EPR Third Quarter Report: Strategic Measures Summary Dashboard

The CalPERS 2017-22 Strategic Plan encompasses 34 Strategic Measures (Measures) that enable us to track our progress towards achieving our strategic goals and objectives. The Strategic Measures Summary Dashboard provides a brief synopsis of how all 34 Measures are performing for the third quarter (January 1, 2020 – March 31, 2020). Additional performance details can be found on the summary sheets for each Measure.

Third Quarter Measure Performance:

- 4 On-Target
- 26 Pending refresh
- 3 Under development
- 1 Closed Session item

The Strategic Measures Summary Dashboard also provides trend analysis data that captures performance from year two (FY 2018-19).

Enterprise Performance Reporting – Third Quarter Status
CalPERS 2019-20 Strategic Measures

Fund Sustainability	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2018-19)	Page Number
Funded Status	■	*	*		**** Q1|Q2|Q3|Q4	7
Projected Funded Status	●	*	*		**** Q1|Q2|Q3|Q4	9
1-year total expected fund volatility	●	*	*		**** Q1|Q2|Q3|Q4	11
Annualized (5-year) excess investment returns relative to Total Fund policy benchmark	■	*	*		**** Q1|Q2|Q3|Q4	13
Stakeholder assessment survey – risk	*	*	*		***● Q1|Q2|Q3|Q4	15
Investment managers policies and procedures for environmental, social and governance (ESG) factor integration	●	*	*		**** Q1|Q2|Q3|Q4	17

Enterprise Performance Reporting – Third Quarter Status
CalPERS 2019-20 Strategic Measures

Health Care Affordability	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2018-19)	Page Number
Access to care	✱	✱	✱		✱✱✱● Q1|Q2|Q3|Q4	19
Total health care cost annual change	✱	✱	●		✱✱●✱ Q1|Q2|Q3|Q4	21
Diabetes self-management	✱	✱	✱		✱✱✱△ Q1|Q2|Q3|Q4	23
Mental health and well being	✱	✱	✱		✱✱✱△ Q1|Q2|Q3|Q4	25
Self-reported overall health status	✱	✱	✱		✱✱✱● Q1|Q2|Q3|Q4	27
Opioids – dose	✱	✱	✱		✱✱✱● Q1|Q2|Q3|Q4	29
Opioids – duration	✱	✱	✱		□□□● Q1|Q2|Q3|Q4	31
C-section rate	✱	●	✱		✱✱✱✱ Q1|Q2|Q3|Q4	33
Acute onset lower back pain and related opioid use	□	□	□		N/A	35
Acute onset lower back pain and physcial therapy	□	□	□		N/A	36
Overuse of imaging for back pain	✱	✱	✱		✱●✱● Q1|Q2|Q3|Q4	37

Enterprise Performance Reporting – Third Quarter Status
CalPERS 2019-20 Strategic Measures

Reduce Complexity	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2018-19)	Page Number
CEM – pension complexity score	*	*	*		* * * ● Q1|Q2|Q3|Q4	39
External investment manager reduction strategy	●	*	*		* * * * Q1|Q2|Q3|Q4	41
CEM – information technology capability score	*	*	*		* * * ● Q1|Q2|Q3|Q4	43
CEM – cost per member	*	*	*		* * * ■ Q1|Q2|Q3|Q4	45
Overhead operational cost	■	*	*		* * * ● Q1|Q2|Q3|Q4	47
5-year net value added	●	*	*		* * * * Q1|Q2|Q3|Q4	49

Enterprise Performance Reporting – Third Quarter Status
CalPERS 2019-20 Strategic Measures

Risk Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2018-19)	Page Number
Stakeholder assesment survey – compliance and risk	*	*	*		* * * ● Q1|Q2|Q3|Q4	51
Risk employee awareness survey	*	*	●		* * ● * Q1|Q2|Q3|Q4	53
Risk program maturity assessment	*	*	●		* * ● * Q1|Q2|Q3|Q4	55
Compliance employee awareness survey	*	*	●		* * ● * Q1|Q2|Q3|Q4	57
Compliance program maturity assessment	*	*	*		* * * ● Q1|Q2|Q3|Q4	59
Composite security health score within range	**Closed Session**	**Closed Session**	**Closed Session**		**N/A**	61

Enterprise Performance Reporting – Third Quarter Status
CalPERS 2019-20 Strategic Measures

Talent Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY2018-19)	Page Number
Effectiveness of outreach activities	*	*	*		N/A	62
Engagement survey results & action items – diversity & inclusion	*	●	*		* ● * * Q1|Q2|Q3|Q4	64
Engagement survey results and action items – accountability	*	●	*		* ● * * Q1|Q2|Q3|Q4	66
Engagement survey results and action items – senior and executive management relationships	*	△	*		* △ * * Q1|Q2|Q3|Q4	68
Proficiency in CalPERS leadership competencies	□	*	□		** ** ** ** Q1|Q2|Q3|Q4	70

2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Funded Status
Executive Owner:	Michael Cohen
Strategic Goal:	Fund Sustainability
Strategic Objective:	Fund the system through an integrated view of pension assets and liabilities
Associated Initiative(s):	Alignment of Asset Liability Management

Status:	Pending Refresh (in August 2020)
Numeric Status:	**69.7% (as of June 2018)**

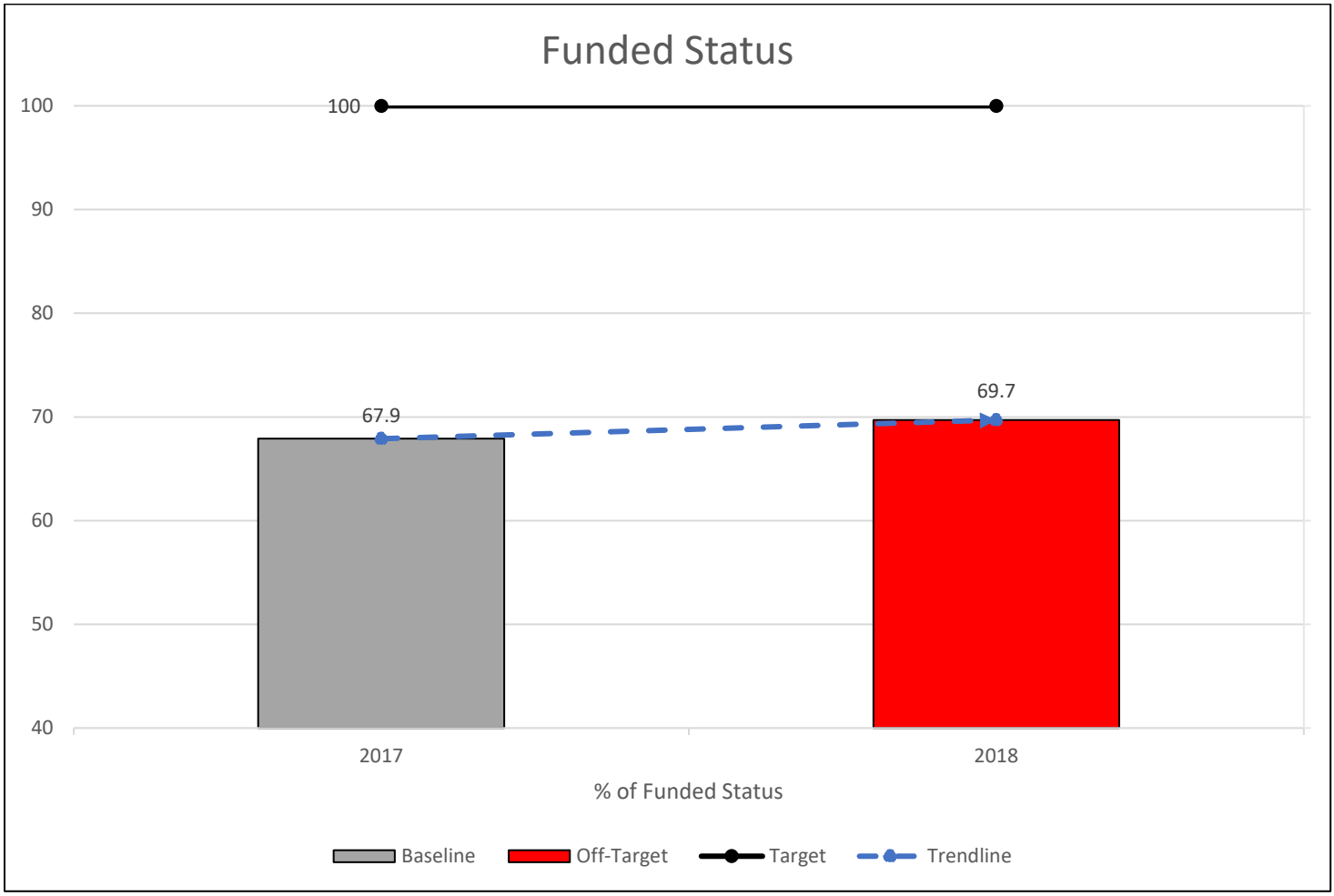
Description:	Funded status is a measure of a pension system's health and is determined by dividing the market value of assets by the actuarial accrued liability. This measure will evaluate overall Funded Status for the three major components of the Public Employees' Retirement Fund (PERF): State, School, and Public Agency employers. As part of the CalPERS ALM cycle, the Board will examine the current funded status of the system and make decisions in alignment with the goal of strengthening the long-term sustainability of the pension fund. CalPERS is also focused on reducing complexity and system costs which will contribute positively to the Funded Status of the PERF. Annually the Actuarial Office provides the Funded Status of the previous fiscal year and Projected Funded Status of the current fiscal year. The inputs for this metric are influenced by five main factors: • Payment of unfunded liabilities • Actual vs. expected investment returns • Change in actuarial methods and assumptions • Benefit changes • Actuarial experience The funded status is based on a 7.0% discount rate.
Baseline:	PERF 67.9% (as of 6/30/17)
Target:	Long-term (beyond the current strategic plan) funded status of 100%
Refresh Frequency:	Annually, August
Reporting Range:	07/01/17 - 06/30/2018

Thresholds:	On-Target:	>100% Funded Status
	At-Risk:	80% to 100% Funded Status
	Off-Target:	<80% Funded Status

Status Narrative:

The funded status was off-track at 69.7% (as of June 30, 2018), however it did rise 1.8% from the previous year, which is inline with the projected funded status targets. Updated performance data will be available in August 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Projected Funded Status
Executive Owner:	Michael Cohen
Strategic Goal:	Fund Sustainability
Strategic Objective:	Fund the system through an integrated view of pension assets and liabilities
Associated Initiative(s):	Alignment of asset liability management; actuarial valuation system-advanced analytics

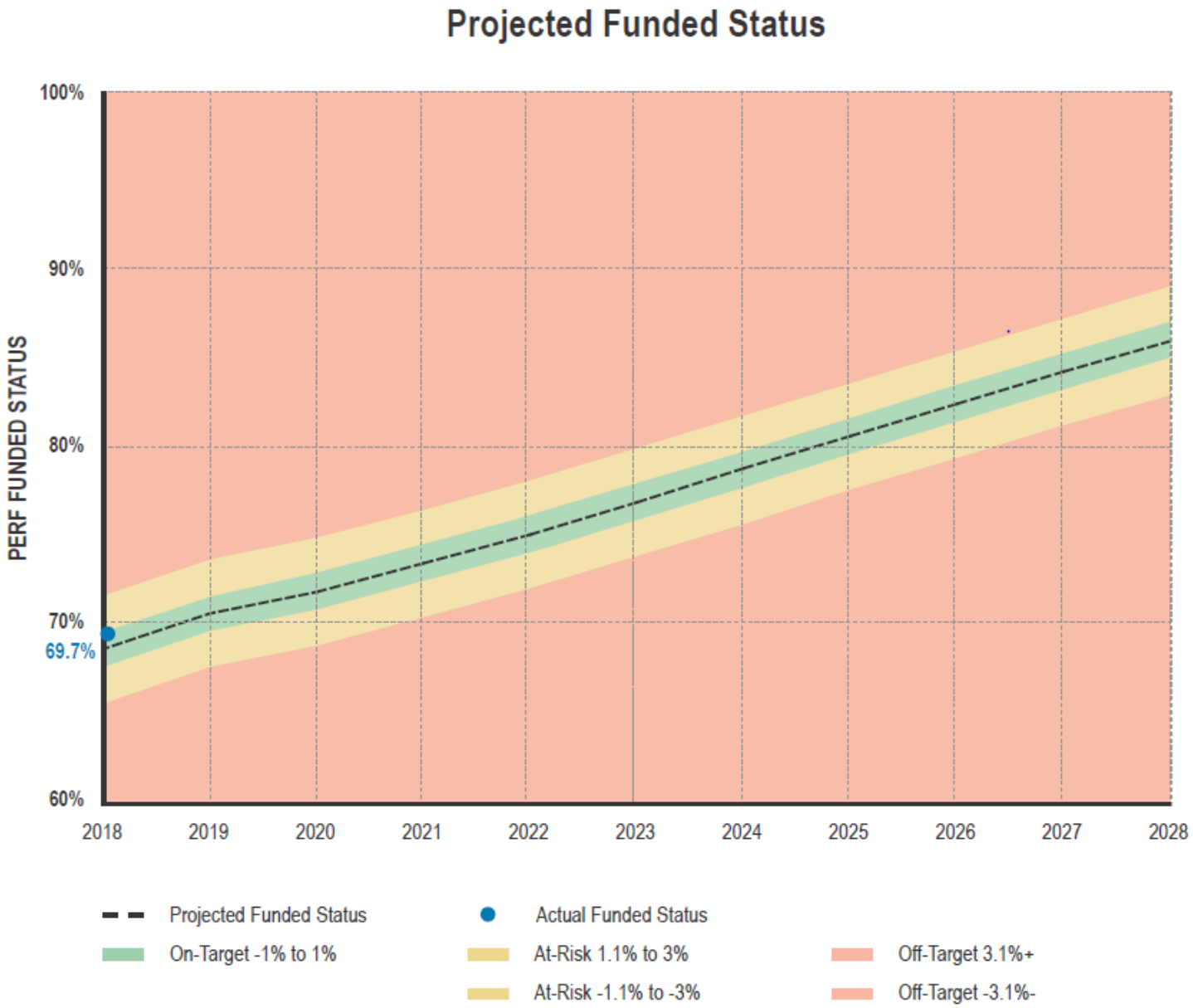
Status:	**Pending Refresh (in August 2020)**
Numeric Status:	**1 percent above (as of June 2018)**

Description:	Monitor the variance between actual and projected funded status of the PERF to determine if the 100 percent funded status projection is on track. Annually, the Actuarial Office provides the actual funded status of the previous fiscal year and the projected funded status of the current fiscal year. The inputs for this measure are influenced by five main factors: • Investment returns • Payment of unfunded liabilities (including additional discretionary payments) • Changes in actuarial methods and assumptions • Benefit changes • Actual experience Annually, the Actuarial Office produces valuation reports for the State, Schools, and Public Agency employers to determine the employer contribution requirements and the funded status of each plan. Because the funded status changes slowly, it is important to monitor performance trends to indicate if long-term funding goals are on track. The funded status is based on a 7 percent projected investment return. Based on the valuations at June 30, 2018, the PERF is projected to reach 100 percent funded status by June 30, 2041.	
Baseline:	The June 30, 2018 projected funded status was 68.7 percent.	
Target:	To meet the annual projected funded status	
Refresh Frequency:	Annually, August	
Reporting Range:	07/01/17-06/30/18	
Thresholds:	On-Target:	Less than or equal to 1 percent above or below the projected funded status
	At-Risk:	Greater than 1 percent or less than or equal to 3 percent above or below the projected funded status
	Off-Target:	Greater than 3 percent above or below the projected funded status

Status Narrative:

The June 30, 2018 projected funded status was 68.7 percent. The June 30, 2018 actual funded status was 69.7 percent, which exceeded the target by 1 percent, making this measure On-Target. Updated performance data will be available in August 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	1-Year Total Expected Fund Volatility
Executive Owner:	Yu (Ben) Meng
Strategic Goal:	Fund Sustainability
Strategic Objective:	Mitigate the risk of significant investment loss
Associated Initiative:	Investment risk management and performance attribution

Status:	**Pending Refresh (in August 2020)**
Numeric Status:	**7.7% (as of 06/30/19)**

Description:	The total (gross) risk of the Total Fund (Fund) expressed in the standard deviation (1-year) of the Funds' total return distribution, expressed in percent. Reported on a fiscal year-end basis, the metric will measure the expected volatility of the Total Fund returns. The current target was derived through the Capital Market Assumption (CMA) process used in the November 2017 Asset Liability Management (ALM) Cycle, to be effective 7/1/18. The ALM process occurs every four years.	
Baseline:	Current Barra volatility estimate for PERF is 7.6%, as of 6/30/18	
Target:	Current total expected fund volatility is 8% or less, as of 7/1/18.	
Refresh Frequency:	Annually, August	
Reporting Range:	07/01/18 - 06/30/19	
Thresholds:	On-Target:	Equal to or less than the target
	At-Risk:	1-50 basis points excess of target
	Off-Target:	51 basis points or more excess of target

Status Narrative:

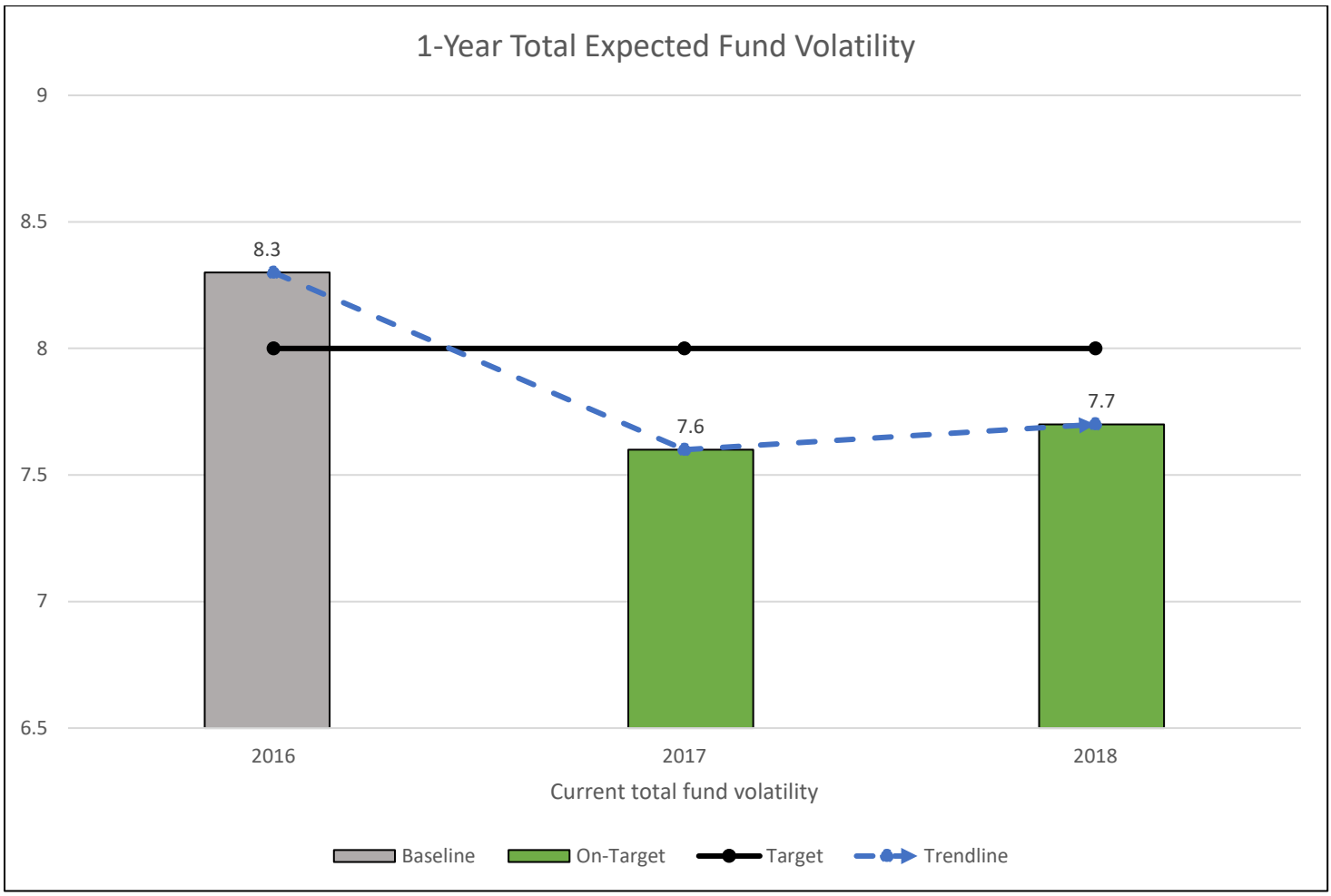
As of June 2019, this measure was On-Target.

