







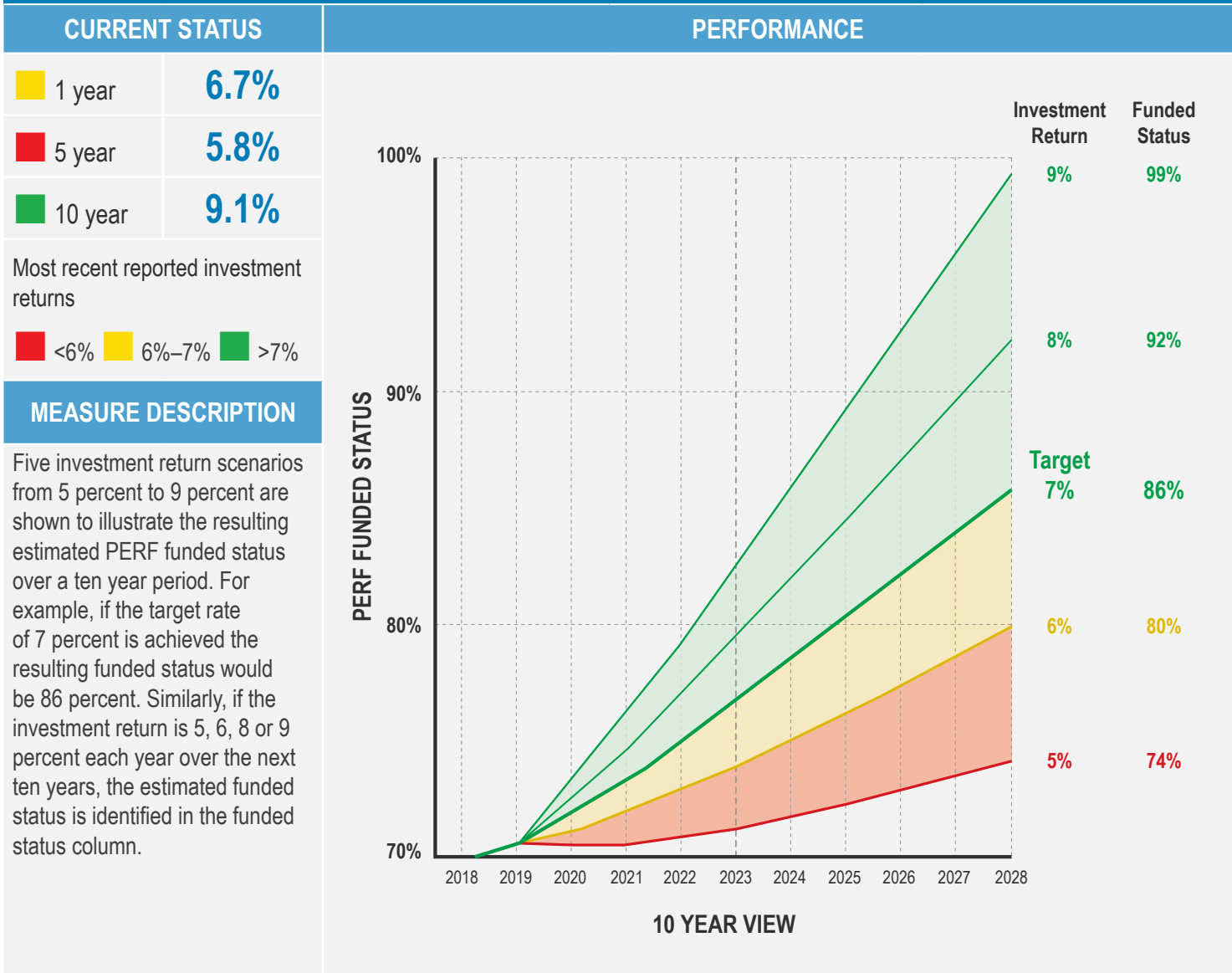
	TOLERANCES	FREQ	2018–19	FY 19–20			COMMENTS
				Q1	Q2	Q3	
 FUND SUSTAINABILITY Strengthen the long-term sustainability of the pension fund							
Probability of PERF funding levels below 50% <i>Owner: Chief Actuary</i>	<ul style="list-style-type: none"> ■ > 20% ■ 10%–20% ■ < 10% 	Annually	2%				Data as of Nov 2018
Investment return: Funded status impact <i>Owner: Chief Actuary</i>	<ul style="list-style-type: none"> ■ < 6% ■ 6%–7% ■ > 7% 	Annually	6.7%				Status based on actual returns reported on November 2019.
Employer contribution rate impact <i>Owner: Chief Actuary</i>	Projected vs. Actual <ul style="list-style-type: none"> ■ > 2% ■ 1%–2% ■ < 1% 	Annually	<ul style="list-style-type: none"> Misc. – 0.02% Safety 0.17% 				Results represent the variance between projected and actual annual contribution rates.
 HEALTH CARE AFFORDABILITY Transform health care purchasing and delivery to achieve affordability							
Percent of contracting agencies retained <i>Owner: Chief Health Director</i>	<ul style="list-style-type: none"> ■ ≤ 97.9% ■ 98%–98.9% ■ ≥ 99% 	Annually	99.23%				Data as of Jun 2019
Increase in Total Covered Lives (TCLs) <i>Owner: Chief Health Director</i>	<ul style="list-style-type: none"> ■ ≤ 5,999 TCLs ■ 6,000–8,999 TCLs ■ ≥ 9,000 TCLs 	Annually	9,992	5,407			Data as of Mar 2020
Legislation that negatively impacts CalPERS <i>Owner: Chief Health Director</i>	<ul style="list-style-type: none"> ■ Legislation exists ■ No legislation exists 	Quarterly					
Maintain Health Care Fund Actuarial Reserve <i>Owner: Chief Health Director</i>	<ul style="list-style-type: none"> ■ <90% / >110% Actuarial Reserve ■ 90%–110% Actuarial Reserve 	Annually	102%				Data as of Jun 2019
 REDUCE COMPLEXITY Reduce complexity across the enterprise							
Proposed legislation that would reduce plan designs <i>Owners: Deputy Executive Officer, Communications & Stakeholder Relations</i>	<ul style="list-style-type: none"> ■ No Legislation exists ■ Legislation exists 	Quarterly / Point in time					

