




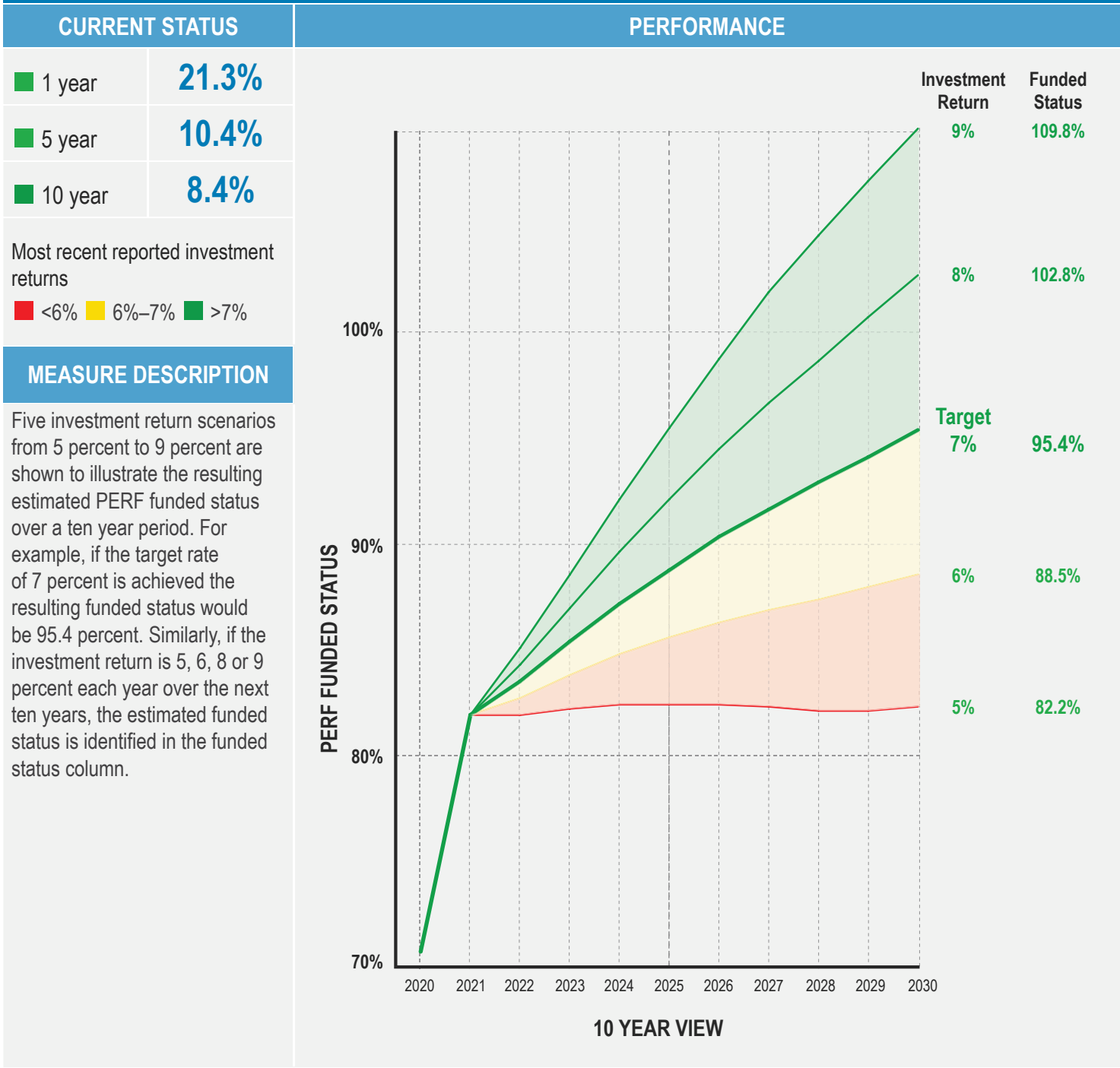


		TOLERANCES	FREQ	2020–21	Q1	Q2	Q3	Q4	COMMENTS
 <b>REDUCE COMPLEXITY</b>   Reduce complexity across the enterprise									
Externally proposed bills that have the potential to increase the complexity of the plan design <i>Owners: Deputy Executive Officer, Communications &amp; Stakeholder Relations</i>									
Continuous process improvement adoption <i>Owners: Chief Operating Officer, Operations &amp; Technology</i>		<ul style="list-style-type: none"> <li><span style="color: red;">■</span> Decrease in adoption</li> <li><span style="color: yellow;">■</span> No change (0.0)</li> <li><span style="color: green;">■</span> Increase in adoption</li> </ul>	Biannual						
 <b>RISK MANAGEMENT</b>   Cultivate a risk-intelligent organization									
 <b>TALENT MANAGEMENT</b>   Promote a high-performing and diverse workforce									
Employee Engagement Survey – Diversity and Inclusion (D&I) <i>Owners: Deputy Executive Officer, Communications &amp; Stakeholder Relations</i>		<ul style="list-style-type: none"> <li><span style="color: red;">■</span> ≤ 44% agree</li> <li><span style="color: yellow;">■</span> 45%–59% agree</li> <li><span style="color: green;">■</span> ≥ 60% agree</li> </ul>	Annually		80.2%				<i>Data as of January 2021</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
Ongoing stakeholder education and engagement	CFO/ALMAC	<a href="#">ALM Cycle</a>

**HIGH-QUALITY AFFORDABLE HEALTH CARE** | Improve health care quality, access & affordability



**Legislation that negatively impacts CalPERS**

CURRENT STATUS — FY 2021–22		PERFORMANCE		
<span style="color: red;">■</span>	<b>Legislation exists</b>			
<span style="color: red;">■</span> Legislation exists <span style="color: green;">■</span> No legislation exists				
ROOT CAUSE / SUCCESS		NEXT STEPS		
Bill Number		Action Items	Owner	Targeted Completion Date
<b>SB 510</b>	<p>The California legislature passed, and Governor Newsom signed, SB 510 in 2021 which provides that COVID-19 testing and treatment will be without cost-sharing including employer ongoing/surveillance testing. Covering the cost of testing is a good public health policy and ultimately in our members' best interest, although the employer testing portion of cost being shifted to health plans could be expensive. CalPERS is working with the Department of Managed Health Care (DMHC) to ensure that costs are reasonable.</p>	Coordinate with DMHC to ensure costs are reasonable.	HPRA	6/30/2022