Current forecast volatility of 7.7% vs. 7.6% in prior year

- 0.1% risk increase over prior year is indicative of the plan's expected short-term return dispersion given the current market environment.

Growth assets, especially public equities, remain the primary drivers of total volatility. Updated performance data will be available in August 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Annualized (5-Year) Excess Investment Returns Relative to Total Fund Policy Benchmark
Executive Owner:	Yu (Ben) Meng
Strategic Goal:	Fund Sustainability
Strategic Objective:	Deliver target risk-adjusted investment returns
Associated Initiative(s):	Enhance capital allocation framework; Enhance investment platform and controls; Investment program long-term planning

Status:	**Pending Refresh (in August 2020)**
Numeric Status:	**Underperformed policy benchmark by 23 basis points (for FY 2018-19)**

Description:	Measures annualized 5-year excess investment returns relative to the Total Fund policy benchmark, which is a composite established by the Investment Committee-assigned asset class benchmarks and the target weights derived from the Asset Liability Management (ALM) process. Reported on a fiscal year-end basis, the metric will measure the effectiveness of the Investment Office in meeting the objective of achieving investment performance relative to relevant targets. The actual performance generated by the portfolio is affected by both the active under- or over-weighting of the asset classes within their policy ranges, as well as the performance of the individual asset classes vs. their specified policy benchmark.	
Baseline:	The Total Fund policy benchmark will be recalculated on a rolling 5-year period.	
Target:	Meet or exceed the Total Fund policy benchmark. Policy benchmark weights are fixed and do not vary except by Investment Committee action, such as the approval of interim target weights.	
Refresh Frequency:	Annually, August	
Reporting Range:	FY 2014-15 through FY 2018-19	
Thresholds:	On-Target:	Exceed Total Fund Policy Benchmark
	At-Risk:	Meet or Trail Total Fund Policy Benchmark by up to 10 basis points
	Off-Target:	Trail Total Fund Policy Benchmark by 10 basis points or more

Status Narrative:

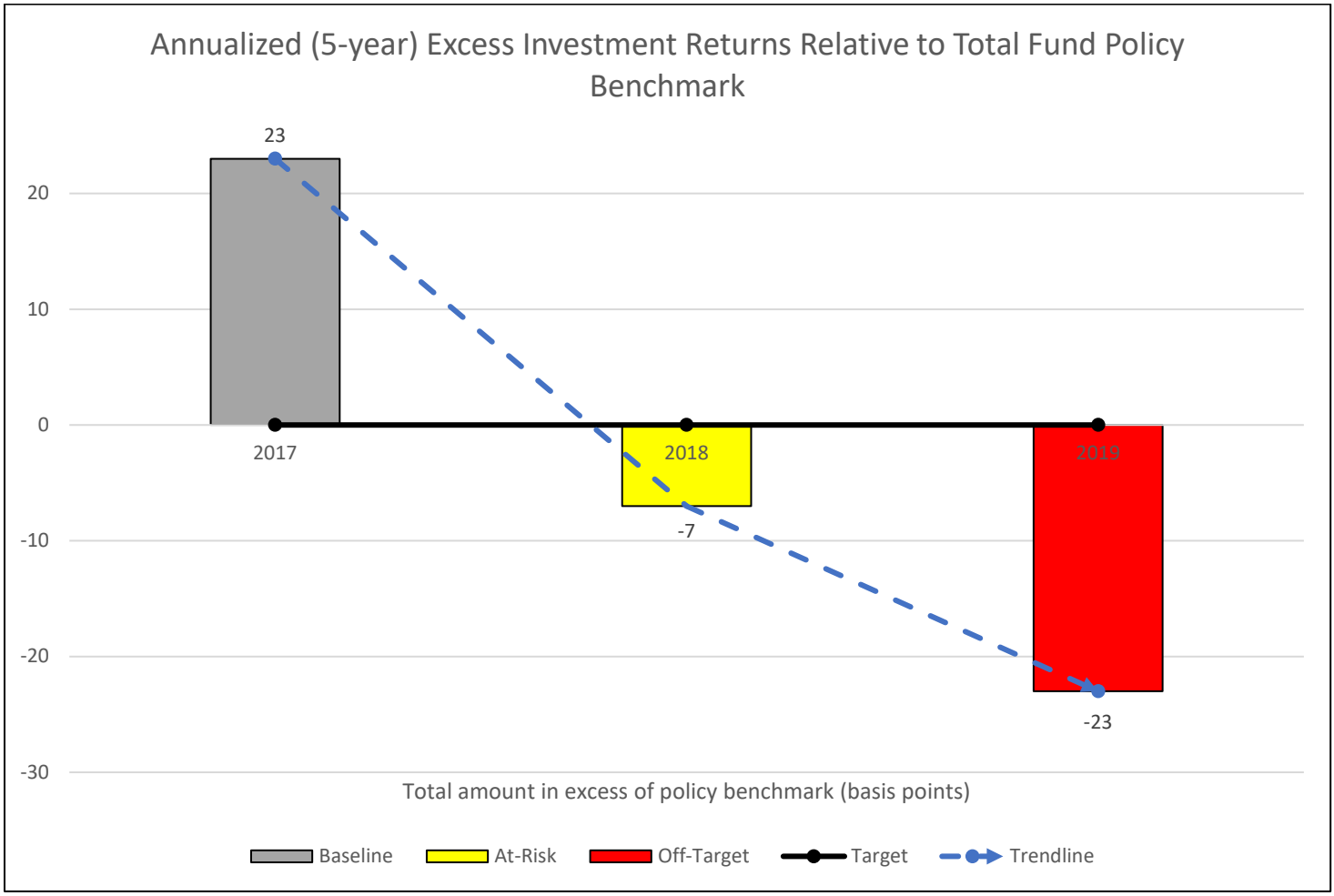
As of June 2019, this measure was reported as Off-Target.

The PERF generated a 5-year annualized Total Net Return of 5.8% and underperformed the policy benchmark by 23 basis points.

This measure was Off-Target because Real Estate, Private Equity, and Public Equity underperformed their respective benchmarks. In addition, underweights of private assets required investing shortfall into public markets which had lower returns.

To meet our return target in the future, we are evaluating investment capabilities and reviewing investment activities to capitalize on strengths. Updated performance data will be available in August 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Stakeholder Assessment Survey - Risk
Executive Owner:	Brad Pacheco
Strategic Goal:	Fund Sustainability
Strategic Objective:	Educate employers, members, and stakeholders on system risks and mitigation strategies
Associated Initiative(s):	Stakeholder education on system risks & mitigation

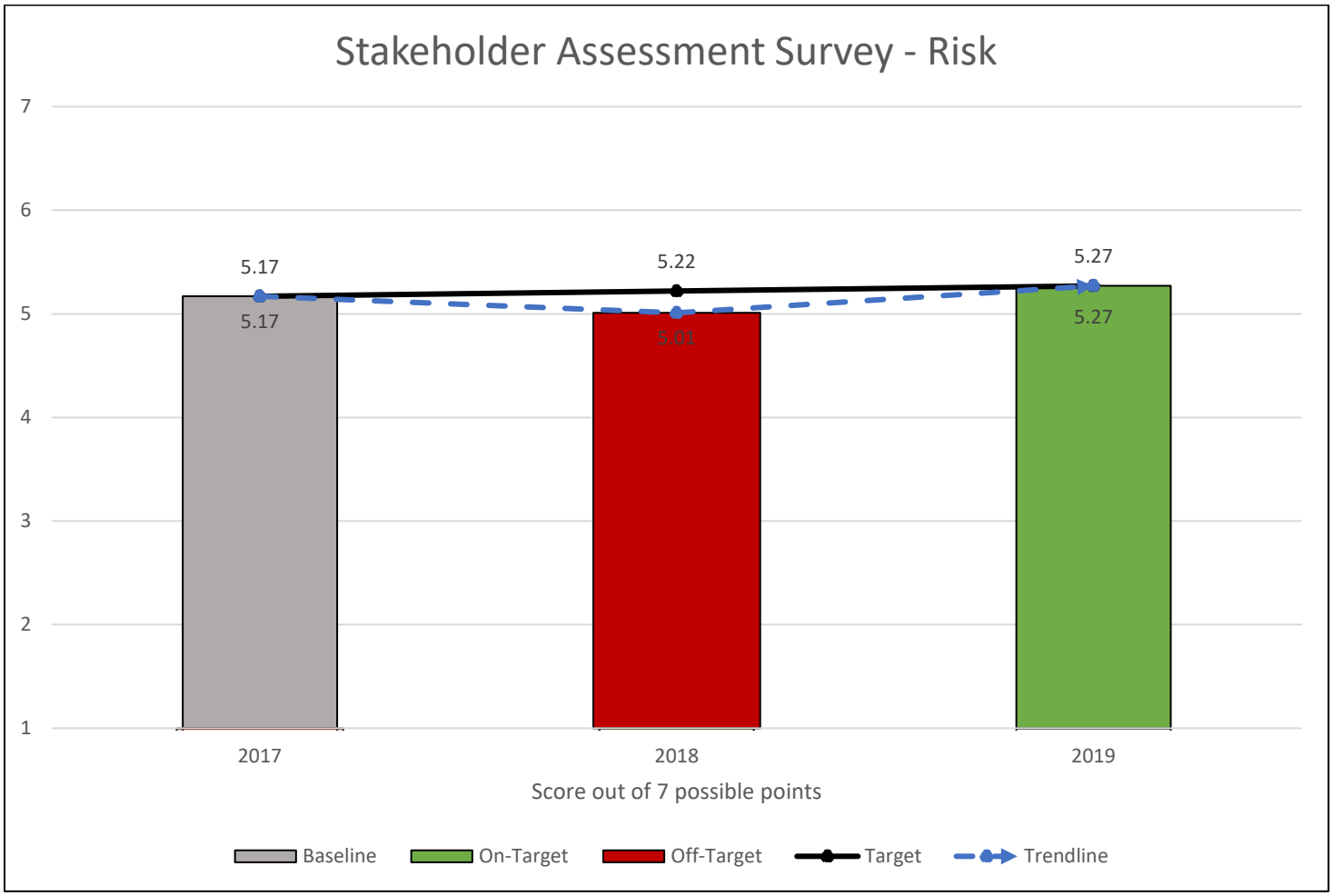
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**5.27 points (as of May 2019)**

Description:	The measure scores the overall stakeholder perception of CalPERS' success in explaining and mitigating risks to the System. Data is gathered through the annual Stakeholder Perception Survey in response to the statement "I understand the risks inherent in the System and I am confident CalPERS is taking steps to reduce the risks." The target will be met through continued stakeholder engagement, proactive communications with our various member/employer/retiree populations, and through focused efforts to share our risks and risk mitigation strategies.	
Baseline:	5.17 out of 7 possible points	
Target:	Five-year goal: achieve a score of 5.43 out of 7 points; a 5% increase from the baseline. Annual increases of 1% (0.05 points).	
Refresh Frequency:	Annually, June	
Reporting Range:	February 2018 – May 2019	
Thresholds:	On-Target:	Annual increase of 0.05 or more points from the baseline figure each year
	At-Risk:	Annual increase of 0.0 – 0.04 points from the baseline figure each year
	Off-Target:	Decrease from the baseline figure

Status Narrative:

As of May 2019, this measure was reported as On-Target. The survey results showed an overall favorable increase towards CalPERS from the previous year. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Investment Managers Policies and Procedures for ESG Factor Integration
Executive Owner:	Yu (Ben) Meng
Strategic Goal:	Fund Sustainability
Strategic Objective:	Integrate environmental, social, and governance considerations into investment decision making
Associated Initiative(s):	Investment beliefs and environmental, social, and governance risk integration

Status:	**Pending Refresh (in August 2020)**
Numeric Status:	**96% (for FY 2018-19)**

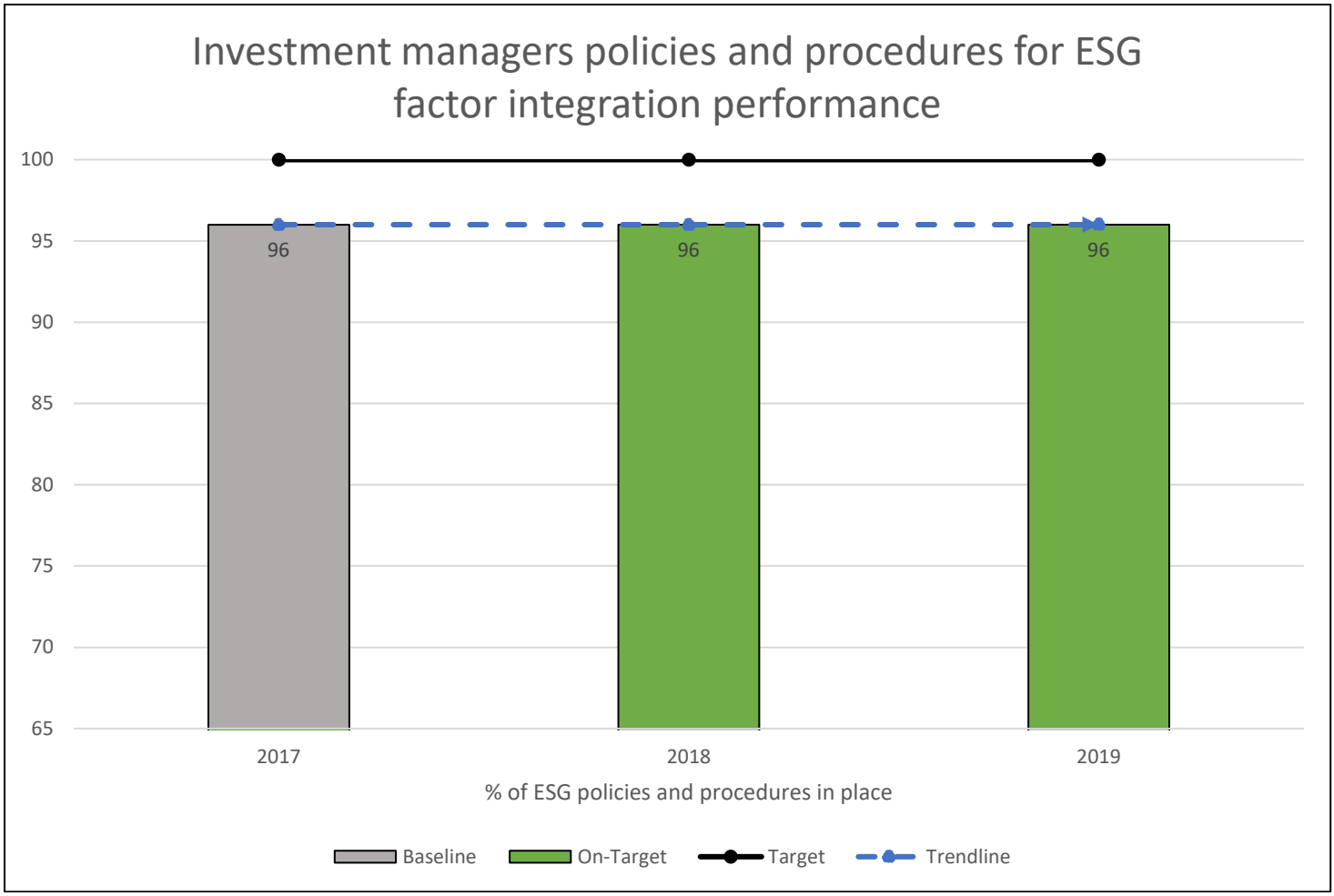
Description:	CalPERS team members developed an annual survey of internal and external strategic managers on their policies and procedures related to ESG risk and opportunity considerations. This was established as a Strategic Priority in August 2016 as part of CalPERS' Environmental Social and Governance (ESG) strategy. Asset classes are continuing to refine and evolve ESG integration efforts, including continued sharing of best practices internally and amongst external investment managers. This annual survey is to determine the percentage of internal and external strategic managers that have policies and procedures articulating how ESG risk and opportunity considerations are incorporated into investment processes and decisions.
Baseline:	For FY 2016-17, the baseline for this measure was 96% with a target of 100% integration, as established by the INVO Sustainable Investments (SI) staff responsible for central monitoring, external communication, and establishment of measurement processes and reporting.
Target:	100% of internal and external investment managers have policies and procedures in place to integrate ESG factors into investment decisions.
Refresh Frequency:	Annually, August
Reporting Range:	07/01/18 - 06/30/19
Thresholds:	On-Target: 80% and above At-Risk: 50-79% Off-Target: Less than 50%

Status Narrative:

As of June 2019, this measure reported as on-target with planned continued efforts being conducted in the 2019-2020 Roadmap Initiative, "ESG Integration".

Based on the survey methodology and universe of managers surveyed, 96% of managers incorporated ESG practices in their investment processes. Asset classes are continuing to refine and evolve ESG integration efforts, including continued sharing of best practices internally and amongst external investment managers. Updated performance data will be available in August 2020

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Access to Care
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Restructure benefit design to promote high-value health care
Associated Initiative(s):	Medical pharmacy site of care management

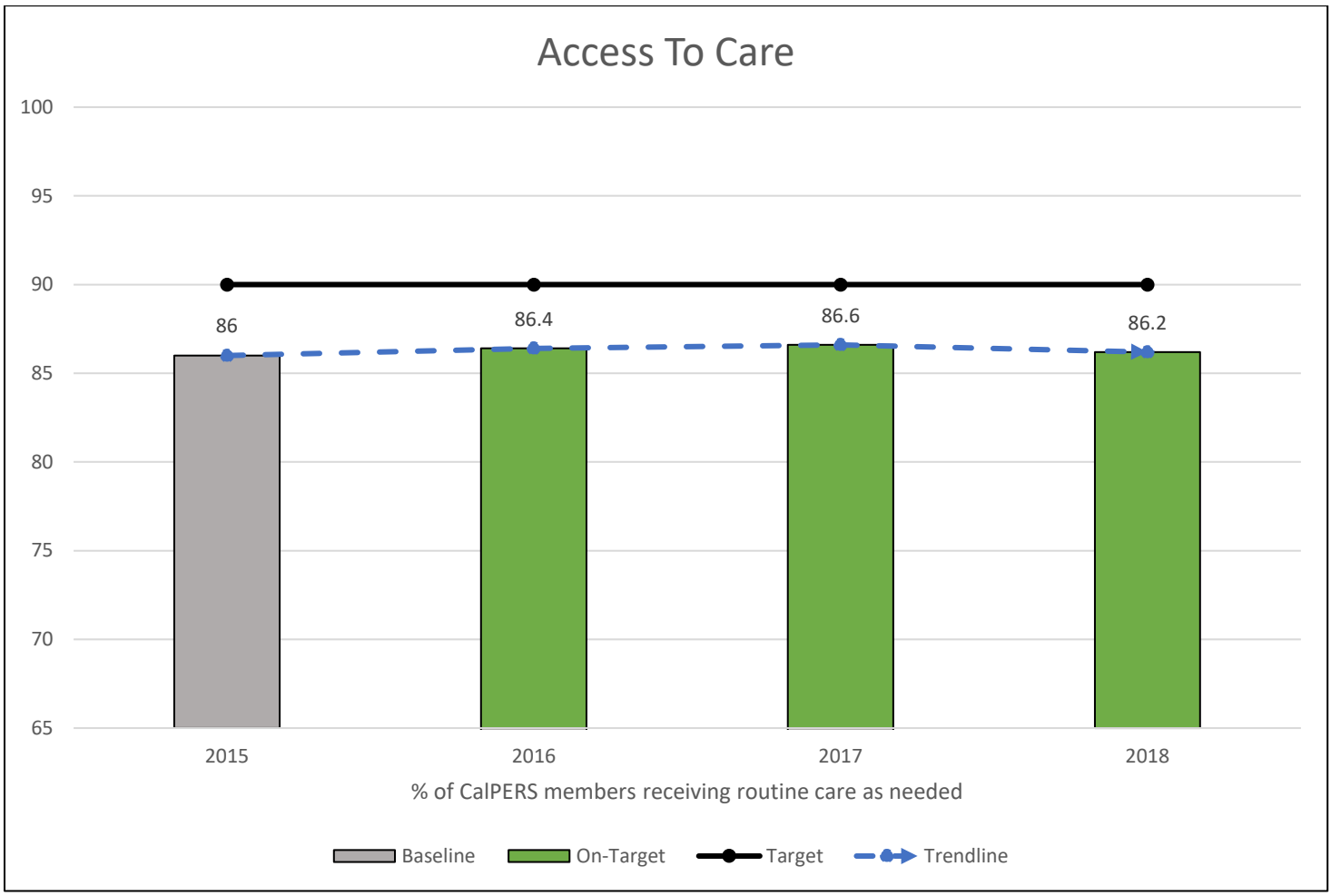
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**86.2% (covering experience in 2018)**

