

2017-22 Strategic Plan | Alignment Map (FY 2018-19)



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 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>Projected funded status</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>Total health care cost annual change</div><div>Mental health and well being</div><div>Self-reported overall health status</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>CEM pension complexity score</div><div>CEM cost per member</div><div>External investment manager reduction strategy</div><div>Overhead operational cost</div><div>CEM 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</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> |  |
| 2018-19 Business Plan Initiatives | <div><div>Redesign and enhance the actuarial valuation system</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 environmental, social, and governance risk integration</div><div>Actuarial valuation system -advanced analytics</div><div>Enhance investment platform and controls</div><div>Alignment of asset liability management</div></div> |  |   |  |  | <div><div>Value-based insurance design: feasibility</div><div>Population health alignment with Let's Get Healthy California taskforce report dashboard</div><div>Statewide collaboration through Smart Care California</div><div>Medical pharmacy site of care management</div><div>Partner with health plans to engage in community activities</div><div>Review and update shared savings accountable care organizations cost and quality targets</div><div>Pharmacy benefits management</div><div>Medical reference pricing expansion</div></div> |  |  | <div><div>Mature targeted information technology capabilities</div><div>Develop and implement continuous process improvement framework</div><div>CEM complexity score maintenance</div><div>Enhance business effectiveness, resource allocation, and efficiency of investment programs</div><div>Develop information technology service-level agreements</div></div> |  | <div><div>Increase enterprise-wide risk awareness</div><div>Enterprise business continuity plan, phase II</div><div>Increase enterprise-wide compliance awareness</div><div>Information security roadmap</div><div>Increase compliance program maturity</div><div>Enterprise data governance</div><div>Strategic risk measures</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>Talent outreach activities</div><div>Enhance succession planning program &amp; retention strategies for senior leaders</div></div>                     |  |
| Legend                            | <div><div></div>Strategic Objectives</div>   | <div><div></div>Strategic Measures and Targets</div> | <div><div></div>Business Plan Initiatives</div> | <div>CEM</div> <div>Cost Effectiveness Measurement pension administration benchmarking</div> |  |   |  |  |  |  |  |  |   |  |