		Monitor costs passed to health plans.	HPRA	12/31/2022

**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 2021–22		PERFORMANCE	
<span style="color: red;">■</span>	<b>Legislation exists</b>		
<span style="color: red;">■</span> Legislation exists <span style="color: green;">■</span> No legislation exists			
ROOT CAUSE / SUCCESS		NEXT STEPS	
Bill Number	Action Items	Owner	Targeted Completion Date
<b>AB 1019</b> Requires divestment from specified investments related to the Government of Turkey.	AB 1019—Monitor and potentially request an Oppose position from the CalPERS board.	INVO	1/31/2022
<b>AB 1092</b> Prohibits CalPERS from administering retiree health benefits for retirees employed in positions with comparable health benefits, including private sector employment.	AB 1092—Monitor and potentially request an Oppose position from the CalPERS board.	HAMD, EAMD	1/31/2022
<b>SB 457</b> Requires CalPERS to provide a separate trust fund for requesting school employers and cities that does not include specified investments related to the Government of Turkey. Significant administrative complexity to establish a separate trust.	SB 457—Monitor. Board adopted an Oppose position, so will advocate opposition.	Multiple programs	6/30/2022

**REDUCE COMPLEXITY** | Reduce complexity across the enterprise



**Continuous process improvement adoption**

CURRENT STATUS — FY 2020–21		PERFORMANCE		
	<b>0.0%</b>			
<ul style="list-style-type: none"> <li> Decrease in adoption</li> <li> No change (0.0)</li> <li> Increase in adoption</li> </ul>				
ROOT CAUSE / SUCCESS		NEXT STEPS		
<ul style="list-style-type: none"> <li>• 61% of CalPERS team is trained in Lean fundamentals.</li> <li>• CalPERS program areas highlighted the successes of their process improvements at Lean Community of Practice events and there was an increase in awareness of the Lean Community since June 2021.</li> </ul>		Action Items	Owner	Targeted Completion Date
		Further market Lean successes and engage team members to continue process improvements.	PRDA/PAOF	6/30/2022