Description:	Percent of CalPERS members responding that they received routine care as soon as they needed it in the last 12 months. This metric represents the perception of CalPERS members' access to care when needed. A higher percentage is considered good. Factors that can influence this measure include enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners. Measure trend: • 86.4% (covering experience in 2016) • 86.6% (covering experience in 2017) • 86.2% (covering experience in 2018)
Baseline:	86.0% (covering experience in 2015)
Target:	90%
Refresh Frequency:	Annually, June
Reporting Range:	January 2018 – December 2018
Thresholds:	On-Target: 85% + At-Risk: 80 – 84.9% Off-Target: Below 80%

Status Narrative:

As of June 2019, this measure was reported at 86.2% and was On-Target. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Total Health Care Cost Annual Change
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Restructure benefit design to promote high-value health care
Associated Initiative(s):	Value-based insurance design; Pharmacy benefits management; Medical reference pricing expansion

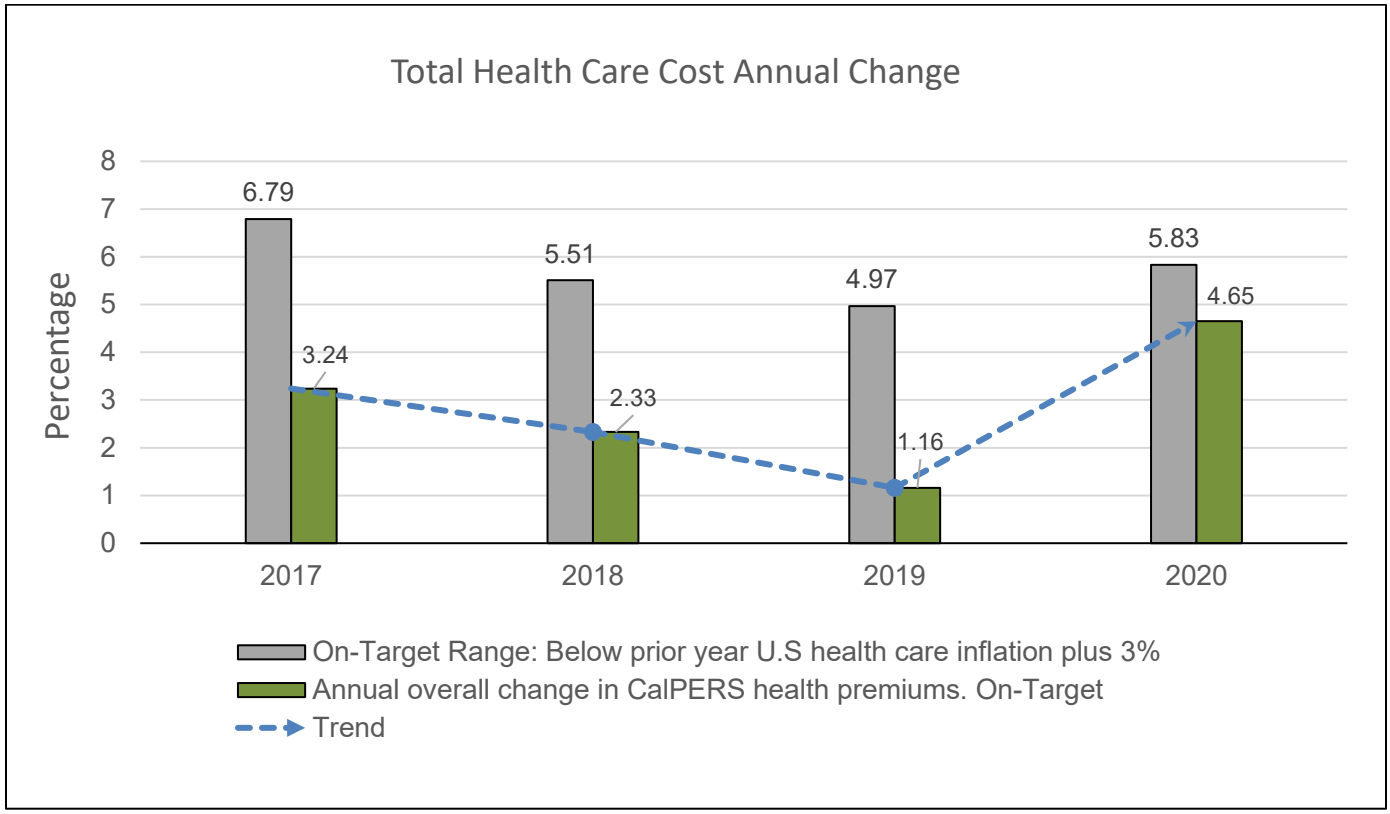
Status:	**On-Target**
Numeric Status:	**4.65% (for 2020)**

Description:	This measure assesses the annual overall percent change in CalPERS Health Care premiums compared to the U.S. Health Care inflation rate, which is measured by the change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI) for medical care. The medical care index is one of eight major groups in the CPI and is divided into two main components: medical care services and medical care commodities, each containing several item categories, including health insurance and medical drugs. Factors that can influence this measure include member utilization, unit costs, and contract negotiations. Innovations and efficiencies such as promoting efficient hospital plan networks, value based purchasing and integrated health models, help mitigate medical trend increases. The target and thresholds change annually based on the CPI for medical care. Measure trend: • 2.33% for 2018 • 1.16% for 2019 • 4.65% for 2020
Baseline:	The federal government calculates CPI and given that CPI will change annually, there is no baseline to report.
Target:	For 2020, below 5.83 percent. The goal is to keep the annual overall increase in CalPERS Health Care premiums below the change in the CPI for medical care (2.83% for 2019) plus three percent.
Refresh Frequency:	Annually, January
Reporting Range:	January 2019 – December 2019
Thresholds:	On-Target: Below 5.83% At-Risk: 5.83-7.83% Off-Target: Above 7.83%

Status Narrative:

As of January 2020, this measure was reported at 4.65% and was On-Target. CalPERS exceeded the target by 1.18 percent, holding the annual overall percentage increase in health care premiums for 2020 below 5.83 percent. Updated performance data will be available in January 2021.

Performance Trend Chart:



Annual Percentage Change:

Year	2017	2018	2019	2020
Annual U.S. health care inflation (CPI)	2.51	1.97	2.83	Data will be available January 2021
On-Target Range: Prior year U.S. health care inflation (CPI) plus 3%	6.79	5.51	4.97	5.83
Annual overall change in CalPERS health premiums	3.24	2.33	1.16	4.65

2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Diabetes Self-Management
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Improve the health status of our employees, members and their families, and the communities where they live
Associated Initiative(s):	Health stakeholder outreach & awareness

Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**51.3% (covering experience in 2018)**

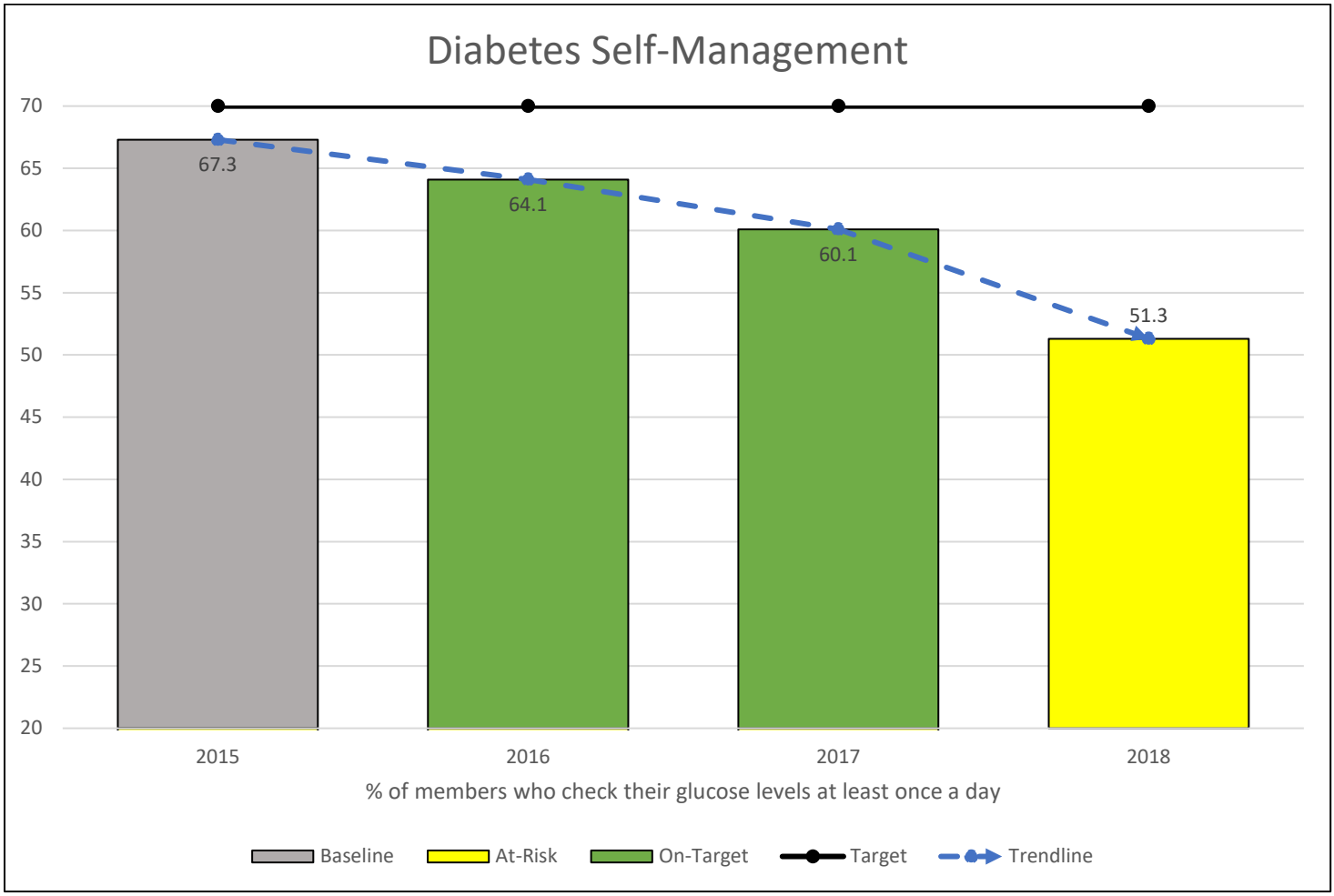
Description:	This measure assesses the proportion of diabetics who report that they check their blood glucose or sugar at least once a day. This metric represents the percentage of CalPERS members with diabetes who indicated that they check their blood for glucose or sugar at least once a day, based on the Annual Health Plan Member survey. A higher percentage is considered good. Factors that can influence this measure include: • Provider and member behavior. • Enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners. For example, many health plans have disease management programs through which members receive advice and coaching on diabetes by telephone. Measure trend: • 64.1% (covering experience in 2016) • 60.1% (covering experience in 2017) • 51.3% (covering experience in 2018)
Baseline:	67.3% (covering experience in 2015)
Target:	70%
Refresh Frequency:	Annually, June
Reporting Range:	January 2018 – December 2018
Thresholds:	On-Target: 60% and above At-Risk: 50-59.99% Off-Target: Below 50%

Status Narrative:

As of June 2019, this measure was At-Risk: 51.3% of CalPERS members with diabetes indicated that they check their blood for glucose or sugar at least once daily during 2018, based on the Annual Health Plan Member survey. The number of respondents for this question decreased from the previous year and a sampling error

may have contributed to the result (e.g. the actual population who responded may not reflect the entire population of CalPERS members with diabetes). Furthermore, the measure may underestimate glucose self-monitoring adherence because the recommended frequency of glucose self-monitoring is based on the individual member's clinical condition. For example, people with type 2 diabetes who have optimal diabetes control for an extended period likely do not require daily self-monitoring of blood glucose. We will continue to work with our health plan partners and third-party administrators to improve diabetes self-monitoring through disease management programs, member education and outreach. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Mental Health and Well Being
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Improve the health status of our employees, members and their families, and the communities where they live
Associated Initiative(s):	Health stakeholder outreach & awareness

Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**65.8% (covering experience in 2018)**

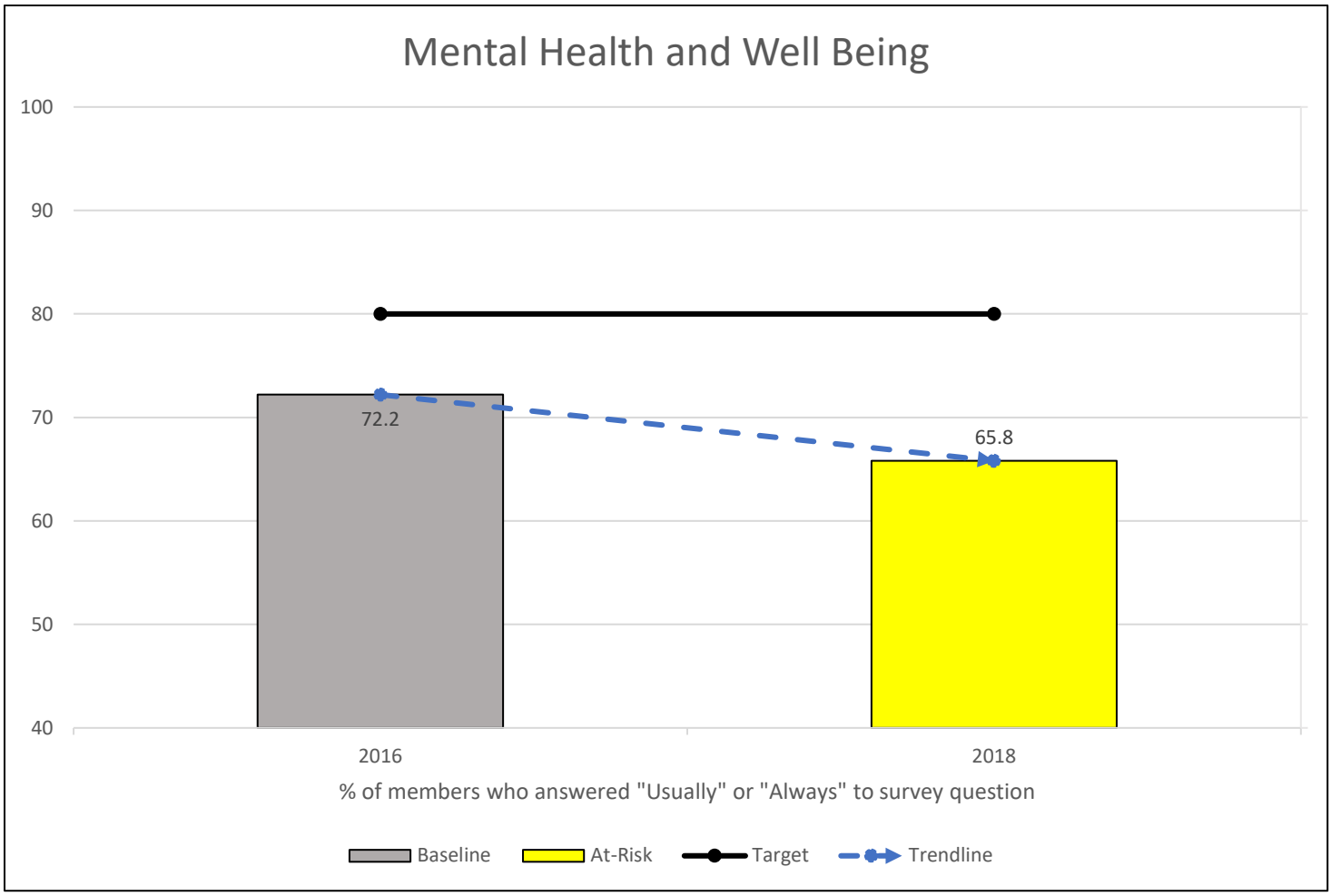
Description:	Percentage of CalPERS members who answered "Usually" or "Always" to the Health Plan Member Survey (HPMS) question "In the last 12 months, how often was it easy to get the treatment or counseling you needed through your health plan?" CalPERS team members chose to focus on the above-mentioned measure because health plans can influence access to care and because CalPERS data are readily available. CalPERS data on major depressive episodes in people with depression (a Let's Get Healthy California measure) are unavailable. Access to mental health services can impact a variety of mental illnesses, such as depression, schizophrenia, bipolar disorder, Attention Deficit Hyperactivity Disorder (ADHD), Post Traumatic Stress Disorder (PTSD), anorexia, and bulimia. Measure trend: • 65.8% (covering experience in 2018)
Baseline:	72.2% (covering member experience in 2016)
Target:	80%. There are no known standardization benchmarks for the question; therefore, this target was chosen with the objective to exceed current and past (63.1% in 2016 and 71.1% in 2015) results. The lower threshold was chosen at 10% less than the target.
Refresh Frequency:	Annually, June
Reporting Range:	January 2018 – December 2018
Thresholds:	On-Target: 80% and above At-Risk: 65-79.9% Off-Target: Below 65%

Status Narrative:

As of June 2019, this measure was reported as At-Risk: 65.8% of CalPERS members indicated that it was "Usually" or "Always" easy to get treatment of counseling in 2018. No 2018 data covering member experience in 2017 were available. There are no national results or benchmarks published for this survey question. In addition, the question can only be answered by those who state they needed treatment or counseling for "a personal or family problem," which is vague. CalPERS requires mental/behavioral health benefits for members;

however, counseling for marital/family conflicts, and abnormal behavior not attributed to a mental disorder are all usually excluded from coverage. Therefore, respondents may be answering about mental health services that are not covered by CalPERS which may cause the result to be lower than expected. Finally, access to mental health care is a statewide issue due to stigma associated with mental health conditions and the limited number of mental health providers in California. We will continue to work with our health plan partners to assess our current mental health services, gaps, and challenges to reduce barriers so that members can receive appropriate mental health care. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Self-Reported Overall Health Status
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Improve the health status of employees, members and their families, and the communities where they live
Associated Initiative(s):	Health stakeholder outreach & awareness

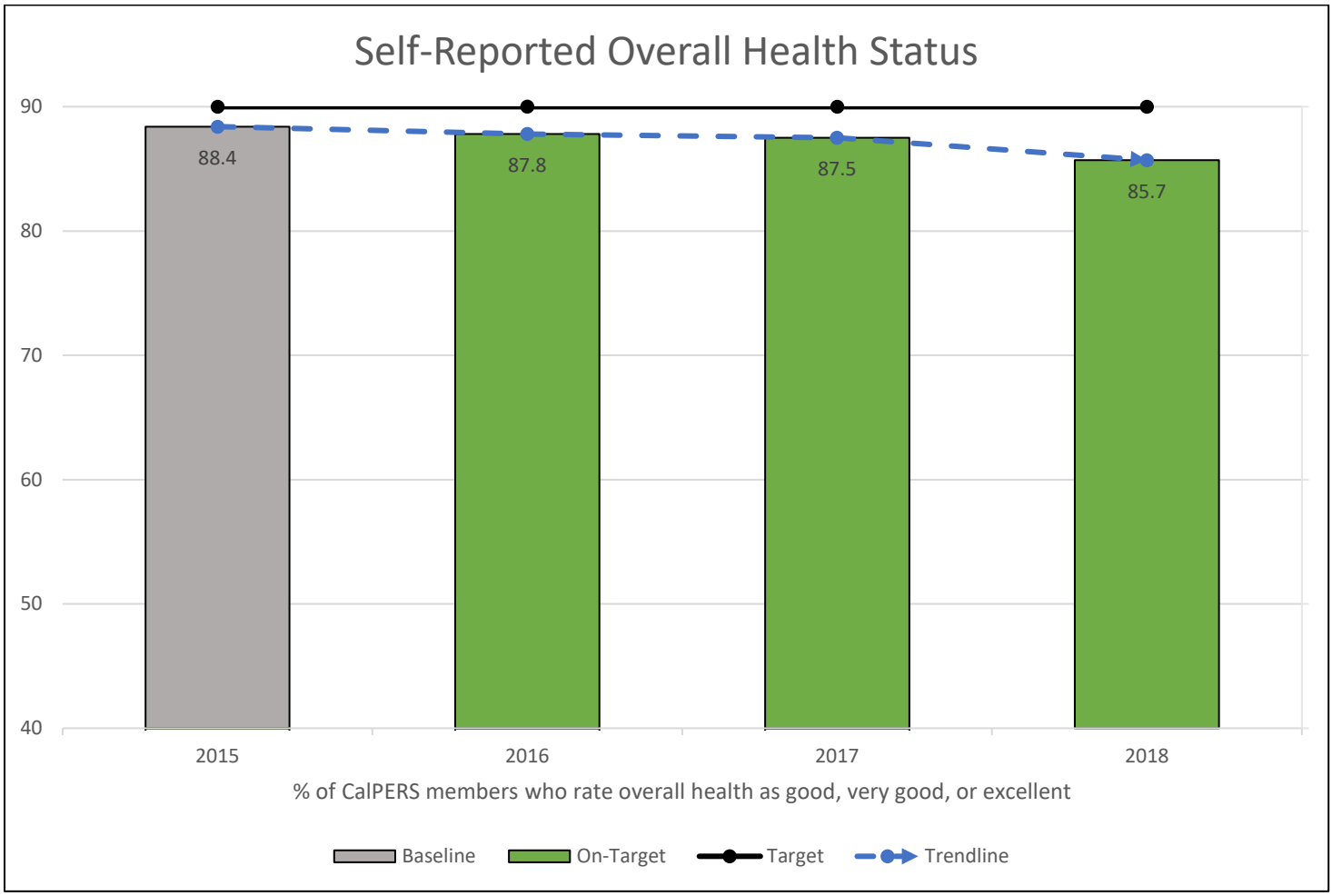
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**85.7% (covering experience in 2018)**

