Enhance communication programs that reinforce compliance policies and procedures, and CalPERS' commitment to an ethical culture
- Implement policy and delegation management frameworks (June 2017)
 - Develop a comprehensive policy management framework
 - Develop and implement enterprise-wide delegations of authority standards
- Implement compliance monitoring and oversight protocols and processes (June 2017)
 - Implement compliance functions and frameworks in program areas



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)

- Skilled and experienced cybersecurity staff are difficult to recruit and retain.
- New cybersecurity threats are discovered continually.

Mitigation(s)

- Risks created by new cybersecurity threats are assessed and mitigations are adjusted as necessary.
- Consultants with specialized skills are hired to assist staff when implementing new solutions.
- Outsource or use cloud service providers for functions that cannot be performed by staff.

Deliverables and Completed Activities

- Develop Enterprise Identity and Access Management (IAM) Program, which will provide a strategy for closing IAM security gaps (January 2017)
- Enhance the Cybersecurity Internet threat intelligence program (February 2017)
- Complete cybersecurity incident response and management plans for three additional critical business processes (March 2017)
 - Finalize incident response plan format and tabletop process
 - Create incident response plans for multiple scenarios
- Implement multifactor authentication and privileged account management for CalPERS staff (June 2017)
- Enhance encryption of my|CalPERS confidential information (June 2017)
 - Identify my|CalPERS data bases and develop encryption (tokenization) requirements
- Complete automated User Access Request System Migration - EIS Wave 3 (FY16/17)—for greater security and efficiency (June 2017)

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

Initiative Description

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

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

- n/a

Mitigation(s)

- n/a

Deliverables and Completed Activities

- Develop educational materials and tools to enhance Partnerships with Business Leaders to provide education on System risks, costs, and mitigation efforts (April 2017)
 - Meet with California business leaders to discuss CalPERS economic impacts
- Executive Employer Visits: Complete Initiative to demonstrate our commitment to visibility, communication and engagement with our key employer stakeholder leaders (June 2017)
 - Of the original goal of 20 visits, conduct five visits touching 15 employers
- Create and promote an Employer Leaders Database of top executives among contracting agencies to use for various outreach efforts (June 2017)
 - Establish scope and parameters of database
 - Research executive-level leaders from 3000 employers in the System
- Develop and implement a communication plan to provide outreach support on key policy issues to ensure understanding of CalPERS' policy goals and direction, including tobacco, PBM transition, terminated agencies, and actuarial policies (June 2017)
 - Develop messaging for stakeholders
 - Solicit stakeholder feedback on key policy decisions

Employer Excise Tax

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

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

Start date: July 2016

End date: June 2017

Status: On track

Initiative Risk(s)

Mitigation(s)

- Contracting agencies may begin to leave our System due to Excise Tax
- Labor may fight alternative plan

- n/a

Deliverables and Completed Activities

- Monitor presidential campaign and election and analyze how each major candidate might impact the Affordable Care Act (ACA) (November 2016)
- Seek to identify, participate, and engage with a coalition of stakeholders who are aligned with CalPERS' health program priorities (December 2016)
- Develop a strategy to provide stakeholders with information about excise tax policy and other ACA components (March 2017)
- Implement strategy to provide stakeholders with information about excise tax policy and other ACA components (June 2017)
- Develop and implement communication plan for strategy to provide stakeholders with information about excise tax policy and other Affordable Care Act components (June 2017)