



2017-22 Strategic Plan | Alignment Map (FY 2019-20) - Status as of 12/31/2019 - 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	<div></div> <div>FUND SUSTAINABILITY</div> <div>Strengthen the long-term sustainability of the pension fund</div>						<div></div> <div>HEALTH CARE AFFORDABILITY</div> <div>Transform health care purchasing and delivery to achieve affordability</div>					<div></div> <div>REDUCE COMPLEXITY</div> <div>Reduce complexity across the enterprise</div>		<div></div> <div>RISK MANAGEMENT</div> <div>Cultivate a risk-intelligent organization</div>		<div></div> <div>TALENT MANAGEMENT</div> <div>Promote a high-performing and diverse workforce</div>	
Strategic Objectives	<div><div>Fund the System through an integrated view of pension assets and liabilities</div><div>Mitigate the risk of significant investment loss</div><div>Deliver target risk-adjusted investment returns</div><div>Educate employers, members, and stakeholders on system risks and mitigation strategies</div><div>Integrate environmental, social, and governance (ESG) considerations into investment decision making</div></div>						<div><div>Restructure benefit design to promote high-value health care</div><div>Improve the health status of our employees, members and their families, and the communities where they live</div><div>Reduce the overuse of ineffective or unnecessary medical care</div></div>					<div><div>Simplify programs to improve service and/or reduce cost</div><div>Streamline operations to gain efficiencies, improve productivity, and reduce costs</div></div>		<div><div>Enhance compliance and risk functions throughout the enterprise</div><div>Continue to evolve cyber security program</div></div>		<div><div>Recruit and empower a broad range of talents to meet organization priorities</div><div>Cultivate leadership competencies and develop succession plans across the enterprise</div></div>	
Strategic Measures	<div><div>Funded status *</div><div>1 - year total expected fund volatility *</div><div>Annualized (5-year) excess investment returns relative to total fund policy benchmark *</div><div>Stakeholder assessment survey - risk *</div><div>Investment managers policies and procedures for ESG factor integration *</div></div>						<div><div>Access to care *</div><div>Diabetes self-management *</div><div>Opioids - dose *</div><div>Opioids - duration *</div><div>C-section rate</div><div>Acute onset lower back pain and related opioid use</div><div>Acute onset lower back pain and physical therapy</div><div>Overuse of imaging for back pain *</div></div>					<div><div>Cost Effectiveness Measurement pension complexity score *</div><div>Cost Effectiveness Measurement cost per member *</div><div>External investment manager reduction strategy *</div><div>Overhead operational cost *</div><div>Cost Effectiveness Measurement information technology capability score *</div><div>5 - year net value added *</div></div>		<div><div>Stakeholder assessment survey - compliance and risk *</div><div>Composite security health score within range (Closed Session)</div><div>Risk employee awareness survey *</div><div>Risk program maturity assessment *</div><div>Compliance employee awareness survey *</div><div>Compliance program maturity assessment *</div></div>		<div><div>Effectiveness of outreach activities *</div><div>Proficiency in CalPERS leadership competencies</div><div>Engagement survey results &amp; action items - diversity &amp; inclusion</div><div>Engagement survey results &amp; action items - accountability</div><div>Engagement survey results &amp; action items - senior &amp; executive management relationships</div></div>	
	<div><div>Actuarial valuation system - advanced analytics</div><div>Investment risk management and performance attribution</div><div>Enhance capital allocation framework</div><div>Stakeholder education on system risks &amp; mitigation</div><div>Investment beliefs and ESG risk integration</div></div>						<div><div>Value-based insurance design</div><div>Health stakeholder outreach &amp; awareness</div><div>Statewide collaboration through Smart Care California</div><div>Medical pharmacy site of care management</div><div>Pharmacy benefits management</div><div>Medical reference pricing expansion</div></div>					<div><div>Mature targeted information technology capabilities</div><div>Continuous process improvement</div><div>Complexity reduction</div><div>Enhance business effectiveness, resource allocation, and efficiency of investment programs</div><div>Expand information technology service-level agreements</div><div>Board insight tool</div></div>		<div><div>Increase enterprise-wide compliance awareness</div><div>Information security roadmap (Closed Session)</div><div>Increase compliance program maturity</div><div>Enterprise data management</div></div>		<div><div>Implement engagement survey action items</div><div>Implement 2018-22 workforce plan strategies</div><div>Expand diversity &amp; inclusion program</div><div>Develop leadership competencies measurement tool</div></div>	
Legend	<div> Strategic Objectives</div>	<div> Strategic Measures and Targets</div>	<div> Business Plan Initiatives</div>	<div> On-Target</div>	<div> At-Risk</div>	<div> Off-Target</div>	<div> Pending refresh</div>	<div> Data not available</div>	<div> Measures under development</div>	<div> Initiative Completed</div>							