Description:	This measure assesses the proportion of CalPERS members who rate their overall health as good, very good, or excellent. This metric represents the percentage of CalPERS members who rated their overall health as good, very good, or excellent on the annual Health Plan Member survey. A higher percentage is considered good. Factors that can influence this measure include enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners. Measure trend: • 87.8% (covering experience in 2016) • 87.5% (covering experience in 2017) • 85.7% (covering experience in 2018)
Baseline:	88.4% (covering experience in 2015)
Target:	90%
Refresh Frequency:	Annually, June
Reporting Range:	January 2018 – December 2018
Thresholds:	On-Target: 85% and above At-Risk: 80-84.9% Off-Target: Below 80%

Status Narrative:

As of June 2019, this measure was On-Target with a score of 85.7%. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Opioids - Dose
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Reduce the overuse of ineffective or unnecessary medical care
Associated Initiative(s):	Statewide collaboration through *Smart Care California*

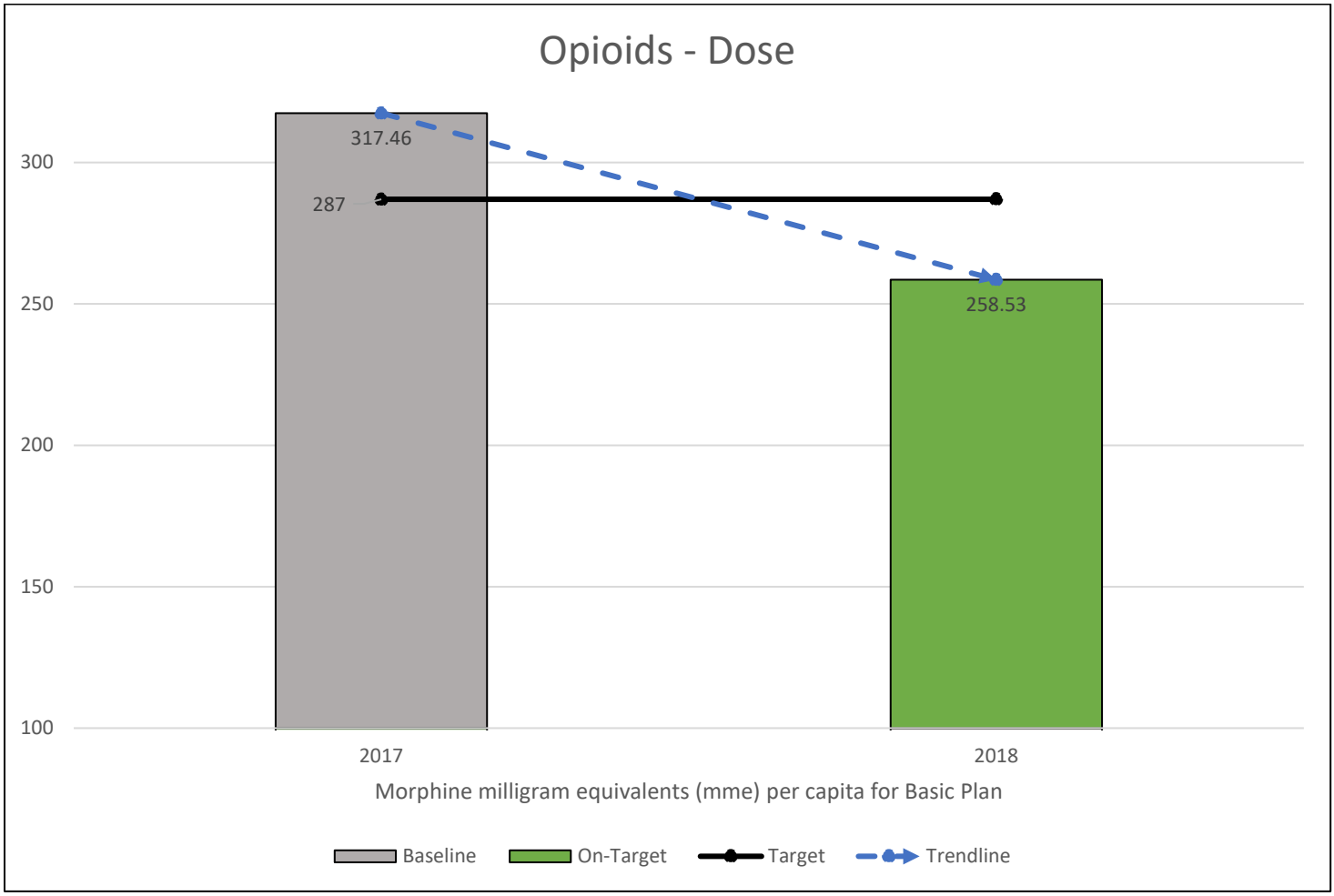
Status:	**Pending Refresh (in April 2020)**
Numeric Status:	**258.53 (covering experience in 2018)**

Description:	Morphine milligram equivalents (MME) per capita on an incurred year basis for Basic plans. This measure has undergone development. Prior to 2018, the original target for this measure was tentatively the national average (640) because CalPERS was unable to perform MME analyses in the data warehouse. As CalPERS team members discovered that CalPERS is already much better than national and California averages, we are shifting to a target of 45% of the national average as a "stretch" goal, and 50% of the national average as "red zone." (The calculations exclude Methadone and Suboxone, drugs which are typically used to treat opioid addiction.) The federal Centers for Disease Control and Prevention (CDC) reported that the average daily morphine milligram equivalents (MME) of opioids prescribed per capita in the United States increased from 180 in 1999 to 782 in 2010, then decreased to 640 in 2015. The California MME per capita, as reported by amfAR (The Foundation for AIDS Research) is 467.0. Medicare data are currently unavailable for this measure. However, the Centers for Medicare and Medicaid Services (CMS) requires Medicare plans to take actions regarding opioid management, and our Medicare plans are following CMS guidelines in this area. Measure trend: • 258.53 (covering experience in 2018)
Baseline:	317.46 for 2017
Target:	Below 288
Refresh Frequency:	Annually, April
Reporting Range:	January 2018 – December 2018
Thresholds:	On-Target: Below 288 At-Risk: 289-319 Off-Target: 320 and above

Status Narrative:

As of April 2019, this measure was On-Target: 258.53 MME per capita for CalPERS membership. Updated performance data will be available in April 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Opioids - Duration
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Reduce the overuse of ineffective or unnecessary medical care
Associated Initiative(s):	Statewide collaboration through *Smart Care California*

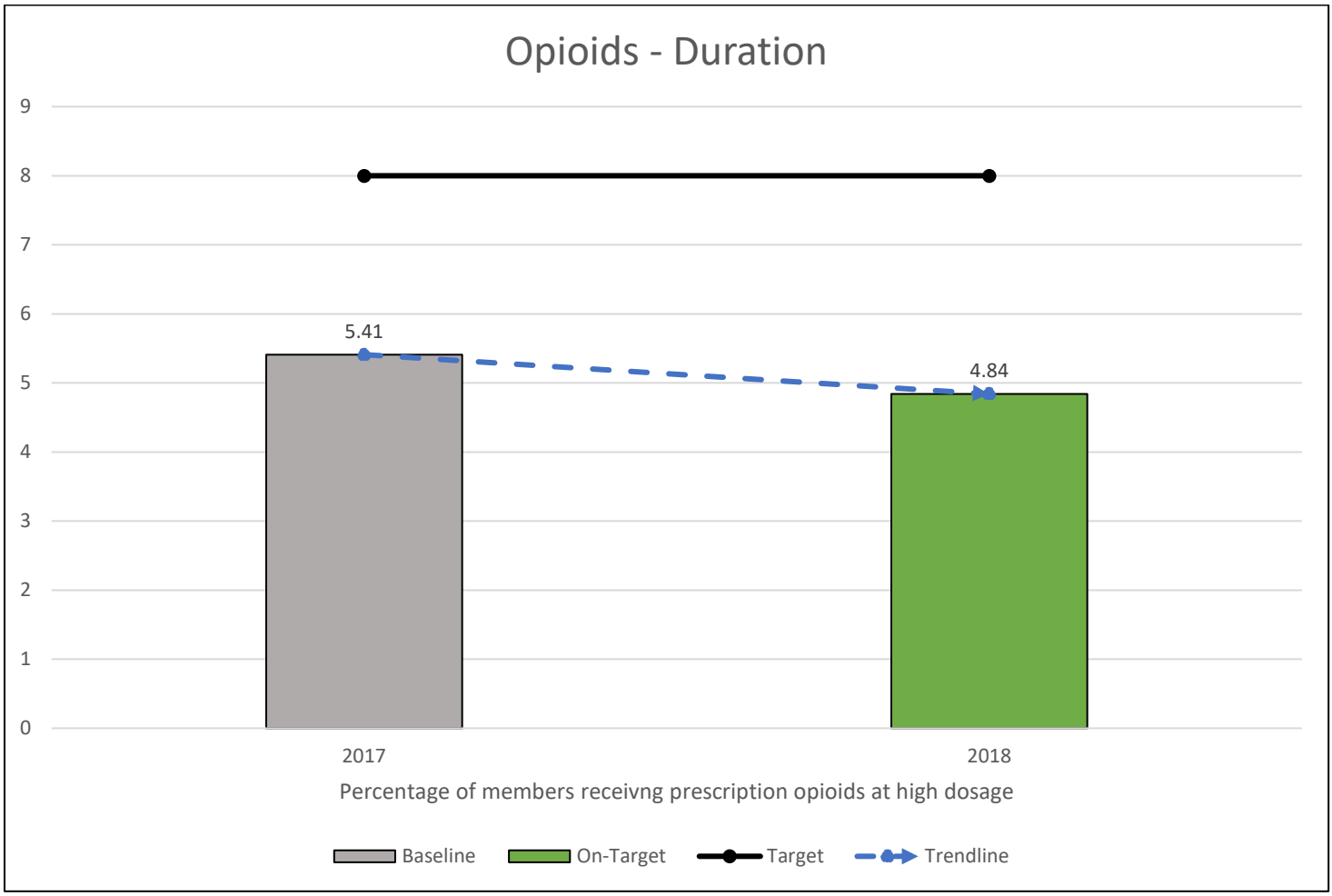
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**4.84% (covering experience in 2018)**

Description:	Prescription opioid misuse is a public health problem that can lead to long-term health consequences, such as opioid use disorder and death. Therefore, CalPERS management requested a measure related to prescription opioid use. This internal measure uses Milliman's Evidence-Based Measure (EBM) 2018 tool to report "The percentage of members receiving prescription opioids at high dosage (average morphine milligram dose [MED] greater than 120 mg) out of members 18 years and older receiving prescription opioids for greater than or equal to 156 days during the measurement year." Members with cancer, sickle cell disease, or those who only had a single opioid dispensing event are excluded. This measure is based on the Healthcare Effectiveness Data and Information Set (HEDIS) 2018 measure "Use of Opioids at High Dosage" which has slightly different specifications and a different way of reporting the results. Because the internal measure is different than the HEDIS measure and since no national published HEDIS results are available for benchmarking, the target and thresholds were developed internally. Measure trend: • 4.84% (covering experience in 2018)
Baseline:	5.41% for January 2017 to December 2017 period.
Target:	Below 8.00%
Refresh Frequency:	Annually, June
Reporting Range:	January 2018 – December 2018
Thresholds:	On-Target: <8.00% At-Risk: 8.00% - 10.00% Off-Target: >10.00%

Status Narrative:

Developed in June 2019, this measure was reported at 4.84% and was On-Target. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	C-Section Rate
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Reduce the overuse of ineffective or unnecessary medical care
Associated Initiative(s):	Statewide collaboration through *Smart Care California*

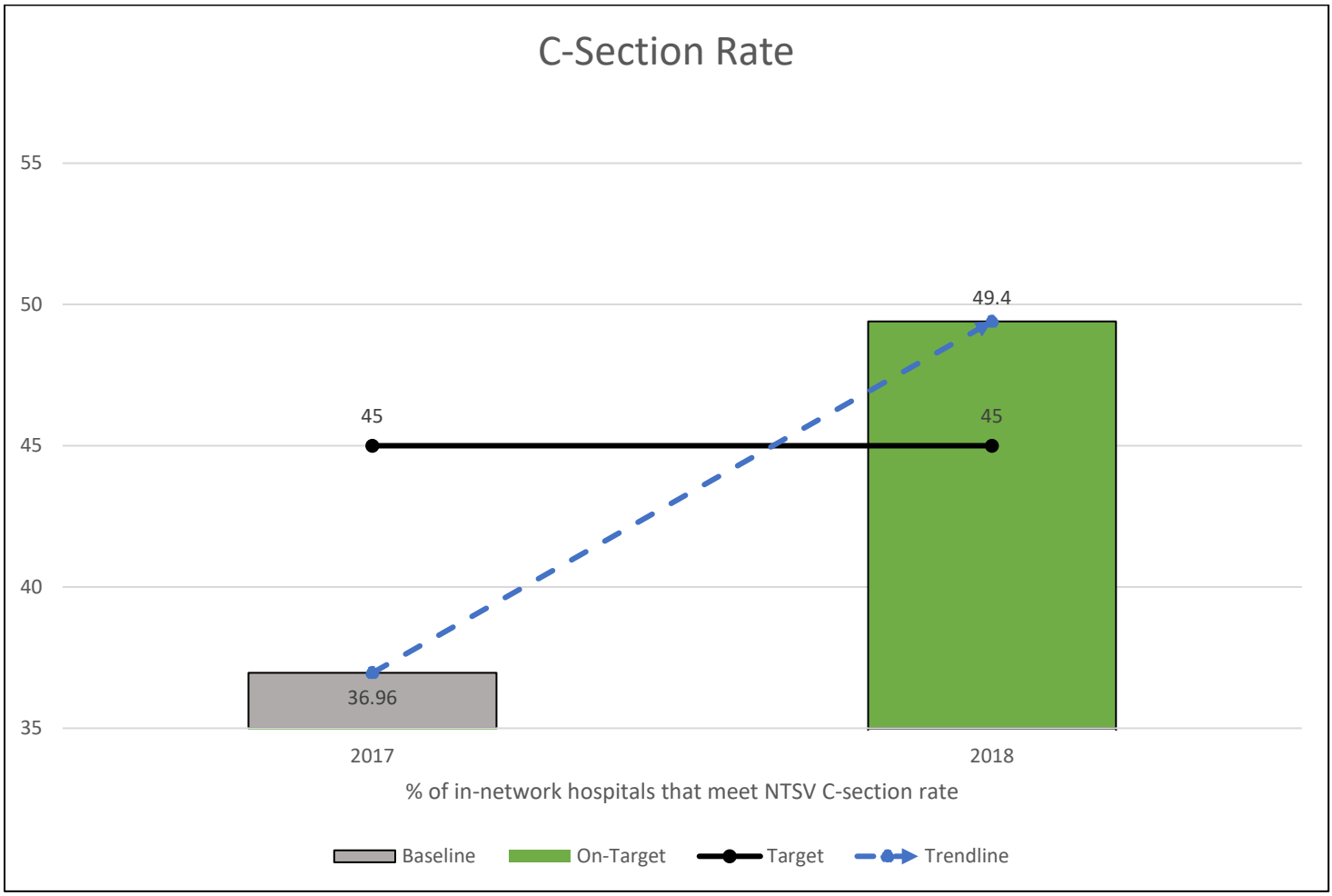
Status:	**Pending Refresh (in December 2020)**
Numeric Status:	**49.4% (covering experience in 2018)**

Description:	Percent of in-network hospitals providing obstetric services to CalPERS members that have a NTSV ("nulliparous" [i.e., first time], "term" [i.e., not preterm or post-term], "single" [i.e., not twins, triplets, etc.], and "vertex" [i.e., not breech]) cesarean section rate of 23.9% or less. Although cesarean births can be lifesaving and medically optimal, far too many are performed for non-medical reasons. This measure originally involved total C-section rates; however, both nationally and in California (e.g., under Let's Get Healthy California), the preferred measure for C-sections is the NTSV rate, and the NTSV C-section target rate is 23.9% or less. Calculating the overall NTSV C-section rates among CalPERS membership would require linkage to external data sources, which would be administratively difficult. In contrast, it is simple to determine from each health plan which contracted hospitals provide obstetric services to CalPERS members.
Baseline:	36.96%. That is, out of the 257 in-network hospitals that provided obstetric services to CalPERS members in 2017, 95 (36.96%) had an NTSV C-section rate of 23.9% or less.
Target:	45% of in-network hospitals meet the NTSV C-section rate of 23.9%
Refresh Frequency:	Annually, December
Reporting Range:	January 2018 – December 2018
Thresholds:	On-Target: >45% At-Risk: 37-45% Off-Target: <37%

Status Narrative:

Developed in December 2019, this measure was reported at 49.4% and On-Target. Updated performance data will be available in December 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Acute Onset Lower Back Pain and Related Opioid Use
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Reduce the overuse of ineffective or unnecessary medical care
Associated Initiative(s):	Statewide collaboration thought *Smart Care California*

Status:	**Under Development**
Numeric Status:	**N/A**

Status Narrative:

This measure is under development. In May 2019, the Health Policy and Benefits Branch (HPBB) hired the Medical Program Consultant (MPC) who is the Subject Matter Expert (SME) that provides expertise and guidance in the development of data collection parameters and methodologies for this measure. Due to recent changes in the clinical and strategic directions of Smart Care California, this strategic measure may undergo revisions to align with new priority areas.

2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Acute Onset Lower Back Pain and Physical Therapy
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Reduce the overuse of ineffective or unnecessary medical care
Associated Initiative(s):	Statewide collaboration through *Smart Care California*

Status:	**Under Development**
Numeric Status:	**N/A**

Status Narrative:

This measure is under development. In May 2019, the Health Policy and Benefits Branch (HPBB) hired the Medical Program Consultant (MPC) who is the Subject Matter Expert (SME) that provides expertise and guidance in the development of data collection parameters and methodologies for this measure. Due to recent changes in the clinical and strategic directions of Smart Care California, this strategic measure may undergo revisions to align with new priority areas.

