







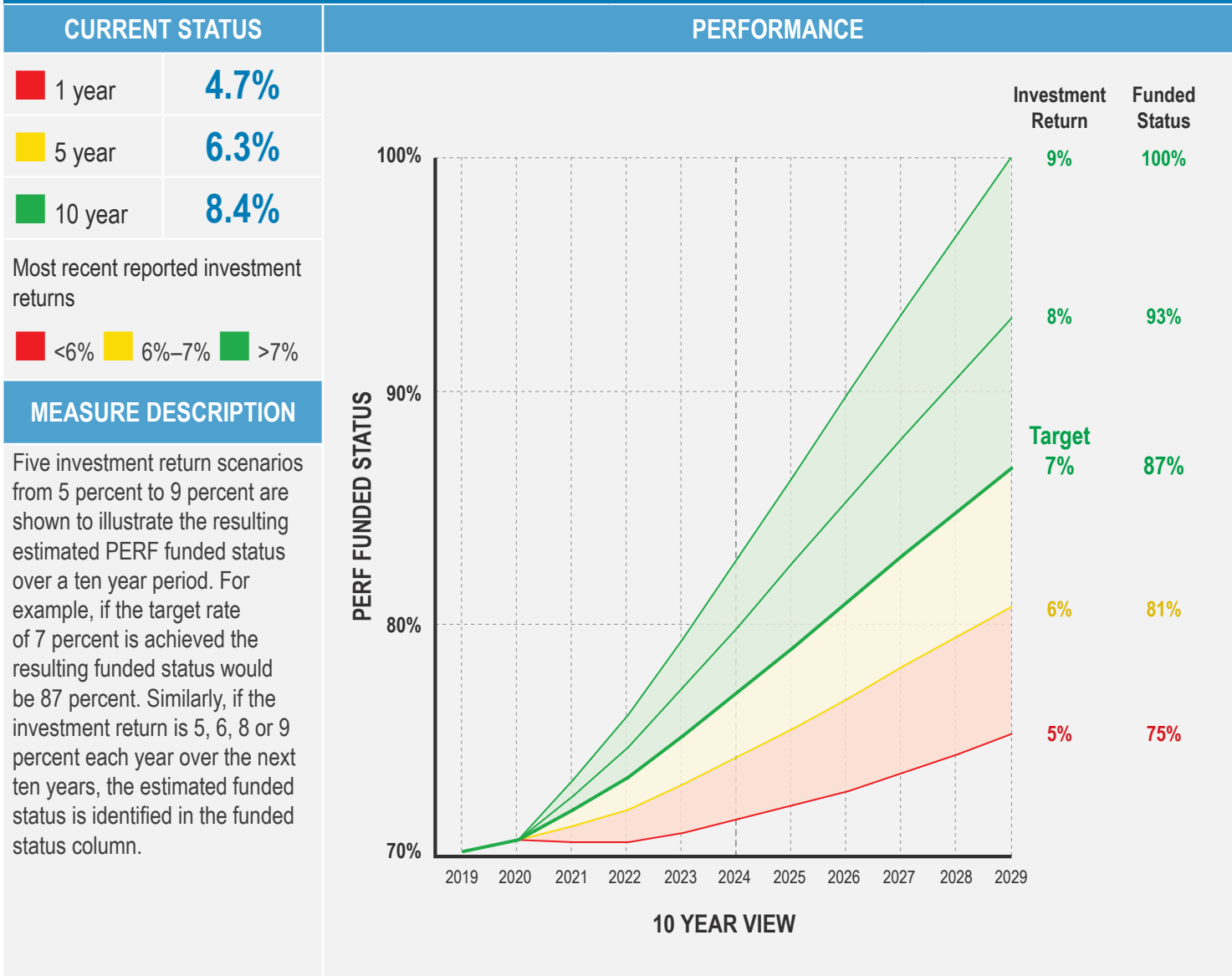
	TOLERANCES	FREQ	2019–20	FY 20–21				COMMENTS
				Q1	Q2	Q3	Q4	
 FUND SUSTAINABILITY Strengthen the long-term sustainability of the pension fund								
Probability of PERF funding levels below 50% <i>Owner: Chief Actuary</i>	> 20% 10%–20% < 10%	Annually	2%					Data as of November 2019
Investment return: Funded status impact <i>Owner: Chief Actuary</i>	< 6% 6%–7% > 7%	Annually	4.7%					Status based on actual returns reported on November 2020 Exception report attached.
Employer contribution rate impact <i>Owner: Chief Actuary</i>	Projected vs. Actual > 2% 1%–2% < 1%	Annually	Misc. 0.27% Safety 0.51%					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>	≤ 97.9% 98%–98.9% ≥ 99%	Annually	99.57%					Data as of February 2020
Increase in Total Covered Lives (TCLs) <i>Owner: Chief Health Director</i>	≤ 5,999 TCLs 6,000–8,999 TCLs ≥ 9,000 TCLs	Annually	5,407					Data as of February 2020 Exception report attached.
Legislation that negatively impacts CalPERS <i>Owner: Chief Health Director</i>	Legislation exists No legislation exists	Quarterly						
Maintain Health Care Fund Actuarial Reserve <i>Owner: Chief Health Director</i>	<90% / >110% Actuarial Reserve 90%–110% Actuarial Reserve	Annually	104%					Data as of December 2019
 REDUCE COMPLEXITY Reduce complexity across the enterprise								
Proposed legislation that would reduce plan designs <i>Owners: Deputy Executive Officer, Communications & Stakeholder Relations</i>	No Legislation exists Legislation exists	Quarterly / Point in time						

