



## Finance and Administration Committee Agenda Item 4h

September 19, 2017

**Item Name:** GFOA 2017-18 Budget Book Submission

**Program:** Financial Office

**Item Type:** Information Consent

### **Executive Summary**

The Government Finance Officers Association (GFOA) of the United States and Canada established the Distinguished Budget Presentation Awards Program in 1984 to encourage and assist state and local governments in preparing budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting. This awards program is an effort to recognize individual governments that succeed in achieving the goal of best budgeting practices.

### **Strategic Plan**

The CalPERS 2017-22 Strategic Plan Goals to strengthen the long-term sustainability of the pension fund, reduce complexity across the enterprise, and cultivate a risk-intelligent organization support this agenda item.

### **Background**

The GFOA is a professional organization of public officials united to enhance and promote the professional management of governmental financial resources by identifying, developing and advancing fiscal strategies, policies and practices for the public benefit. CalPERS began participating in this GFOA awards program in 2014 with the submittal of the CalPERS FY 2014-15 Budget. CalPERS has been awarded the Distinguished Budget Presentation Award for the past three years. The CalPERS FY 2017-18 Budget Book has been submitted to GFOA for consideration. We are typically notified of the award decision within three to four months after submittal.

### **Analysis**

The CalPERS Annual Budget presented to the Board of Administration in the spring becomes the starting point for the development of the GFOA Budget Book submittal. To meet the various mandatory and non-mandatory criteria specified by GFOA, the Financial Office collaborates with the Enterprise Strategy and Performance Division and program areas to gather and report on performance measures and unit goals. Further, details on the CalPERS organizational structure, funding sources, and financial policies are also included in the GFOA budget document.

Budget documents submitted to GFOA are reviewed by selected members of the GFOA professional staff and by outside reviewers with extensive experience in public-sector budgeting. Each budget document is evaluated by three reviewers in regard to 27 specific criteria in the following categories: Introduction and Overview, Financial Structure, Policy and Process,

Financial Summaries, Capital and Debt, Departmental Information, and Document-wide Criteria. The document is also judged overall as a policy document, a financial plan, an operations guide, and as a communications device.

Based on feedback from the GFOA reviewers and our endeavor to improve the budget document each year, the FY 2017-18 GFOA Budget Book submittal included the following enhancements: (a) addition of CalPERS Investment and Pension Beliefs, (b) inclusion of CalPERS Relocation Policy, (c) expanded the Budget Process to include the State of California budget approval process, CalPERS risk identification and mitigation process, and the capital projects planning and approval process, and (d) expanded out year forecasting to include another year.

### **Budget and Fiscal Impacts**

The item is informational in nature and will not in itself create any budget or fiscal impacts

### **Benefits and Risks**

There are no identified risks associated with this informational item.

### **Attachments**

Attachment 1 – 2017-18 Approved Annual Budget Book (submittal to GFOA)

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Interim Chief Financial Officer