2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Overuse of Imaging for Back Pain
Executive Owner:	Donald Moulds
Strategic Goal:	Health Care Affordability
Strategic Objective:	Reduce the overuse of ineffective or unnecessary medical care
Associated Initiative(s):	Statewide collaboration through *Smart Care California*

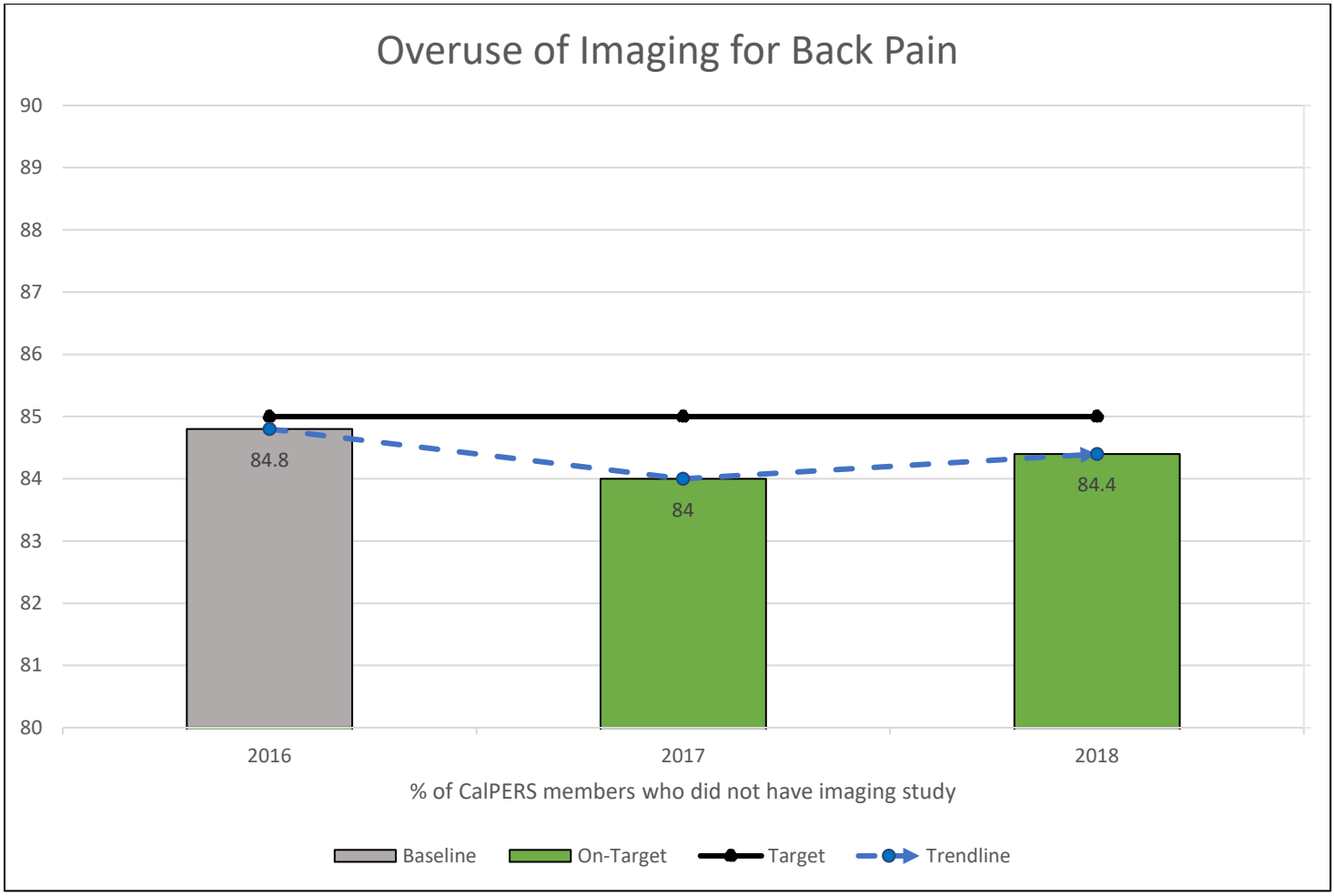
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**84.4% (covering experience in 2018)**

Description:	According to the National Committee for Quality Assurance (NCQA), evidence shows that unnecessary or routine imaging (X-ray, MRI, CT scans) for low back pain is not associated with improved outcomes. It also exposes patients to unnecessary harms such as radiation and further unnecessary treatment. For the majority of individuals who experience severe low back pain, pain improves within the first two weeks of onset. Avoiding imaging for patients when there is no indication of an underlying condition can prevent unnecessary harm and unintended consequences to patients and can reduce health care costs. This strategic measure tracks CalPERS' health plan performance in this area based on the nationally-accepted Healthcare Effectiveness Data and Information Set (HEDIS) measure "Use of Imaging Studies for Low Back Pain" which assesses adults 18–50 with a primary diagnosis of low back pain who did not have an imaging study (plain X-ray, MRI or CT scan) within 28 days of the diagnosis (a higher score indicates better performance). The Health Care Decision Support System data is used so that standardized data definitions can be applied across all health plans. Measure trend: • 84% for 2017 • 84.4% for 2018
Baseline:	84.8% (Combined HMO and PPO percentage for 2016)
Target:	85%
Refresh Frequency:	Annually, June
Reporting Range:	January 2018 – December 2018
Thresholds:	On-Target: 80% or higher At-Risk: 75-79% Off-Target: Below 75%

Status Narrative:

As of June 2019, this measure was reported at 84.4% and was On-Target. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	CEM Pension Complexity Score
Executive Owner:	Anthony Suine
Strategic Goal:	Reduce Complexity
Strategic Objective:	Simplify Programs to improve service and/or reduce cost
Associated Initiative(s):	Complexity reduction

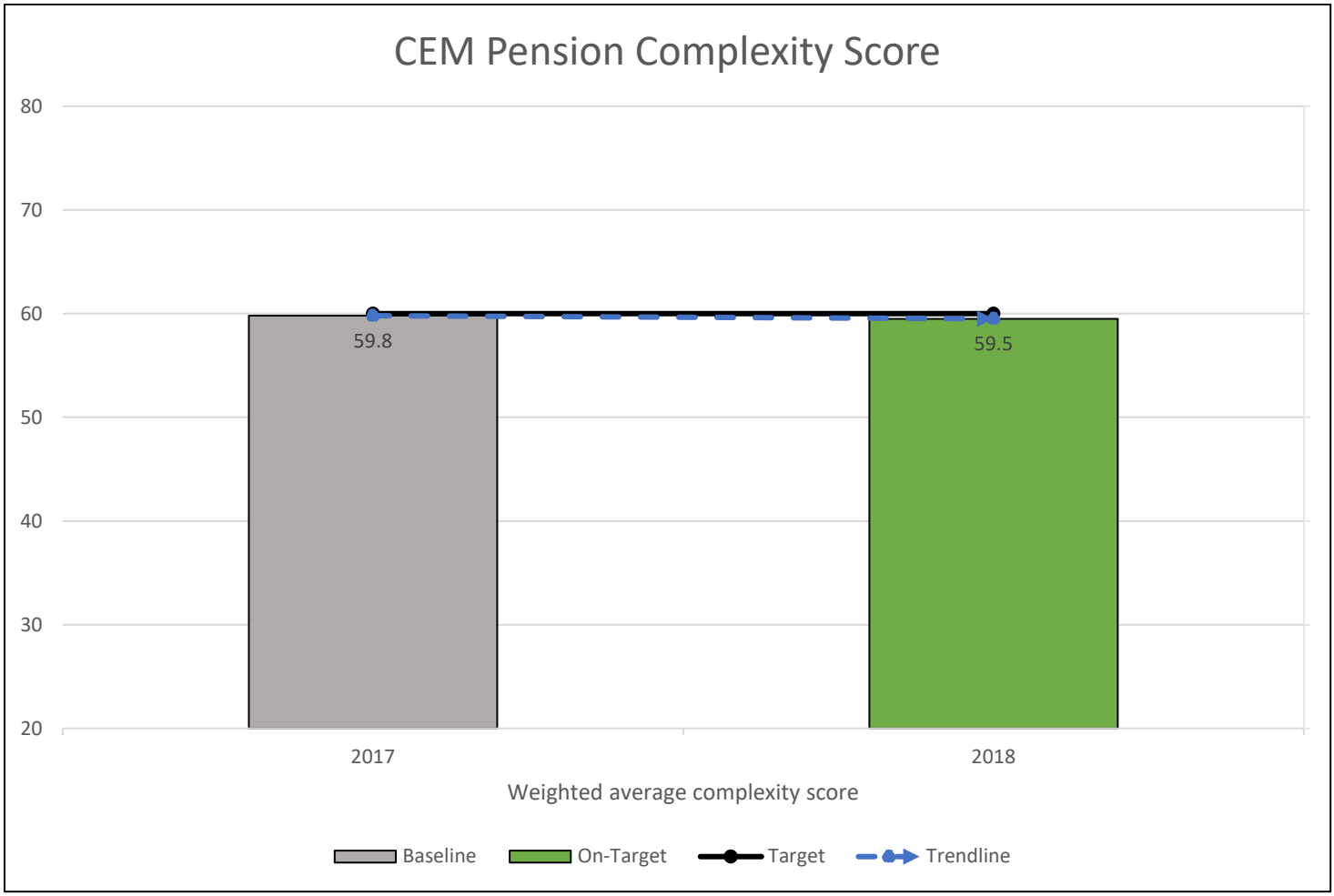
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**59.5 points (for 2018)**

Description:	The total Cost Effectiveness Measurement (CEM) complexity score represents the weighted average of CEM's complexity measure by cause, from the annual CEM Pension Administration Benchmarking Survey.	
Baseline:	Weighted average complexity score 59.8 points (Fiscal Year 2016-17)	
Target:	Maintain weighted average complexity score between 58 – 62 points	
Refresh Frequency:	Annually, June	
Reporting Range:	07/01/17 – 06/30/18	
Thresholds:	On-Target:	Complexity score 58 – 62 points
	At-Risk:	Complexity score <58 points
	Off-Target:	Complexity score >62 points

Status Narrative:

CEM's complexity scoring methodology changed in 2018, from a relative measure to absolute. Using the new methodology, the CEM complexity score has been adjusted retroactively to 59.5 points in FY 2017-18 and 59.8 points in FY 2016- 17, a slight reduction in complexity from the previous year. Please note, due to the methodology change, the existing description, baseline, target, and thresholds were revaluated and adjusted. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	External Investment Manager Reduction Strategy
Executive Owner:	Yu (Ben) Meng
Strategic Goal:	Reduce Complexity
Strategic Objective:	Simplify programs to improve service and/or cost
	Associated Initiative(s): FY 2017-18 External manager monitoring, expectations, and reduction strategy (Initiative transitioned to core workload in FY 2018-19)

Status:	**Pending Refresh (in August 2020)**
Numeric Status:	**139 (for FY 2018-19)**

Description:	This metric examines the total population of strategic and transition external managers retained to manage assets on behalf of CalPERS. Transparent, robust, fair and competitive ongoing evaluation processes are driving this metric. The INVO 2020 Vision, a 5-year strategic plan, focuses on reducing management fees and complexity, enhancing governance and manager expectations, and moving to fewer but more strategic partnerships.	
Baseline:	As of FY 2016-17, 151 external strategic and transition managers	
Target:	100 or fewer external strategic and transition managers by June 2020	
Refresh Frequency:	Annually, August	
Reporting Range:	07/01/18 - 06/30/19	
Thresholds:	On-Target:	Decrease of 5 or more managers per year
	At-Risk:	Decrease of 4 or less managers per year
	Off-Target:	No reduction, or increase in the # of managers

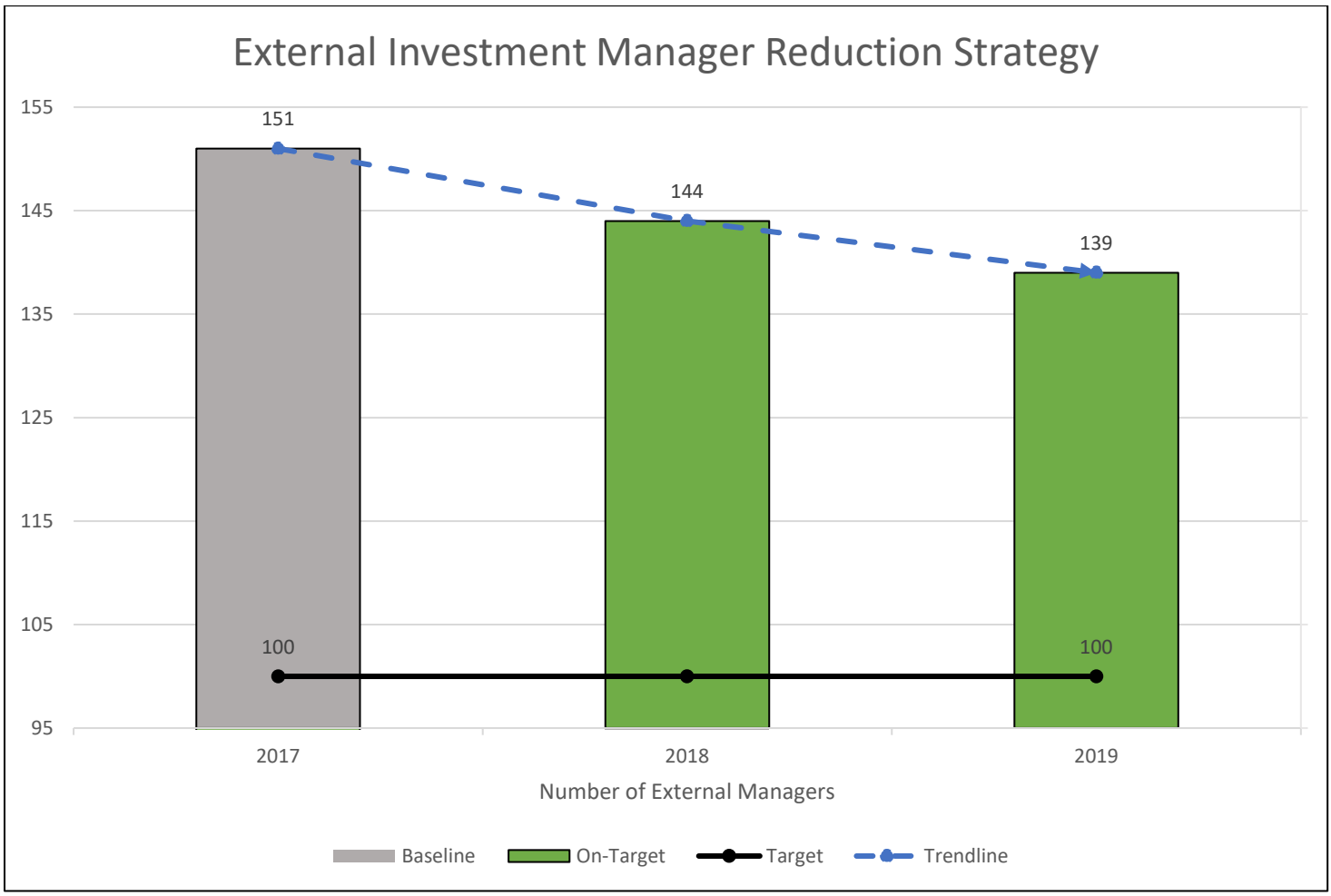
Status Narrative:

As of June 2019, this measure was On-Target.

This metric examines the total population of strategic and transitional external managers retained to manage assets on behalf of CalPERS. Significant progress has been made over the last year. As of June 2019, the Investment Office has met the goal of decreasing 5 or more managers for FY 2018-19, with the current count at 139 (-5 from the measurement of 144 in FY 2017-18). Transparent, fair, and competitive ongoing evaluation processes are driving this metric.

The INVO 2020 Vision, a 5-year strategic plan, focuses on reducing management fees and complexity, enhancing governance and manager expectations, and moving to fewer but more strategic partnerships. Updated performance data will be available in August 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	CEM Information Technology Capability Score
Executive Owner:	Doug Hoffner
Strategic Goal:	Reduce Complexity
Strategic Objective:	Simplify programs to improve service and/or reduce cost
Associated Initiative(s):	Mature targeted information technology capabilities

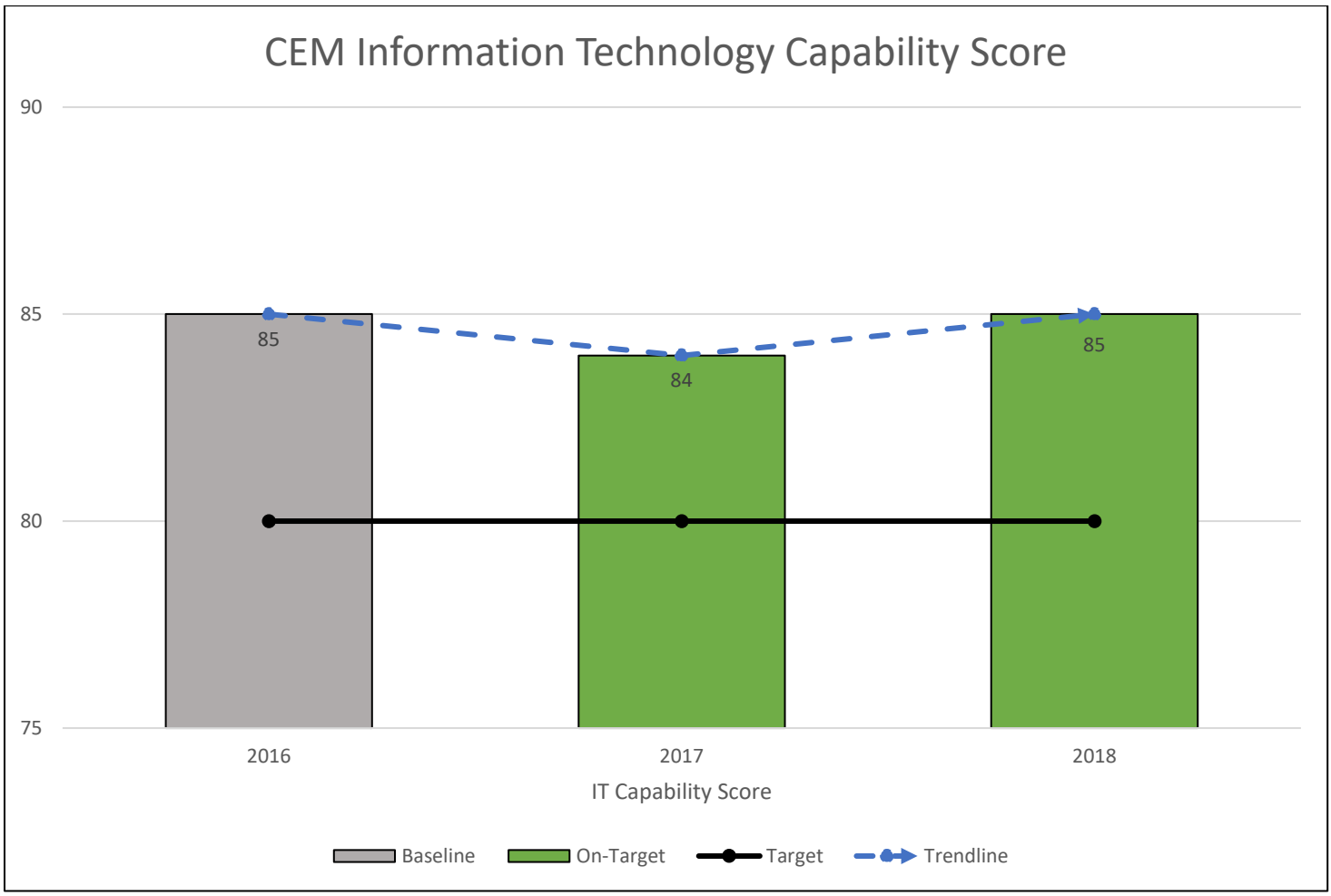
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**85 points (for FY 2017-18)**

Description:	This measures the overall contribution of the value IT provides to business capability. Drivers of this metric include website and contact center access to member data, as well as data accuracy and completeness.	
Baseline:	The baseline is the FY 2015-16 CEM IT Capability Score of 85 points.	
Target:	CalPERS target is to stay within the range of 80-90 points.	
Refresh Frequency:	Annually, June	
Reporting Range:	07/01/17-06/30/18	
Thresholds:	On-Target:	80 points or above
	At-Risk:	75 to 79 points
	Off-Target:	Less than 75 points

Status Narrative:

For FY 2017-18, this measure was reported as On-Target at 85 points. This score is above peer median of 79 points and has remained reasonably consistent for the past four years. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	CEM Cost Per Member
Executive Owner:	Michael Cohen
Strategic Goal:	Reduce Complexity
Strategic Objective:	Streamline operations to gain efficiencies, improve productivity, and reduce costs
Associated Initiative(s):	Develop and implement continuous process improvement framework; Develop Information Technology Service Level Agreements

