

# 2017-22 Strategic Plan | Alignment Map (FY 2019-20) - Status as of 9/30/2019 - Quarter 1

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	<b>FUND SUSTAINABILITY</b> Strengthen the long-term sustainability of the pension fund					<b>HEALTH CARE AFFORDABILITY</b> Transform health care purchasing and delivery to achieve affordability			<b>REDUCE COMPLEXITY</b> Reduce complexity across the enterprise		<b>RISK MANAGEMENT</b> Cultivate a risk-intelligent organization		<b>TALENT MANAGEMENT</b> 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 (ESG) 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	Funded status Projected funded status	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	Access to care Total health care cost annual change	Diabetes self-management Mental health and well being Self-reported overall health status	Opioids - dose Opioids - duration C-section rate Acute onset lower back pain and related opioid use Acute onset lower back pain and physical therapy Overuse of imaging for back pain	Cost Effectiveness Measurement pension complexity score External investment manager reduction strategy Cost Effectiveness Measurement information technology capability score	Cost Effectiveness Measurement cost per member Overhead operational cost 5 - year net value added	Stakeholder assessment survey - compliance and risk Risk employee awareness survey Risk program maturity assessment Compliance employee awareness survey Compliance program maturity assessment	Composite security health score within range (Closed Session)	Effectiveness of outreach activities	Proficiency in CalPERS leadership competencies
2019-20 Business Plan Initiatives	Actuarial valuation system - advanced analytics Alignment of asset liability management	Investment risk management and performance attribution	Enhance capital allocation framework Enhance investment platform and controls Investment program long-term planning	Stakeholder education on system risks & mitigation	Investment beliefs and ESG risk integration	Value-based insurance design Medical pharmacy site of care management Pharmacy benefits management Medical reference pricing expansion	Health stakeholder outreach & awareness	Statewide collaboration through Smart Care California	Mature targeted information technology capabilities Complexity reduction	Continuous process improvement Enhance business effectiveness, resource allocation, and efficiency of investment programs Expand information technology service-level agreements Board insight tool	Increase enterprise-wide compliance awareness Increase compliance program maturity Enterprise data management	Information security roadmap (Closed Session)	Implement engagement survey action items Expand diversity & inclusion program	Implement 2018-22 workforce plan strategies Develop leadership competencies measurement tool
Legend	<span style="color: green;">■</span> On-Target	<span style="color: yellow;">■</span> At-Risk	<span style="color: red;">■</span> Off-Target	*	<span style="border: 1px solid blue; display: inline-block; width: 10px; height: 10px;"></span> Measures under development									