

2022-27 Strategic Plan 1st Reading



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Today's Discussion

Project Overview & Timeline

Progress Update

Review Strategic Plan

Next Steps

2022-27 Strategic Plan Project Overview & Timeline

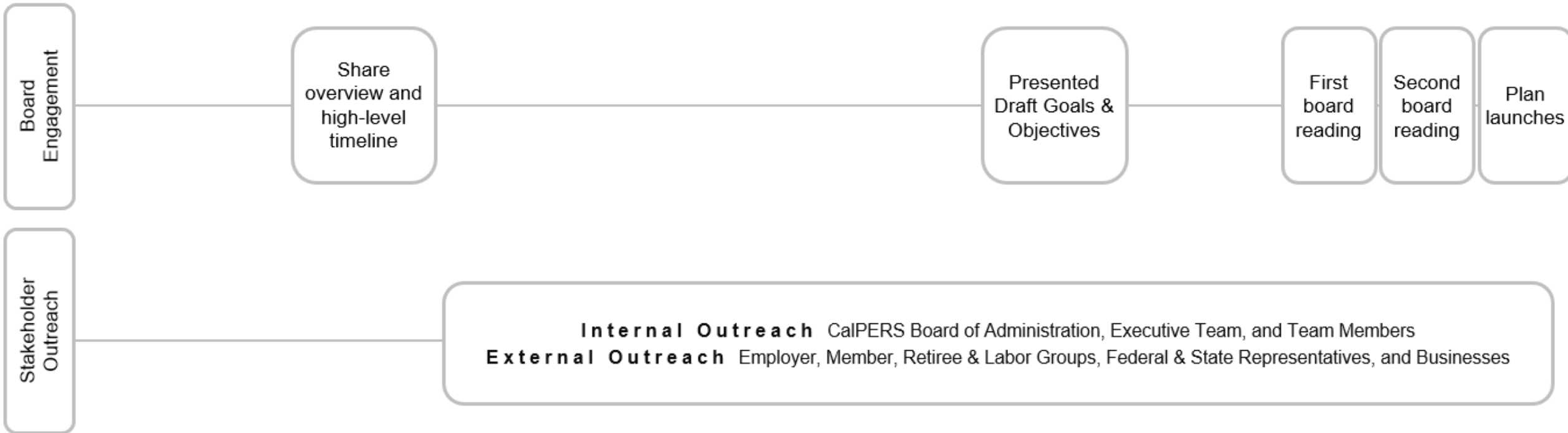
FY 19/20 FY 22/23

Discover.

Analyze.

Create.

Launch.



Strategic Planning Framework



Inputs

Our Vision

- A respected partner, providing a sustainable retirement system and health care program for those who serve California

Our Mission

- Deliver retirement and health care benefits to members and their beneficiaries

2017-22 Strategic Plan

- What current goals/objectives can we build upon/leverage?

Workshops & Data Review

- Strategic & Operational Current State
- CEM Benchmarking Analysis
- Workforce Plan & Analysis
- Environmental Scan
- Risk Assessment
- SWOTT & Gap Analysis
- Measures & BPI Development

Stakeholder Feedback

- CalPERS Team Members
- External Stakeholders
- Executive Team
- CalPERS Board





Deliver accurate benefits to our members and their beneficiaries

➤ Benefit payment accuracy

Ensure that our members and their beneficiaries receive benefit payments on time

➤ Benefit payment timeliness

Provide timely response and appropriate action to inquiries

➤ Customer inquiry timeliness

Enhance services, communication and education tools for our members

➤ Customer satisfaction



Balance the costs of future pension payments with the expected future investment risks and returns through the Asset Liability Management process

➤ Funded status

Mitigate the risk of significant investment loss while balancing contribution levels and volatility

- Total expected fund volatility
- Employer contribution rates

Deliver risk-adjusted investment returns to meet or exceed the expected rate of return

- Annualized (5-year) excess investment returns relative to total fund policy benchmark

Integrate sustainable investment strategies

- Percentage of diverse managers
- Human capital management
- Just transition to net zero by 2050
- Financial markets policy
- Private assets data transparency



Exceptional Health Care

Ensure our members have access to equitable, high-quality, affordable health care

Ensure our members receive high-quality health care

- ⌘ Chronic disease prevention & management
- ⌘ Behavioral health prevention & treatment

Ensure our members have access to care when and where they need it

- ⌘ Health Care member experience
- ⌘ Access to care

Ensure the care we provide is affordable

- ⌘ Health care affordability

Ensure all members receive equitable care

- ⌘ Achieving health equity



**Stakeholder
Engagement**

Promote collaboration,
support, & transparency

Educate and engage stakeholders on system impacts including policy and program changes, risks, and mitigations

- Stakeholder perception survey – participation
- Stakeholder perception survey – overall rating
- Stakeholder perception survey Measures:
 - Stakeholder rating
 - Employer rating
 - Member rating
 - Compliance and risk
 - Risk

Enhance services, communication and education tools for our partners

- Effectiveness of outreach tools for the CalPERS website



Improve processes, operations, and advance technologies to gain efficiencies

Cultivate compliance and risk functions throughout the enterprise

- Administrative operating costs
- Operational efficiencies
- CEM Administrative Benchmarking Measures:
 - IT capability score
 - Cost per member
 - Complexity score
- CEM Investment Benchmarking Measures:
 - Cost advantaged vs. peers
 - 5-year net value added

- Employee risk awareness
- Risk management effectiveness
- Employee compliance awareness
- Organizational compliance effectiveness
- Information security assessment score (Closed Session)



Recruit and retain diverse talent

- Candidate Pool Outreach
- Participation and results of onboarding survey
- Participation and results of exit survey
- Workforce demographics
- Employee development

Enhance team member engagement and employee experience

- Team member engagement
- Net promoter score
- Response rate of employee engagement survey

Integrate and sustain leadership competencies to promote behaviors that retain and engage a high-performing workforce

- CalPERS leadership competencies



Cultivate Diversity, Equity, & Inclusion through culture, talent, investments, health equity, and supplier diversity

Culture:

- ✦ DE&I engagement survey results
- ✦ Team member participation and engagement

Talent:

- ✦ Candidate pool outreach
- ✦ Participation and results of onboarding survey
- ✦ Participation and results of exit survey
- ✦ Workforce demographics
- ✦ Employee development
- ✦ CalPERS leadership competencies

Investments:

- ✦ Percentage of diverse managers
- ✦ Human capital management
- ✦ Just transition to net zero by 2050
- ✦ Financial markets policy
- ✦ Private assets data transparency

Health Equity:

- ✦ Chronic disease prevention & management
- ✦ Behavioral health prevention & treatment
- ✦ Member experience
- ✦ Access to care
- ✦ Health care affordability
- ✦ Achieving health equity

Supplier Diversity:

- ✦ Diversity of supplier pool

Next Steps