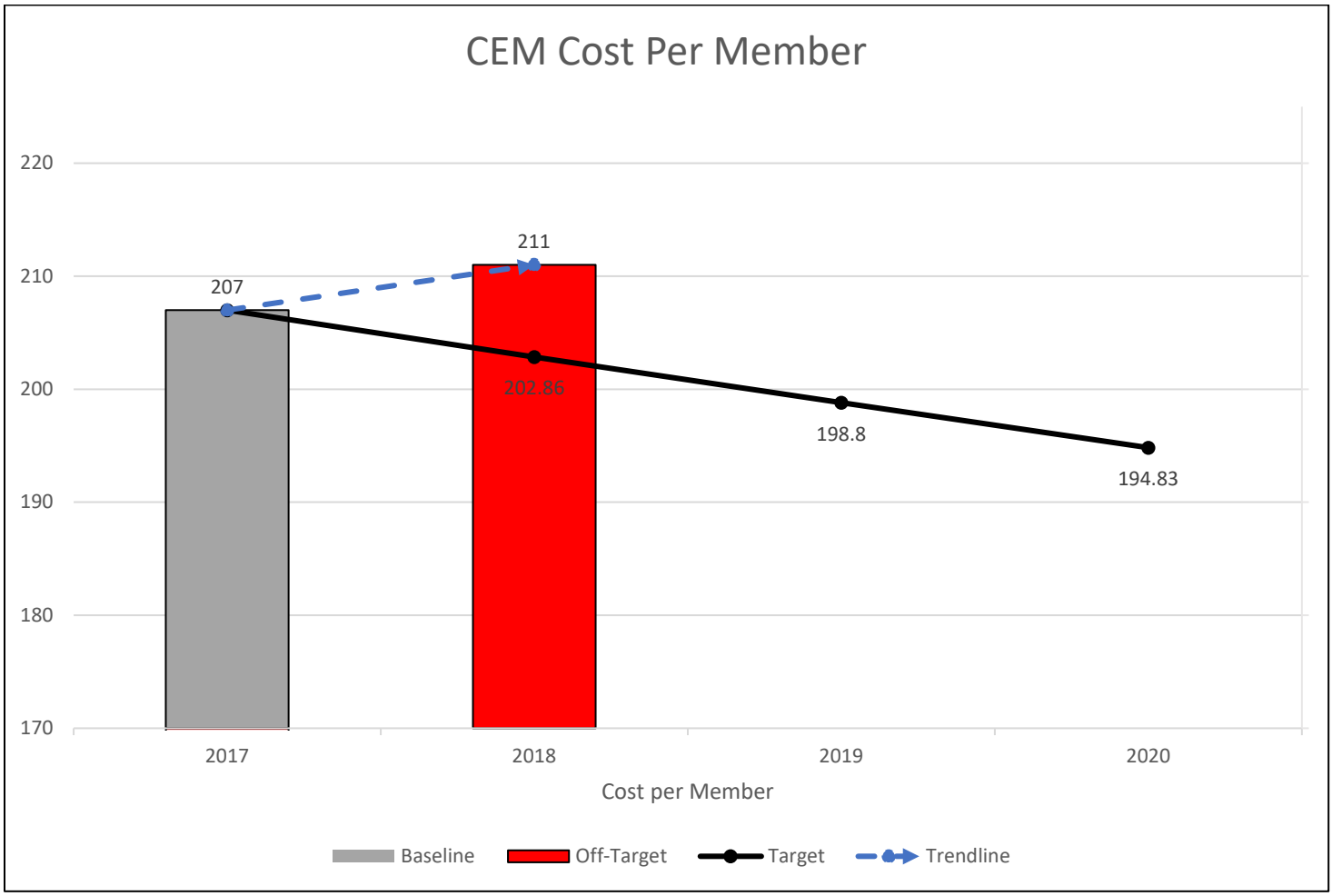
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**$211 (for FY 2017-18)**

Description:	From the annual CEM Pension Administration Benchmarking Survey, reduce cost per member, exclusively to pension administration, and does not include health and investment.	
Baseline:	$207 cost per member for FY 2016-17	
Target:	Reduce by 2% annually	
Refresh Frequency:	Annually, June	
Reporting Range:	07/01/17-6/30/18	
Thresholds:	On-Target:	Reduced by 2.0% annually
	At-Risk:	Reduced by 1.5-1.99% annually
	Off-Target:	Reduced by less than 1.5% annually

Status Narrative:

In June 2019, this measure was reported as Off-Target. This is due to increasing administrative costs spread across a steady membership base, the cost per member rose to $211 for FY 2017-18. The 2.2% increase is largely attributed to salary and benefit increases negotiated through the State's collective bargaining processes. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Overhead Operational Cost
Executive Owner:	Michael Cohen
Strategic Goal:	Reduce Complexity
Strategic Objective:	Streamline operations to gain efficiencies, improve productivity, and reduce costs
Associated Initiative(s):	Develop and implement continuous process improvement framework

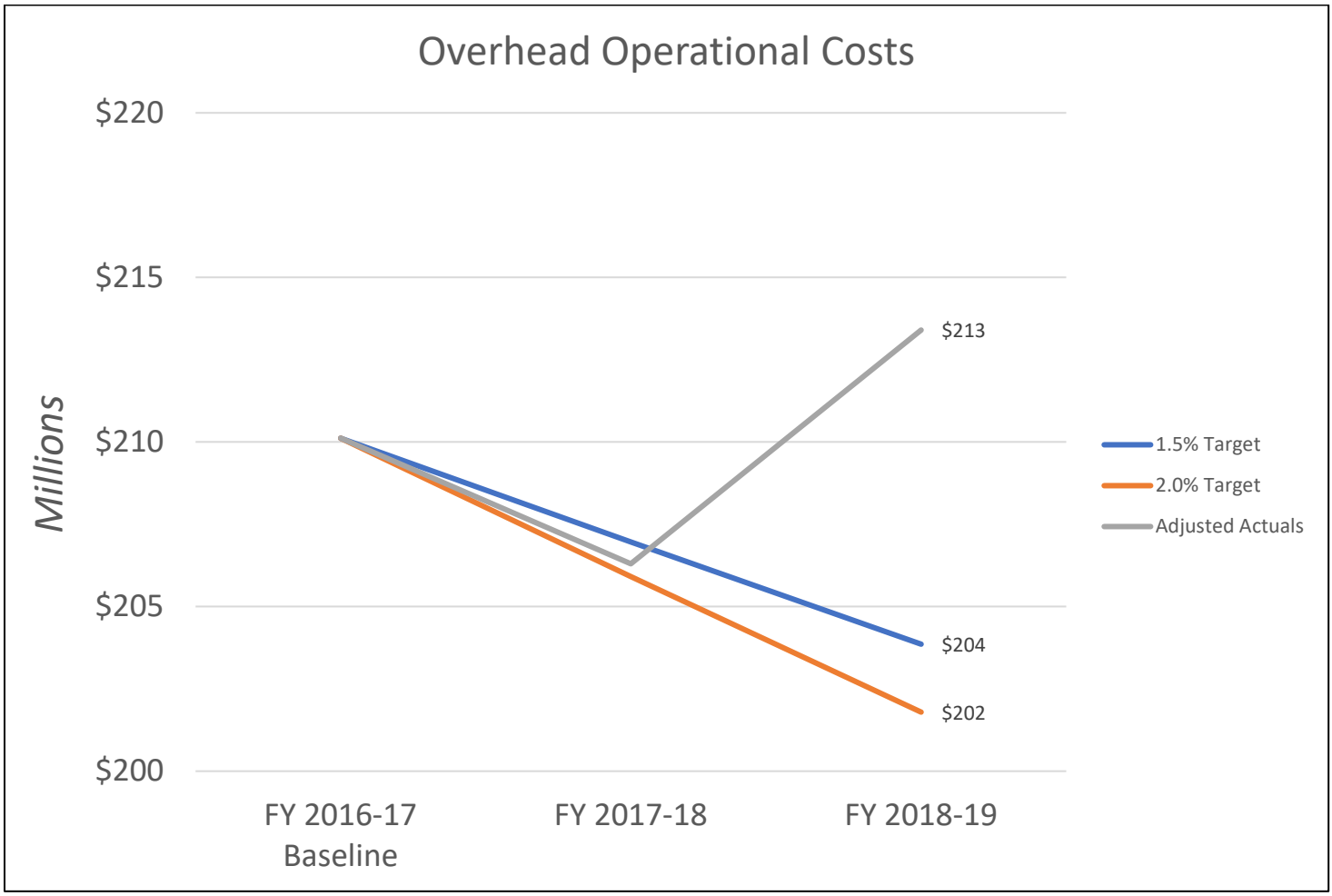
Status:	**Pending Refresh (in September 2020)**
Numeric Status:	**$213.4 million (4.7 percent over target as of June 2019)**

Description:	Overhead operational costs calculated for pension administration and health.	
Baseline:	The overhead operational costs for FY 2016-17 was $210,114,665.	
Target:	Reduce by 1.5-2% annually	
Refresh Frequency:	Annually, September	
Reporting Range:	07/01/18-06/30/19	
Thresholds:	On-Target:	Reduced by 1.5-2.0% annually
	At-Risk:	Reduced by 1.0-1.49% annually
	Off-Target:	Reduced by less than 1.0% annually

Status Narrative:

This measure was Off-Target for fiscal year 2018-19. Overhead operational costs, as adjusted for statewide employee compensation increases, totaled $213.4 million. This is 4.7 percent over the targeted range of $201.8 million to $203.9 million. Updated performance data will be available in September 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	5-Year Net Value Added
Executive Owner:	Yu (Ben) Meng
Strategic Goal:	Reduce Complexity
Strategic Objective:	Streamline operations to gain efficiencies, improve productivity, and reduce costs
Associated Initiative(s):	Enhance business effectiveness, resource allocation, and efficiency of investment programs

Status:	**Pending Refresh (in August 2020)**
Numeric Status:	**Exceeded the US Peer median (for FY 2016-17)**

Description:	5-year net value added relative to an appropriate peer universe median return adjusted for composition of asset allocation and after expenses. Each year, INVO participates in a Cost Effectiveness Measurement Benchmarking (CEM) survey which independently analyzes costs against a customized peer group.
Baseline:	5-year net value-added relative to an appropriate United States' (US) peer universe median return, adjusted for composition of asset allocation and after expenses. The baseline will be readjusted based on the new aggregate 5-year period.
Target:	Exceed the median US peer on investment cost and returns
Refresh Frequency:	Annually, August
Reporting Range:	Current 5 Year Period: FY 2012-13 through FY 2016-17
Thresholds:	On-Target: Exceed the US Peer median At-Risk: Meet the US Peer median Off-Target: Fall below the US Peer median

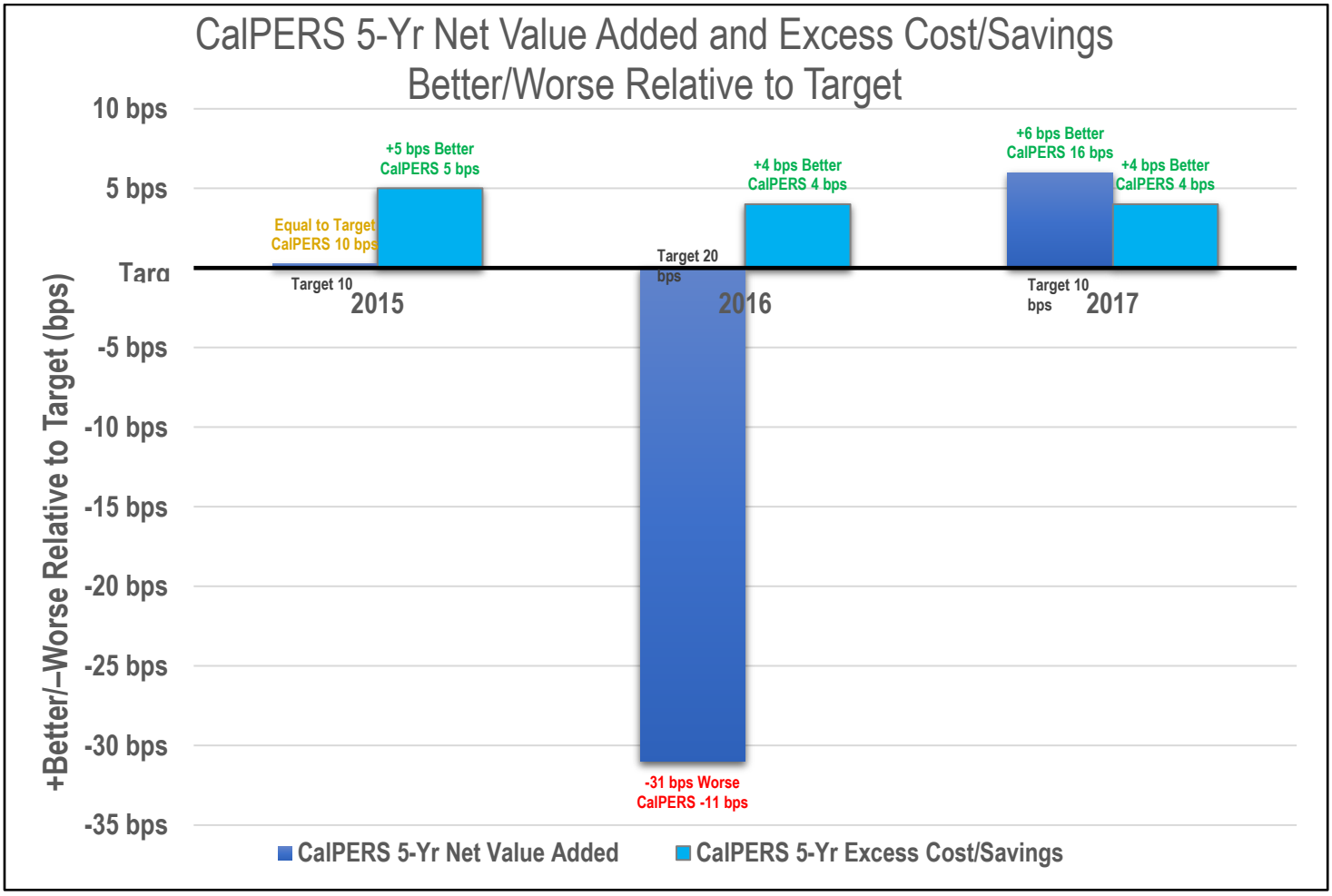
Status Narrative:

As of June 2019, this measure was On-Target.

This measure is the analysis of the Investment Office's cost drivers and cost structure versus US peers. Net value added is the component of total return from active management. The most recent data available indicated CalPERS exceeded the US Peer median on its 5-year 2017 Net value added results. CalPERS 5-year Net value added was 0.16% while the US Peer median was 0.1%. In addition, CalPERS had cost savings of 4bps versus the US peer universe.

CalPERS 5-year net total return of 9.0%, also exceeded the US median of 8.8%. CalPERS continues to be low cost compared to the US peer universe and its global custom peer group. As of the most recent 5-year survey period, we are in the high value, low cost quadrant. Updated performance data will be available in August 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Stakeholder Assessment Survey – Compliance and Risk
Executive Owner:	Brad Pacheco
Strategic Goal:	Risk Management
Strategic Objective:	Enhance compliance and risk functions throughout the enterprise
Associated Initiative(s):	Increase enterprise-wide compliance awareness

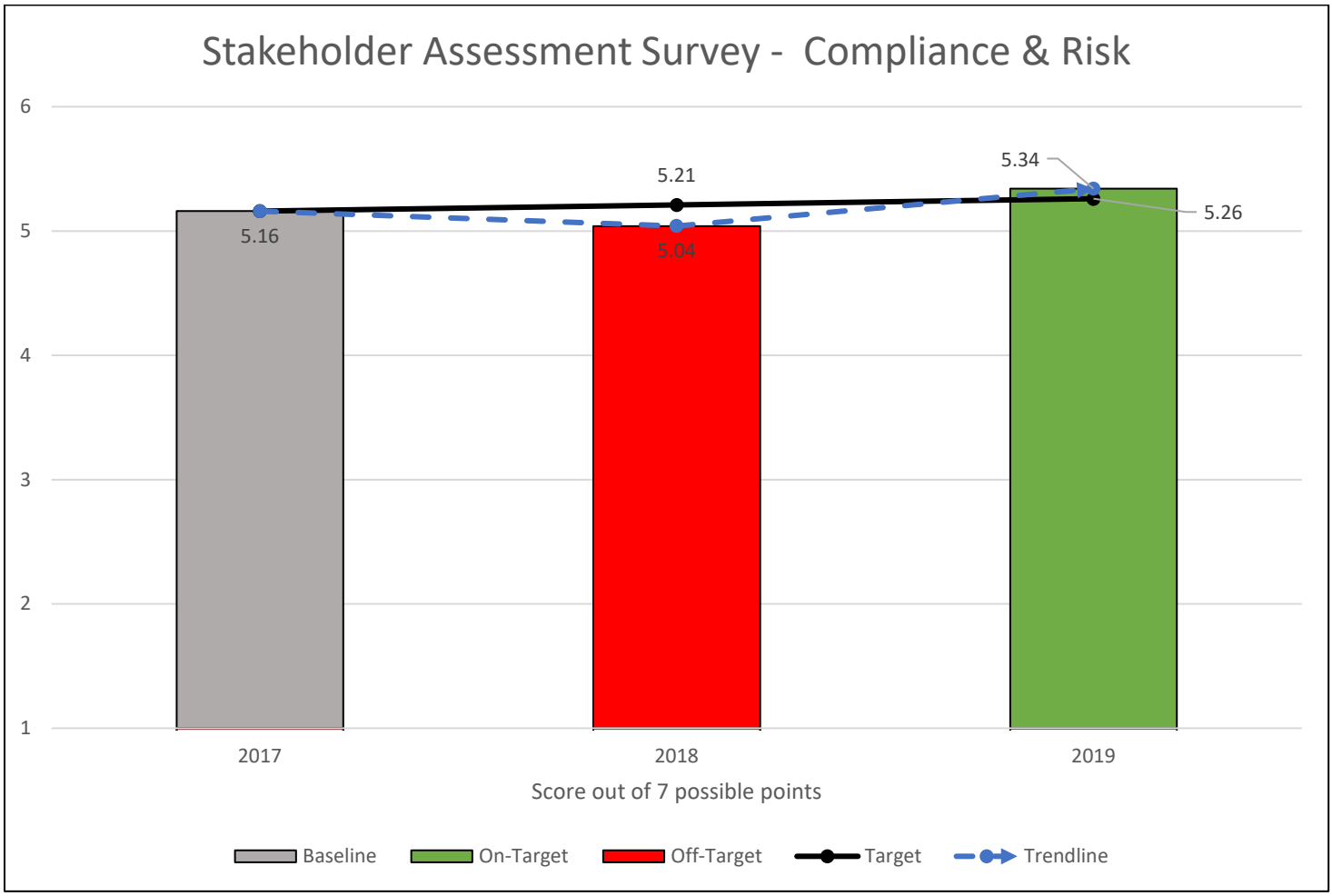
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**5.34 points (as of May 2019)**

Description:	The measure scores the overall stakeholder perception of CalPERS' success in implementing functions and programs that support compliance and risk. Data is gathered through the annual Stakeholder Perception Survey in response to the statement: "CalPERS has effective functions and programs to address compliance and risk." The target will be met through continued stakeholder engagement and the consistent demonstration of our commitment to a culture of compliance and risk as an organization and as a system.	
Baseline:	5.16 out of 7 possible points	
Target:	Five-year goal: 5.43 out of 7 points; a 5% increase from the baseline. Annual increases of 1% (0.05 points)	
Refresh Frequency:	Annually, June	
Reporting Range:	February 2018-May 2019	
Thresholds:	On-Target:	Annual increase of 0.05 or more points from the baseline figure each year
	At-Risk:	Annual increase of 0.0-0.04 points from the baseline figure each year
	Off-Target:	Decrease from the baseline figure

Status Narrative:

As of May 2019, this measure was On-Target and reflected an overall increase in general confidence in CalPERS over last year. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Risk Employee Awareness Survey
Executive Owner:	Michael Cohen
Strategic Goal:	Risk Management
Strategic Objective:	Enhance compliance and risk functions throughout the enterprise
Associated Initiative(s):	Supported by Core Workload

