

2017-22 Strategic Plan | Alignment Map (FY 2017-18) - Status as of 12/31/2017 - Quarter 2

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

MISSION: Deliver retirement and health care benefits to members and their beneficiaries

CORE VALUES: Quality, Respect, Accountability, Integrity, Openness, Balance

Strategic Goals	FUND SUSTAINABILITY Strengthen the long-term sustainability of the pension fund					HEALTH CARE AFFORDABILITY Transform health care purchasing and delivery to achieve affordability			REDUCE COMPLEXITY Reduce complexity across the enterprise		RISK MANAGEMENT Cultivate a risk-intelligent organization		TALENT MANAGEMENT Promote a high-performing and diverse workforce					
Strategic Objectives	Fund the System through an integrated view of pension assets and liabilities	Mitigate the risk of significant investment loss	Deliver target risk-adjusted investment returns	Educate employers, members, and stakeholders on system risks and mitigation strategies	Integrate environmental, social, and governance considerations into investment decision making	Restructure benefit design to promote high-value health care	Improve the health status of our employees, members and their families, and the communities where they live	Reduce the overuse of ineffective or unnecessary medical care	Simplify programs to improve service and/or reduce cost	Streamline operations to gain efficiencies, improve productivity, and reduce costs	Enhance compliance and risk functions throughout the enterprise	Continue to evolve cyber security program	Recruit and empower a broad range of talents to meet organization priorities	Cultivate leadership competencies and develop succession plans across the enterprise				
Strategic Measures	Probability of PERF falling below 50% funded over the next 30 years ★	1 - year total expected fund volatility ★	Annualized (5-year) excess investment returns relative to total fund policy benchmark ★	Stakeholder assessment survey - risk ★	Investment managers policies and procedures for ESG factor integration ★★	Rating of health care ★	Adult obesity ★	Opioids - dose ★	CEM - pension complexity score ★	CEM - cost per member ★★	Stakeholder assessment survey - compliance ★	Composite security health score within range (closed session)	Increase diverse recruitment channels ★	Proficiency in CalPERS leadership competencies ★★				
	Probability of sharp single year increase in contribution rates ★					Access to care ★	Adult diabetes ★	Opioids - duration ★	Benefit payment timeliness ★★	Total overhead cost ★★	Risk & compliance employee awareness survey ★★		Workforce diversity & inclusion ★	Internal candidates selected to fill senior and executive recruitments ★				
	Probability of high employer contribution rates ★					Health care cost annual increase ★	Diabetes self-management ★	C-section rate ★	Customer satisfaction ★★	5 - year net value added ★	Risk & compliance program maturity assessment ★		Employee engagement survey ★					
	Funded Status ★						Mental health and well being ★	Hospital readmissions ★	External investment manager reduction strategy ★									
	Projected Funded Status ★						Self-reported overall health status ★											
2017-18 Business Plan Initiatives	Alignment of asset liability management	Investment risk management and performance attribution	Enhance capital allocation framework	Stakeholder education on system risks & mitigation	Investment beliefs and environmental, social, and governance risk integration	Value-based insurance design: feasibility	Population health alignment with Let's Get Healthy California taskforce report	Statewide collaboration through Smart Care California	CEM complexity score reduction	Develop and implement continuous process improvement framework	Enterprise data management	Enterprise business continuity project, phase II	Develop and implement an expanded recruitment strategy	Develop 2017-22 workforce plan				
	Employer contracting and collection reporting		Enhance investment platform and controls			Site of care management	Partner with health plans to engage in community activities	Review and update shared savings accountable care organizations cost and quality targets	Customer satisfaction - actionable feedback	Reduce system costs and improve efficiencies	Increase enterprise-wide risk awareness	Information security roadmap (closed session)	Develop and administer team member engagement surveys	Enterprise core competencies				
	Redesign and enhance the actuarial valuation system		Investment program long-term planning			Pharmacy benefit design pilot		Research and expand evidence-based medicine	Improve pension benefit payments timeliness	Enhance business effectiveness, resource allocation, and efficiency of investment programs	Increase enterprise-wide compliance awareness		Expand diversity & inclusion program					
						Reference pricing expansion			Implement digital communication strategy				Emerging leader pilot program					
									External manager monitoring, expectations, and reduction strategy									
Legend	On-Target	At-Risk	Off-Target	★ Pending refresh	★★ Data not available	Measures under development	CEM Cost Effectiveness Measurement pension administration benchmarking								Note: For additional details related to Strategic Measures, see Attachment C; for Business Plan Initiatives, see Attachment D			