	TOLERANCES	FREQ	2018–19	FY 19–20			COMMENTS
				Q1	Q2	Q3	
 REDUCE COMPLEXITY Reduce complexity across the enterprise							
Externally proposed bills that have the potential to increase the complexity of the plan design <i>Owners: Deputy Executive Officer, Communications & Stakeholder Relations</i>	<ul style="list-style-type: none"> ■ Legislation exists ■ No legislation exists 	Quarterly / Point in time					Legislation has been introduced that would require additional CalPERS resources.
Lean white belt training <i>Owners: Deputy Executive Officer, Operations & Technology</i>	<ul style="list-style-type: none"> ■ 0% participation ■ 1%–4% participation ■ 5% participation 	Quarterly	6%	5.3%	5%	1%	Data as of Feb 2020
 RISK MANAGEMENT Cultivate a risk-intelligent organization							
Enterprise Risk Training Index <i>Owner: Chief Financial Officer</i>	<ul style="list-style-type: none"> ■ ≤ 84% ■ 85%–94% ■ ≥ 95% 	Annually					In development
Percent of policies, delegations, and charters up-to-date and current <i>Owner: Chief Compliance Officer</i>							In development
 TALENT MANAGEMENT Promote a high-performing and diverse workforce							
Employee Engagement Survey – Diversity and Inclusion (D&I) <i>Owners: Deputy Executive Officer, Communications & Stakeholder Relations</i>	<ul style="list-style-type: none"> ■ ≤ 44% agree ■ 45%–59% agree ■ ≥ 60% agree 	Annually	67%	68%			Data as of Jan 2020
Employer Brand <i>Owners: Deputy Executive Officer, Operations & Technology</i>	<ul style="list-style-type: none"> ■ ≤ -11 ■ -10–20 ■ ≥ 21 	Quarterly					In development

FUND SUSTAINABILITY | Strengthen the long-term sustainability of the pension fund



Investment return: Funded status impact



NEXT STEPS		
Action Items	Owner	Targeted Completion Date
Employer education and communication plan	Deputy Executive Officer, Communications & Stakeholder Relations	Ongoing

HEALTH CARE AFFORDABILITY | Transform health care purchasing and delivery to achieve affordability



Increase in Total Covered Lives (TCLs)