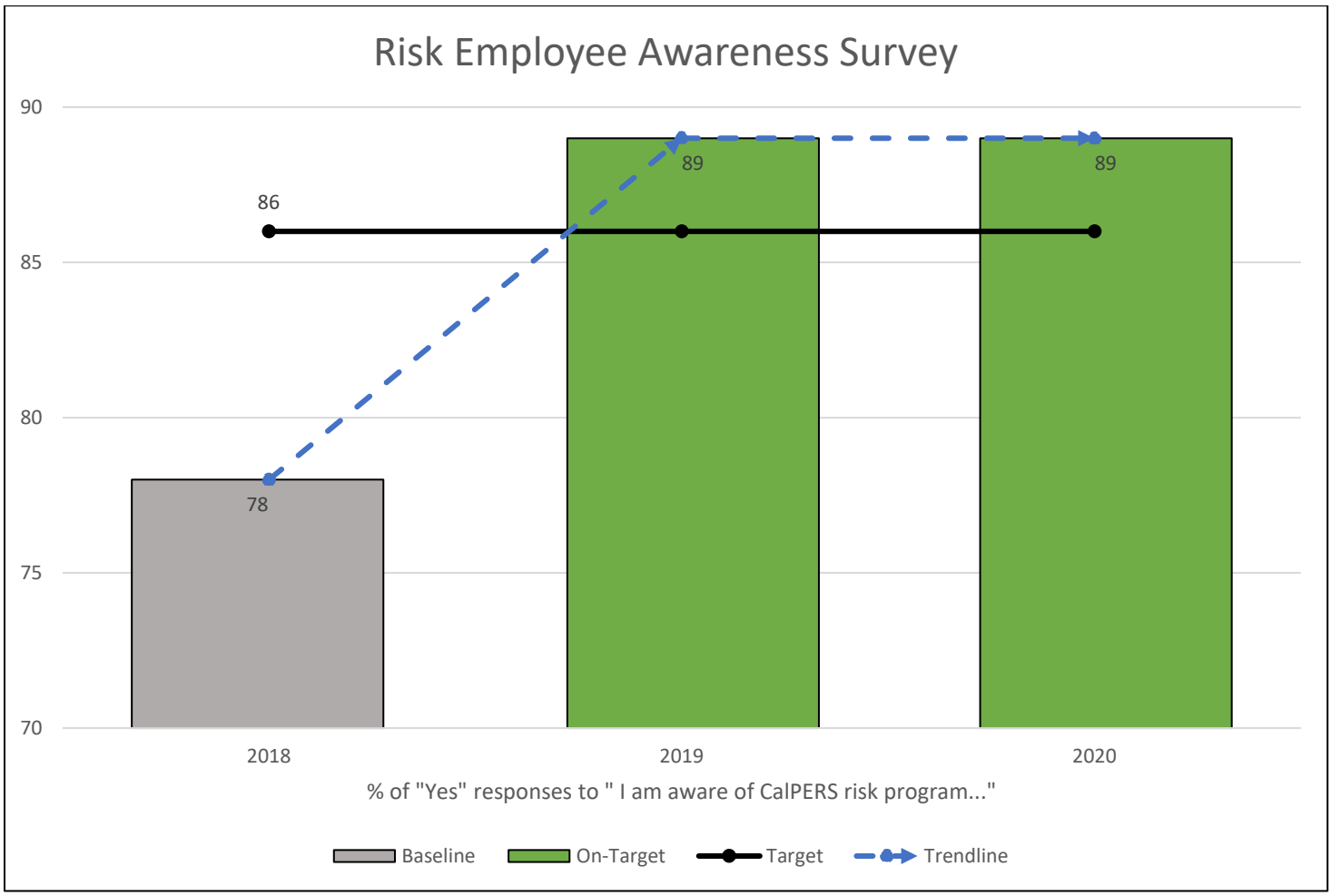
Status:	**On-Target**
Numeric Status:	**89%**

Description:	Annual Employee survey example question: "I am aware of CalPERS risk program. I incorporate risk functions into my daily work." Each division has education and communication components intended to increase team member and leadership awareness and understanding of CalPERS' expectations and their personal responsibilities under the risk functions on an annual basis. The metric is the percentage of CalPERS employees, including team members, managers, and executives, that respond "Yes" to the question: "I am aware of CalPERS risk program. I incorporate risk functions into my daily work." on the annual employee survey.
Baseline:	Based on the 2018 CalPERS Compliance & Risk Annual survey, 78% of respondents answered "Yes" to the question, "I am aware of CalPERS risk program. I incorporate risk functions into my daily work."
Target:	Incrementally increase the baseline by 2% annually (8% from 2019-2022), with a target of 86%.
Refresh Frequency:	Annually, February
Reporting Range:	FY 2019-20
Thresholds:	On-Target: Annual increase of ≥2% At-Risk: Annual increase of 0.1-1.9% Off-Target: No annual increase

Status Narrative:

As of February 2020, this measure reported out 89%, which exceeded the 2022 target of 86%. The survey response rate remains sound at 43%.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Risk Program Maturity Assessment
Executive Owner:	Michael Cohen
Strategic Goal:	Risk Management
Strategic Objective:	Enhance compliance and risk functions throughout the enterprise
Associated Initiative(s):	Supported by Core Workload

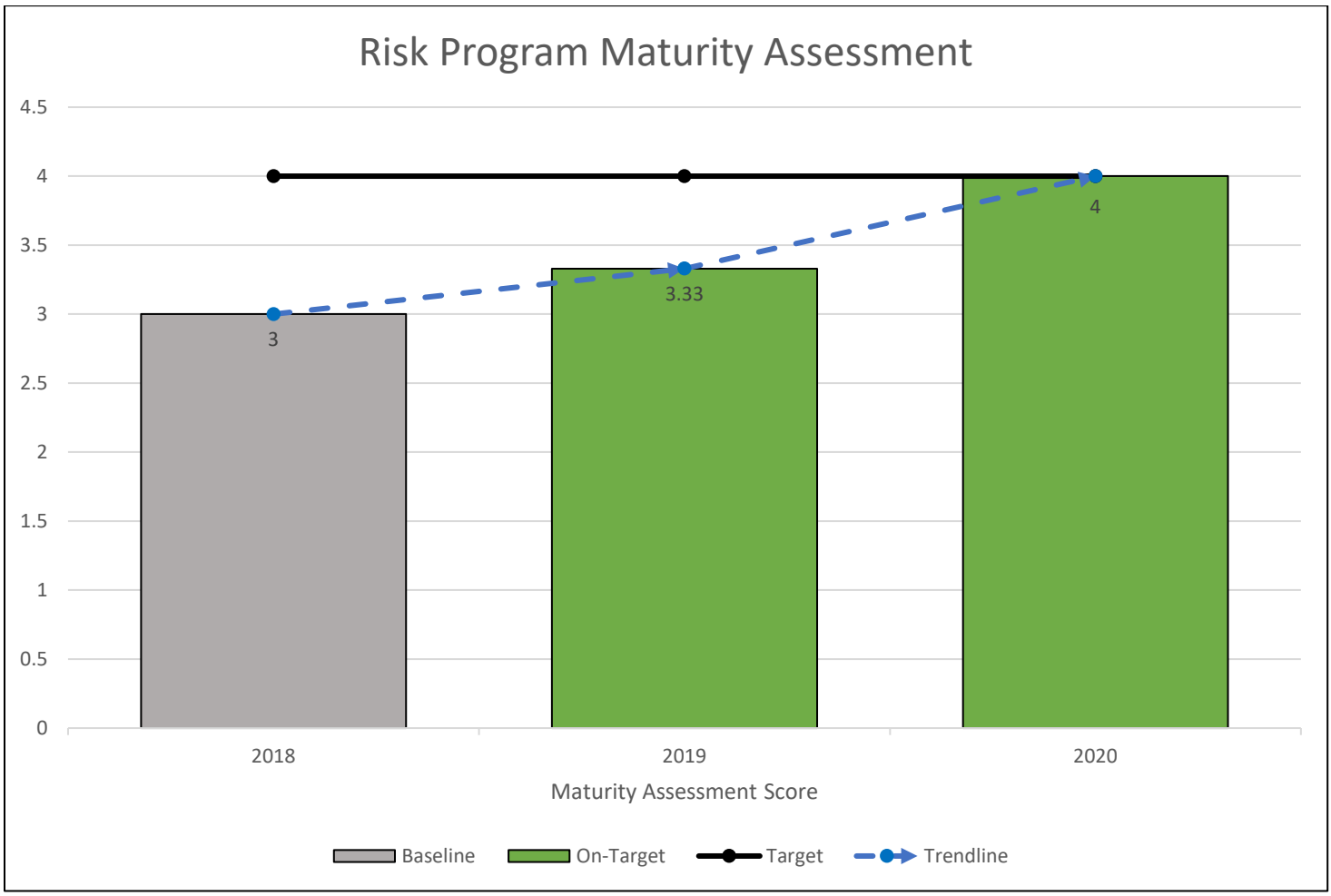
Status:	**On-Target**
Numeric Status:	**4**

Description:	Risk program maturity model assessments are completed annually to assess risk functions throughout the enterprise. Maturity scores are refined with a (+) or (-) to indicate intermediate levels of maturity.	
Baseline:	The baseline is a 3 on a point scale of 1 (low) to 5 (high) based on the 2017-18 Gartner Corporate Executive Board's Maturity Survey results.	
Target:	CalPERS risk program maturity assessment scores are targeted to increase one point by 2021-22, from the baseline scores set in FY 2017-18.	
Refresh Frequency:	Annually, January	
Reporting Range:	FY 2019-20	
Thresholds:	On-Target:	Year-over-year increase in score
	At-Risk:	No change in score
	Off-Target:	Year-over-year decrease in score

Status Narrative:

Maturity scores are refined with a (+) or (-) to indicate intermediate levels of maturity. The Risk Program Maturity Assessment score increased from 3+ to 4 for FY 2019-2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Compliance Employee Awareness Survey
Executive Owner:	Marlene Timberlake D'Adamo
Strategic Goal:	Risk Management
Strategic Objective:	Enhance compliance and risk functions throughout the enterprise
Associated Initiative(s):	Increase enterprise-wide compliance awareness; Increase compliance program maturity

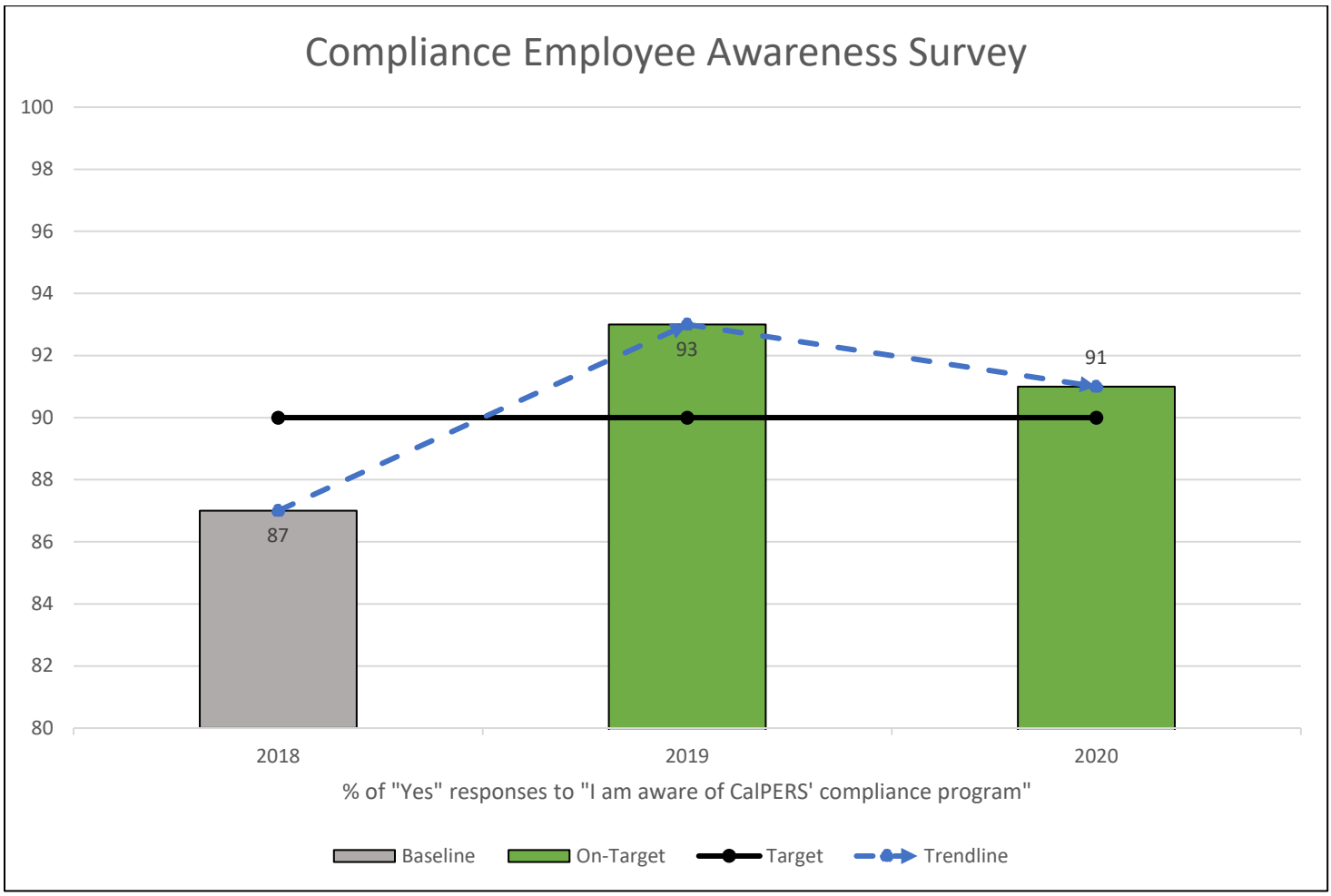
Status:	**On-Target**
Numeric Status:	**91% (for FY 2019-20)**

Description:	Annual Employee survey example question: "I am aware of CalPERS' compliance program. I incorporate compliance functions into my daily work."
Baseline:	Based on the 2018 CalPERS Compliance & Risk Annual survey, 87% of respondents answered "Yes" to the question, "I am aware of CalPERS' compliance program. I incorporate compliance functions into my daily work."
Target:	Maintain 90% or greater positive response rate to the compliance survey question through June 2022.
Refresh Frequency:	Annually, February
Reporting Range:	July 1, 2019 to June 30, 2020
Thresholds:	On-Target: 90-100% At-Risk: 80-89% Off-Target: ≤ 79%

Status Narrative:

This year's results have gone down by 2 points, although it is still above the target of 90%. The loss of our Spark communications delivery channel made an impact on the team's virtual outreach capabilities. The survey results reflect the efforts of the Enterprise Compliance team to promote compliance awareness through our comprehensive communication and training plan. Major efforts contributing enterprise-wide awareness of CalPERS's compliance program include regular training sessions for Form 700 and Personal Trading regulations, Targeted Annual Compliance Training sessions for all team members. Additionally, CalPERS compliance and risk liaisons continue to provide support and communications for compliance functions within the enterprise's largest branches. Enterprise Compliance will use the results of the survey to build the FY 2020-21 Communications and Training Plan.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Compliance Program Maturity Assessment
Executive Owner:	Marlene Timberlake D'Adamo
Strategic Goal:	Risk Management
Strategic Objective:	Enhance compliance and risk functions throughout the enterprise
Associated Initiative(s):	Increase enterprise-wide compliance awareness; Increase compliance program maturity

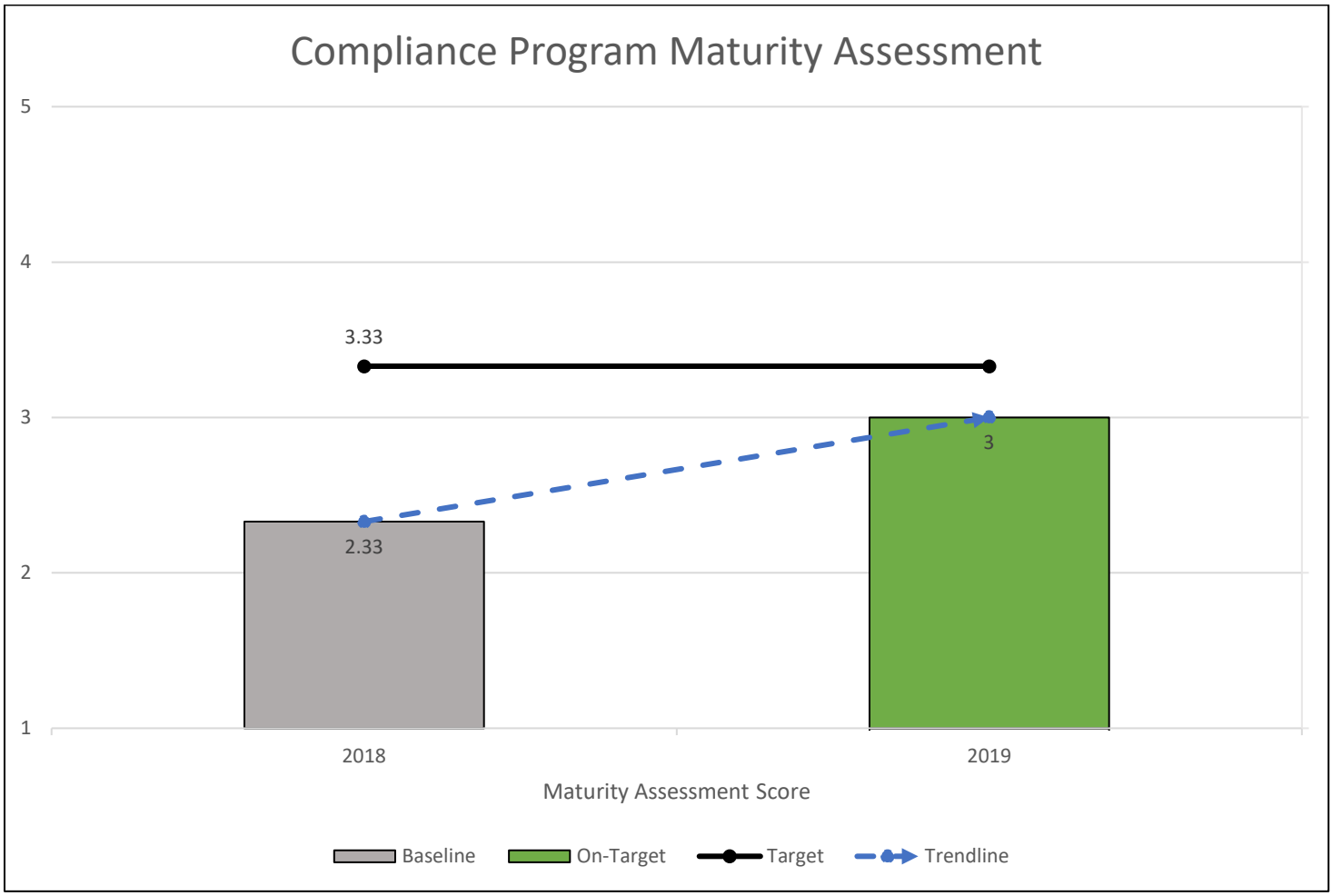
Status:	**Pending Refresh (in June 2020)**
Numeric Status:	**3 (as of June 2019)**

Description:	Assesses the compliance and ethics program's functional performance against a structured framework. Measured on a scale ranging from 1 (low) to 5 (high), maturity is an organization's performance relative to Gartner's best practice research. Maturity scores are refined with a (+) or (-) to indicate intermediate levels of maturity.	
Baseline:	The Fiscal Year 2017-18 baseline for Enterprise Compliance (ECOM) is a 2+ on a point scale of 1 (low) and 5 (high)	
Target:	CalPERS compliance maturity assessment score is targeted to increase one point by FY 2021-22, from the baseline scores set in FY 2017-18	
Refresh Frequency:	Annually, June	
Reporting Range:	July 1, 2018 to June 30, 2019	
Thresholds:	On-Target:	Year-over-year increase in score.
	At-Risk:	No change in score.
	Off-Target:	Year-over-year decrease in score.

