
 FUND SUSTAINABILITY Goal: Strengthen the long-term sustainability of the pension fund	End Date
Strategic Objective Fund the System through an integrated view of pension assets and liabilities	
Alignment of Asset Liability Management – Incorporate elements of funding risk from both an asset and liability perspective to ensure the sustainability of the fund	June 2018
Employer Contracting and Collection Reporting – Develop and implement a report for identifying agency collection issues and contract terminations	June 2018
* Redesign and Enhance the Actuarial Valuation System – Redesign and enhance the Actuarial Valuation System to increase capabilities, streamline processes, and create more robust valuation systems	October 2018
Strategic Objective Mitigate the risk of significant investment loss	
* Investment Risk Management and Performance Attribution – 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 2020
Strategic Objective Deliver target risk-adjusted investment returns	
* Enhance Capital Allocation Framework – Enhance the Capital Allocation framework through improved risk factor modeling and greater understanding and ownership of trust-level investment risk and performance	June 2020
* Enhance Investment Platform and Controls – Enhance the investment platform and internal controls environment to achieve optimum efficiency	June 2020
Strategic Objective Educate employers, members, and stakeholders on system risks and mitigation strategies	
Stakeholder Education on System Risks & Mitigation – Identify, develop, and implement training, education, and outreach opportunities to educate employers, members, and stakeholders on system risks, mitigation strategies, and compliance enhancements	June 2018
Strategic Objective Integrate environmental, social, and governance (ESG) considerations into investment decision making	
* Investment Beliefs and ESG Risk Integration – Develop a framework for the integration of CalPERS Investment Beliefs and ESG risk considerations into the investment decision-making process	June 2020

* Multi-year initiative(s) continuing from prior business plan

 HEALTH CARE AFFORDABILITY Goal: Transform health care purchasing and delivery to achieve affordability	End Date
Strategic Objective Restructure benefit design to promote high-value health care	
Value-Based Insurance Design: Feasibility – Research and develop health benefit design strategies to improve member health and value of care while decreasing costs	June 2018
Site of Care Management – Leverage current Integrated Health Care and Population Health delivery models to contain health care costs	June 2022
Pharmacy Benefit Manager Pilot – Develop and implement strategies to align our pharmacy benefit manager with our reference pricing model	June 2018
Reference Pricing Expansion – Leverage existing efforts to reduce health care costs by expanding the use of reference pricing for routine non-emergency procedures with price variation	June 2022
Strategic Objective Improve the health status of our employees, members and their families, and the communities where they live	
Population Health Alignment with <i>Let's Get Healthy California</i> Taskforce Report Dashboard – Provide employers with aggregate health care data to identify major health care costs and enhance population health management	June 2022
Partner with Health Plans to Engage in Community Activities – Collaborate with health plans to positively impact the health of our members by engaging in community activities which create a culture of good health	June 2022
Strategic Objective Reduce the overuse of ineffective or unnecessary medical care	
Statewide Collaboration Through <i>Smart Care California</i> – Partner with Covered California and Department of Health Care Services through <i>Smart Care California</i> to identify appropriate treatment for opioid use, C-sections and spinal/back disorders	June 2022
Review and Update Shared Savings Accountable Care Organizations Cost and Quality Targets – Research, analyze, and update shared savings cost and quality targets and expand the use of evidence-based medicine in improving outcomes while decreasing costs	June 2022
Research and Expand Evidence-Based Medicine – Apply outcome-based medical strategies to provide affordable and high value care	June 2022