CURRENT STATUS — FY 2019–20		PERFORMANCE														
<div style="display: flex; align-items: center; justify-content: center;"> <div style="width: 20px; height: 20px; background-color: red; margin-right: 10px;"></div> <div style="font-size: 2em; font-weight: bold; color: blue;">5,407</div> </div>		<table border="1"> <caption>% of new TCLs by Fiscal Year</caption> <thead> <tr> <th>Fiscal Year</th> <th>% of new TCLs</th> </tr> </thead> <tbody> <tr> <td>FY 15–16</td> <td>16,042</td> </tr> <tr> <td>FY 16–17</td> <td>13,877</td> </tr> <tr> <td>FY 17–18</td> <td>5,296</td> </tr> <tr> <td>FY 18–19</td> <td>9,992</td> </tr> <tr> <td>FY 19–20</td> <td>5,407</td> </tr> </tbody> </table>			Fiscal Year	% of new TCLs	FY 15–16	16,042	FY 16–17	13,877	FY 17–18	5,296	FY 18–19	9,992	FY 19–20	5,407
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ROOT CAUSE / SUCCESS		NEXT STEPS														
<p>Although the team brought on 12 new agencies and brought in five new groups from three existing agencies, we missed the target because many of the new agencies are small.</p> <p>Additionally, six agencies contracted during the last quarter of 2019 to join the program effective January 1, 2020, which had an impact on the team’s workload.</p>		Action Items	Owner	Targeted Completion Date												
		Adjust schedule for Employer Workshops to be delivered throughout the year, instead of during the 60-day termination window.	Kellye Smith	4/30/2020												
		Proactive communication to agencies and potential agencies in the pipeline.	Kellye Smith	9/30/2020												
		Continued development and updates of targeted collateral and website enhancements.	Kellye Smith	12/31/2020												

REDUCE COMPLEXITY | Reduce complexity across the enterprise



Externally proposed bills that have the potential to increase the complexity of the plan design

CURRENT STATUS — FY 2019–20		PERFORMANCE		
■	Legislation exists			
■ Legislation exists ■ No legislation exists				
ROOT CAUSE / SUCCESS		NEXT STEPS		
SB 266 Administration of Reportable Compensation. May increase the number of MOUs employers submit for review. SB 430 Creates PEPRA exemption for new judges that are elected prior to January 1, 2013 to a one-year final compensation period used to calculate retirement benefits and employee contribution. SB 1297 California Public Retirement System Pension Modifications. 1. Would require system modifications for multiple benefit calculations, including final compensation and formula multipliers. 2. Would likely trigger litigation. AB 2394 Cost of Living Adjustment. Changes the statutory inflation index used by CalPERS for monthly retirement checks. 1. Would require system modifications to apply a different inflation index. 2. Would require system modifications to apply the bill prospectively.	Action Items	Owner	Targeted Completion Date	
	SB 266 – Monitor discussions between bill author and the Governor’s Office throughout 2020.			
	SB 430 – 2-year bill that is not expected to be heard until June 2020, if at all.	JLRS/ITSB		
	SB 1297 – Conduct internal analysis of fiscal, member benefits, and legal impacts. Monitor bill’s progress in the Legislature, if any.			
	AB 2394 – Conduct internal analysis of fiscal and system impacts. Communicate those impacts to appropriate legislative staff, when requested.			

REDUCE COMPLEXITY | Reduce complexity across the enterprise



Lean white belt training

CURRENT STATUS — FY 2019–20		PERFORMANCE												
	1%	<table border="1"> <caption>% participation</caption> <thead> <tr> <th>Period</th> <th>% participation</th> </tr> </thead> <tbody> <tr> <td>FY18-19</td> <td>6%</td> </tr> <tr> <td>Q1</td> <td>5%</td> </tr> <tr> <td>Q2</td> <td>5%</td> </tr> <tr> <td>Jan-Feb</td> <td>1%</td> </tr> </tbody> </table>			Period	% participation	FY18-19	6%	Q1	5%	Q2	5%	Jan-Feb	1%
Period	% participation													
FY18-19	6%													
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<p> ■ 0% ■ 1–4% ■ 5% </p>														
ROOT CAUSE / SUCCESS		NEXT STEPS												
<ul style="list-style-type: none"> While overall participation is slowing, there is an increase in team members signing up for multiple Lean training opportunities Higher turnover of previously trained team members than in prior quarters Cancelled classes due to COVID-19 impacts 		Action Items	Owner	Targeted Completion Date										
		Lean eLearning class	PRDA/HRSD	4/30/2020										
		Continue marketing Lean training opportunities and highlighting benefits of Lean	PRDA/PAOF	12/30/2020										