	TOLERANCES	FREQ	2019–20	FY 20–21				COMMENTS
				Q1	Q2	Q3	Q4	
 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						<i>Previous bills that have an impact on the plan design failed their deadlines and/or vetoed by the governor. New legislation may not be introduced until December 2020.</i>
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 	Biannual	0.1%					<i>Data as of June 2020 Exception report attached.</i>
 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						<i>In development</i>
Percent of policies, delegations, and charters up-to-date and current <i>Owner: Chief Compliance Officer</i>								<i>In development</i>
 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	68%					<i>Data as of January 2020</i>
Employer Brand <i>Owners: Deputy Executive Officer, Operations & Technology</i>	<ul style="list-style-type: none"> ■ ≤ -11 ■ -10–20 ■ ≥ 21 	Quarterly						<i>In development</i>

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


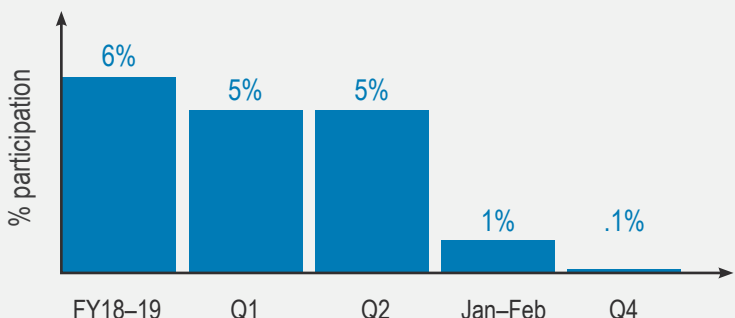
Increase in Total Covered Lives (TCLs)

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" style="display: none;"> <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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<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> ■ ≤ 5,999 TCLs ■ 6,000–8,999 TCLs </div> <div style="margin-top: 5px;"> ■ ≥ 9,000 TCLs </div>																
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



Lean white belt training

CURRENT STATUS — FY 2019–20		PERFORMANCE		
	.1%			
<p>■ 0% ■ 1–4% ■ 5%</p>				
ROOT CAUSE / SUCCESS		NEXT STEPS		
<ul style="list-style-type: none"> Cancelled in-person classes due to COVID-19. Increased training participation due to launch of Lean eLearning series, however, increase was offset by continued turnover of previously trained team members. Developed improved risk measure beginning FY 2020–21 that considers additional factors of Lean adoption. 		Action Items	Owner	Targeted Completion Date
		Continue marketing Lean eLearning training opportunities and highlighting benefits of Lean.	PRDA/PAOF	12/30/2020
		Encourage new hires to complete Lean eLearning during onboarding.	HRSD/PRDA	12/30/2020