Status Narrative:

As of June 2019, this measure was reported as On-Target. The industry benchmark set by Gartner is 3. There were 168 other organizations who took the assessment, only three were in the public sector. CalPERS was the only public pension fund to take the assessment. The increase from last year's 2+ shows that the program is engaging in the right activities to mature the organization's compliance program. The activities included launching the annual governance reviews of policies, delegations, and charters. Assessed compliance with board reporting requirements. And conducted enterprise-wide compliance risk assessment and identified top compliance risks, the results will be used to help build out the plan for the following fiscal year. Updated performance data will be available in June 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Reported in Closed Session Q2 Every Two Years

Measure Title:	Composite Security Health Score within Range
Executive Owner:	Matt Jacobs
Strategic Goal:	Risk Management
Strategic Objective:	Continue to evolve Cyber Security program
Associated Initiative(s):	Information security roadmap

Status:	Information to be provided in closed session in Q2 2020-21

2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Effectiveness of Outreach Activities
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Objective:	Recruit and empower a broad range of talents to meet organization priorities
Associated Initiative(s):	Talent outreach activities

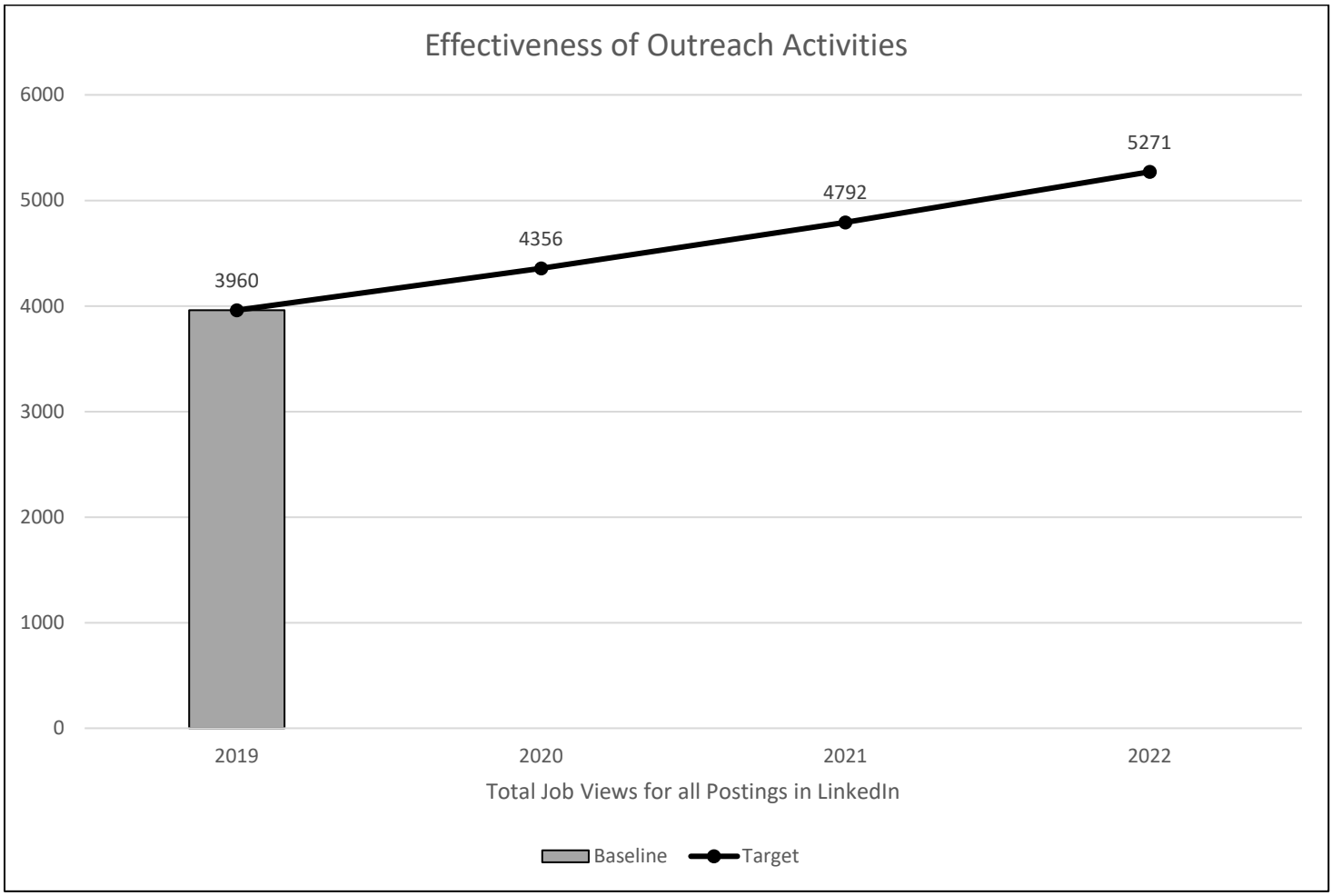
Status:	**Pending Refresh (in August 2020)**
Numeric Status:	**N/A**

Description:	We will continue expanding our outreach efforts to include diverse candidates in collaboration with CalPERS Diversity Outreach Program (CDOP), CalPERS Diversity & Inclusion Group (CDIG), CalPERS Disability Advisory Committee (CDAC), and community partnerships. This measure will implement data collection points to measure the effectiveness of outreach activities. Data collection points are continuing to be evaluated and created as we implement new strategies and expand the use of LinkedIn as a primary resource of outreach/recruitment efforts. This Strategic Measure will continue to mature as we further define what success/effectiveness looks like. For FY 2018-19, the baseline was established around the use of recruiter seats in LinkedIn as just one of the data collection points.
Baseline:	Baseline is 3960 total job views for all postings in LinkedIn.
Target:	Target is to increase total job views in LinkedIn by 10% annually.
Refresh Frequency:	Annually, August
Reporting Range:	07/01/18 – 06/30/19
Thresholds:	On-Target: 10% and above At-Risk: 7% to 9% Off-Target: below 7%

Status Narrative:

This Strategic Measure was previously Under Development. We have redefined the description, created the baseline and thresholds. Performance data will be available in August 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Engagement survey results & action items – diversity & inclusion
Executive Owner:	Brad Pacheco
Strategic Goal:	Talent Management
Strategic Objective:	Recruit and empower a broad range of talents to meet organization priorities
Associated Initiative(s):	Expand diversity & inclusion program

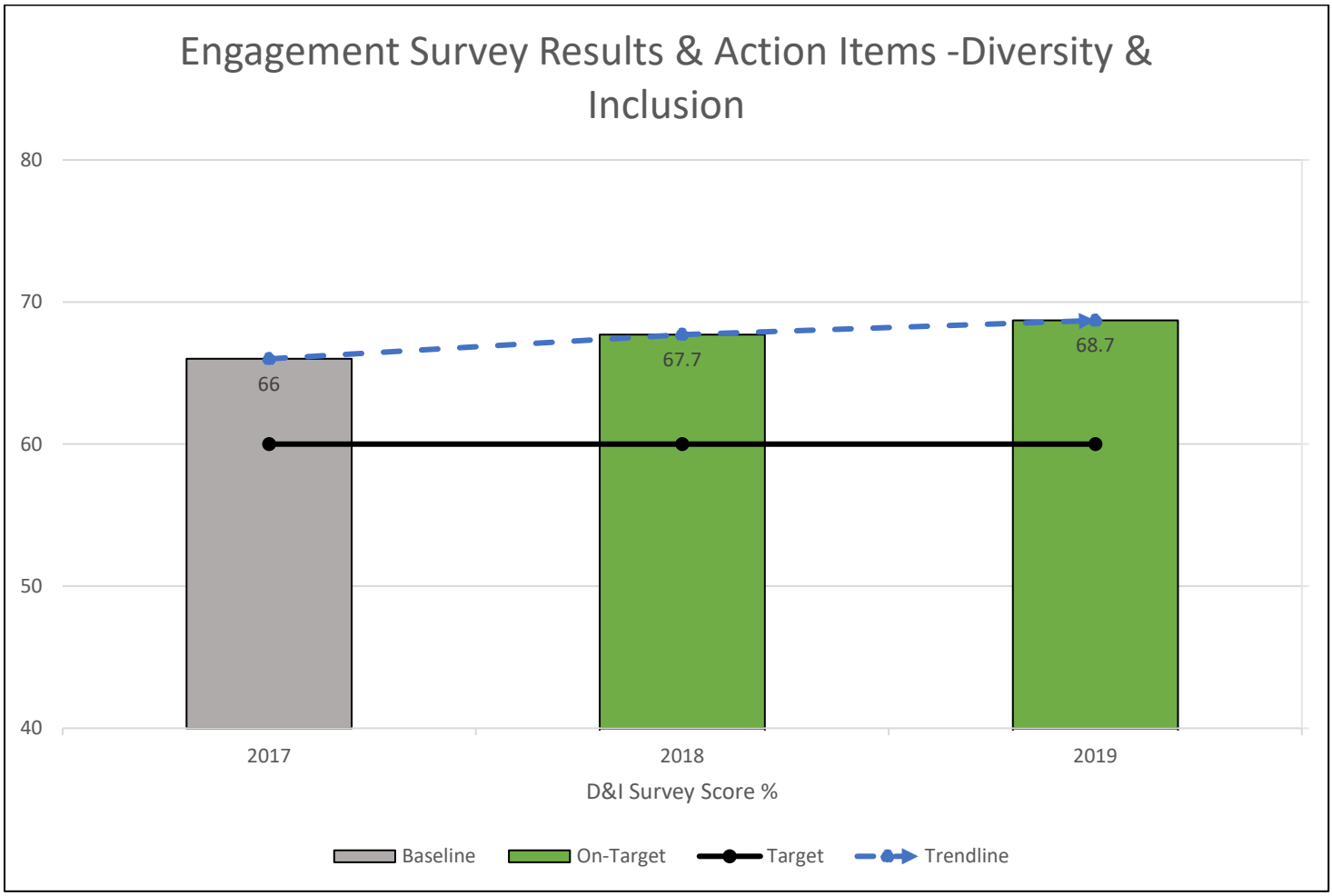
Status:	**Pending Refresh (in December 2020)**
Numeric Status:	**68.7% (as of December 2019)**

Description:	This measure focuses on our efforts to help foster a culture of inclusion that welcomes diversity of thought, experience, and background. We have learned that diversity within an inclusive working environment enhances the relevance of our work, increases productivity, and improves the value of services we provide. The annual Employee Engagement Survey has several specific questions aimed at gauging the success of our diversity and inclusion (D&I) efforts. A survey score above 59% represents a high-performing organization.
Baseline:	66% (2017) D&I Driver Employee Engagement Survey results.
Target:	High performing status of > 59%
Refresh Frequency:	Annually, December
Reporting Range:	November 2018-October 2019
Thresholds:	On-Target: Above 59% represents high performance At-Risk: 40-59% represents average performance Off-Target: Under 40% represents low performance

Status Narrative:

As of December 2019, this measure was reported at 68.7% and was On-Target. Increased engagement score by 1% via the Employee Engagement Survey D&I related questions. Current D&I efforts also connect talent management, education, and communication to other initiatives across the enterprise serving to be more cohesive and efficient with cross-divisional partnerships. Updated performance data will be available in December 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Engagement Survey Results & Action Items - Accountability
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Objective:	Recruit and empower a broad range of talents to meet organization priorities
Associated Initiative(s):	Implement engagement survey action items

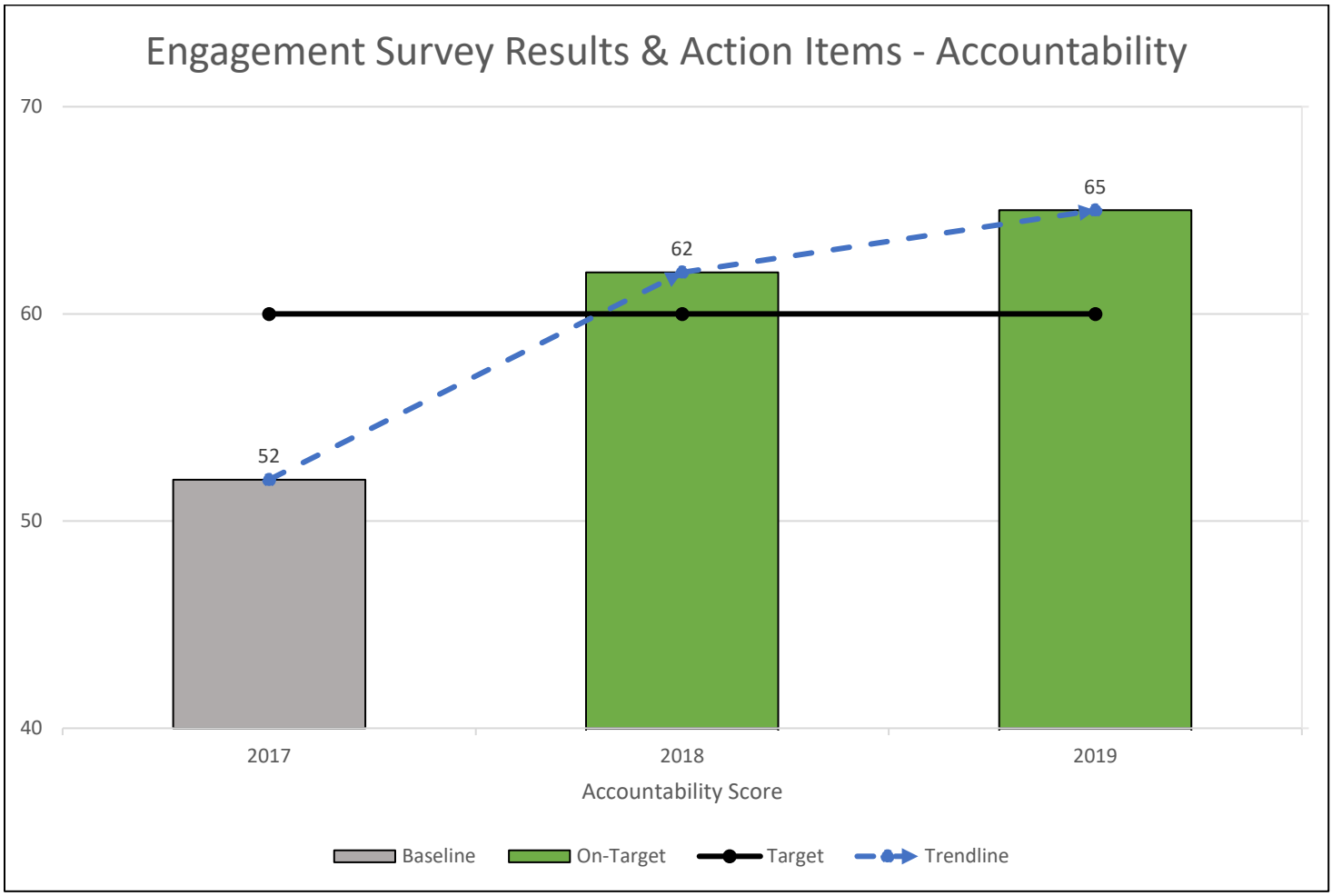
Status:	**Pending Refresh (in December 2020)**
Numeric Status:	**65% (as of December 2019)**

Description:	This measure focuses on our annual employee engagement survey which supports our efforts to foster a culture of engagement at CalPERS. The questions in the survey correspond to engagement and retention drivers, such as manager relationships, learning and development, culture, and organization potential. The Senior Leadership Council (SLC) received focus group feedback on Accountability – specifically recommendations for how to improve in this area. While this item has exceeded the baseline set in 2017 and continues to show improvement, for purposes of measuring consistency, we will continue to monitor this measure for the duration of the Strategic Plan (Through FY 2021-22).
Baseline:	Accountability: 52% as of December 2017.
Target:	High performing status of > 59%
Refresh Frequency:	Annually, December
Reporting Range:	November 2018 - October 2019
Thresholds:	On-Target: Above 59% represents high performance At-Risk: 40-59% represents average performance Off-Target: Under 40% represents low performance

Status Narrative:

As of December 2019, this measure reported at 65 percent as was On-Target. Updated performance data will be available December 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Engagement Survey Results & Action Items – Senior & Executive Management Relationships
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Objective:	Recruit and empower a broad range of talents to meet organization priorities
Associated Initiative(s):	Implement engagement survey action items

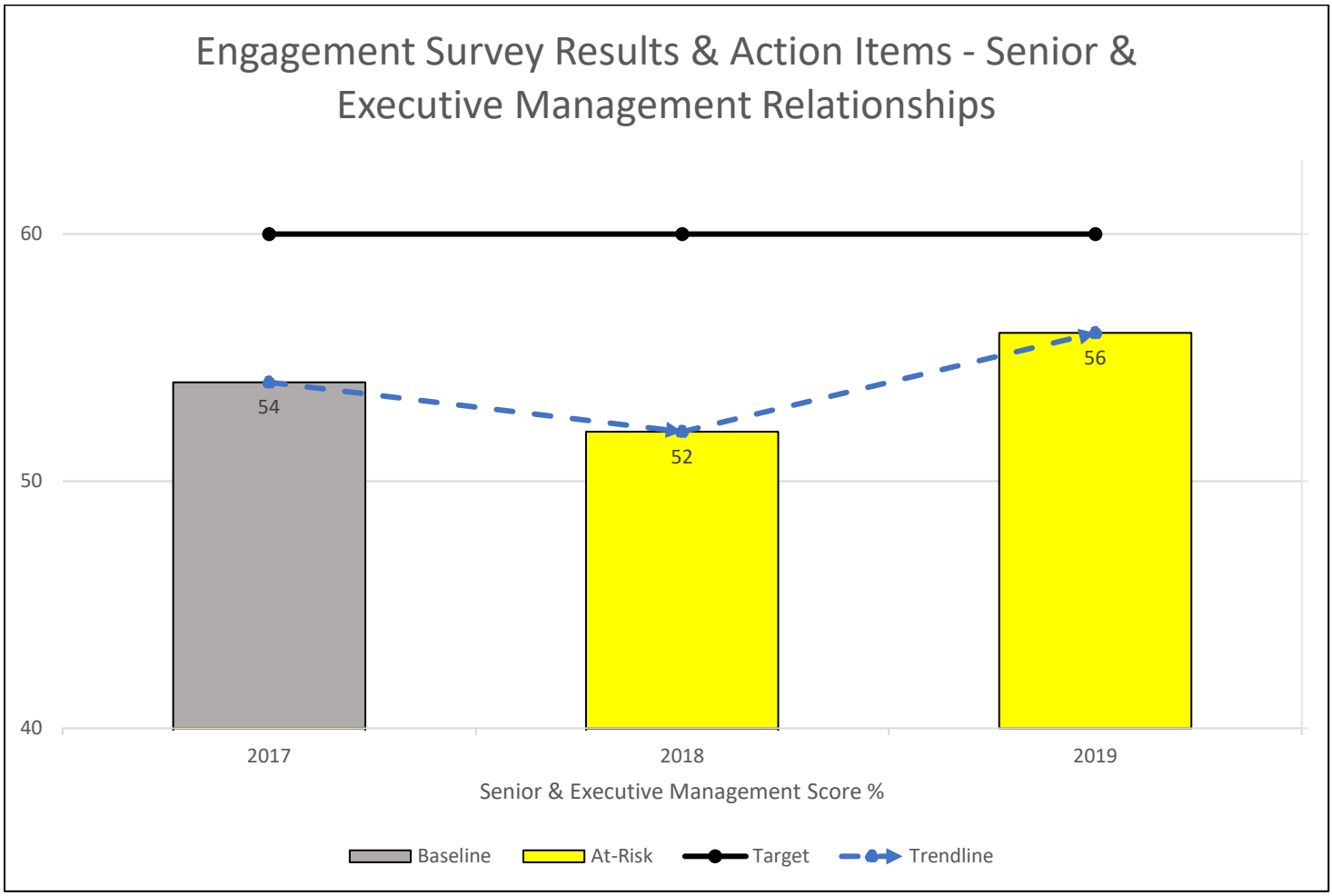
Status:	**Pending Refresh (in December 2020)**
Numeric Status:	**56% (as of December 2019)**

Description:	This measure focuses on our annual employee engagement survey which supports our efforts to foster a culture of engagement at CalPERS. The questions in the survey correspond to engagement and retention drivers, such as manager relationships, learning and development, culture, and organization potential. The Senior Leadership Council (SLC) received focus group feedback on Senior & Executive Management Relationships – specifically recommendations for how to improve in this area. For purposes of measuring consistency, we will continue to monitor this measure for the duration of the Strategic Plan (FY 2021-22).
Baseline:	Senior & Executive Management Relationships: 54% as of December 2017
Target:	High performing status of > 59%
Refresh Frequency:	Annually, December
Reporting Range:	November 2018 - October 2019
Thresholds:	On-Target: Above 59% represents high performance At-Risk: 40-59% represents average performance Off-Target: Under 40% represents low performance

Status Narrative:

As of December 2019, this measure reported at 56 percent and was deemed “At Risk” since it fell within the 40-59 percent threshold, indicating average performance. This is a four percent increase over the 2018 result. The Senior Leadership Council will develop action plans to address this driver aimed at improving the score for this measure. Updated performance data will be available December 2020.

Performance Trend Chart:



2019-20 Strategic Measure Summary (Quarter 3)

Measure Title:	Proficiency in CalPERS Leadership Competencies
Executive Owner:	Doug Hoffner
Strategic Goal:	Talent Management
Strategic Objective:	Cultivate leadership competencies and develop succession plans across the enterprise
Associated Initiative(s):	Develop leadership competencies measurement tool; Implement 2018-22 workforce plan strategies

Status:	**Under Development**
Numeric Status:	**N/A**

Description:	Measure leaders' proficiency in CalPERS' Leadership Competencies to ensure leaders are modeling these competencies.
Baseline:	To be determined.
Target:	To be determined.
Refresh Frequency:	To be determined.
Reporting Range:	To be determined.
Thresholds:	On-Target: TBD At-Risk: TBD Off-Target: TBD

Status Narrative:

Currently, we measure leadership competency proficiency for those leaders who participate in an incentive program. CalPERS team members are working on an approach to measure proficiency in leadership competencies for all other leaders. Once the new HRSD Chief role is filled, the new chief will review, evaluate, and make recommendations on next steps.

New HRSD Chief hired as of 3/2/2020.

Project team participated in two demos of a proposed tool using existing software.

The new HRSD Division Chief has been briefed and a meeting is set to discuss next steps with leaders in Talent Engagement & Development (TED) and the Performance Management Unit (PMU).