* Multi-year initiative(s) continuing from prior business plan

 REDUCE COMPLEXITY Goal: Reduce complexity across the enterprise	End Date
Strategic Objective Simplify programs to improve service and/or reduce cost	
CEM Complexity Score Reduction – Assess current complexity score and identify target areas of complexity reduction	June 2018
Customer Satisfaction – Actionable Feedback – Identify actionable feedback from customer satisfaction surveys and implement reasonable improvements that will result in enhanced customer service	June 2018
Improve Pension Benefit Payments Timeliness – Identify current issues impacting benefit payment timeliness and mitigate constraints to increase service levels more consistently towards the goal or accept the current level of service	December 2017
* Implement Digital Communication Strategy – Enhance digital communications capabilities to support outreach and communication to members, employers, and other stakeholders	June 2018
* External Manager Monitoring, Expectations, and Reduction Strategy – Develop enhanced governance and protocols to improve efficiencies and controls in assessing and engaging external managers and migrating additional asset types in house	June 2020
Strategic Objective Streamline operations to gain efficiencies, improve productivity, and reduce costs	
Develop Lean Business Process Improvement Culture – Develop and implement a training program on the Lean methodology of business process improvement to reduce complexity throughout the enterprise	June 2019
Reduce System Costs and Improve Efficiencies – Identify cost drivers and assess enterprise-wide cost savings for proposed areas of improvement to reduce costs and improve efficiencies to the System	June 2018
* Enhance Business Effectiveness, Resource Allocation, and Efficiency of Investment Programs – Enhance cost effectiveness, resource allocation, and efficiency of the investment program to increase net returns on assets	June 2020
* Investment Program Long-Term Planning – Explore long-term planning considerations including private assets business model, talent management, and office locations	June 2020

* Multi-year initiative(s) continuing from prior business plan

	<p>RISK MANAGEMENT Goal: Cultivate a risk-intelligent organization</p>	<p>End Date</p>
<p>Strategic Objective Enhance compliance and risk functions throughout the enterprise</p>		
<p>Data Governance Policies and Procedures – Create/enhance policies and processes to strengthen data-driven decisions through accurate and appropriate data, ensure data is appropriately defined and intent of information is understood, and improve the consistency of data use across the enterprise</p>		<p>June 2018</p>
<p>Increase Enterprise-Wide Risk Awareness – Develop enterprise-wide risk communication and training plans to increase risk awareness, and strengthen and expand risk capabilities</p>		<p>June 2018</p>
<p>Increase Enterprise-Wide Compliance Awareness – Develop compliance communication and training plans to increase awareness throughout the enterprise</p>		<p>June 2018</p>
<p>Strategic Objective Enhance cyber security program</p>		
<p>Enterprise Business Continuity Plan, Phase II – Design comprehensive and functional business continuity plan that identifies resources and systems, and creates procedures needed for the resumption of all normal critical and non-critical business operations after 30 days post disaster</p>		<p>December 2017</p>
<p>Information Security Roadmap – Advance the cyber security strategy and roadmap to mitigate cyber security risks</p>		<p>June 2022</p>

* Multi-year initiative(s) continuing from prior business plan

	<p>TALENT MANAGEMENT Goal: Promote a high-performing and diverse workforce</p>	<p>End Date</p>
<p>Strategic Objective Recruit and empower a broad range of talents to meet organization priorities</p>		
<p>Develop and Implement an Expanded Recruitment Strategy – Develop and implement a plan to increase the number of channels used to broadcast open positions</p>		<p>June 2018</p>
<p>Develop and Administer Team Member Engagement Surveys – Develop a plan and implement a new engagement survey(s) to continually improve our culture and preserve our reputation as a destination employer</p>		<p>June 2018</p>
<p>* Expand Diversity Program – 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</p>		<p>June 2018</p>
<p>* Emerging Leader Pilot Program – Implement and evaluate a journey-level training program to prepare non-supervisory employees for future leadership roles</p>		<p>June 2020</p>
<p>Strategic Objective Cultivate robust leadership competencies and develop succession plans across the enterprise</p>		
<p>Develop 2017-22 Workforce Plan – Develop a plan to implement a phased approach to address workforce planning that includes: recruitment, retention, development, empowerment, and succession planning</p>		<p>June 2018</p>
<p>Enterprise Competencies – Refresh and adopt competencies for leadership and team members that align with expected behaviors to promote a high performing work culture</p>		<p>June 2018</p>

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