

# 2017-22 Strategic Plan | Key Performance Indicators Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

## EPR First Quarter Report: Key Performance Indicators Summary Dashboard

In addition to the strategic side of the house, we also have the operational side which is represented by our Key Performance Indicators (often referred to as KPIs). The KPIs are the third and newest component of our Enterprise Performance Reporting structure and will serve as a collection of performance indicators that measure and monitor the effectiveness of our efforts at the operational level. The KPIs align to six Outcome Measures which are each assigned to an executive owner. Each Outcome Measure encompasses several Core Processes that represent different areas of the enterprise, requiring the need for cross-functional collaboration and transparency.

The Key Performance Indicators Summary Dashboard provides a brief synopsis of how all 50 KPIs are performing for the first quarter (July 1, 2017 – September 30, 2017). Additional performance details can be found on the summary sheets for each KPI.

First Quarter KPI Performance:

- 15 On-Target(Green)
- 2 At-Risk (Yellow)
- 1 Off-Target (Red)
- 14 Pending refresh
- 9 Data not available
- 2 KPI under development
- 7 Informational

Thresholds have been established for each KPI to assess performance and identify whether each respective KPI is On-Target, At-Risk, or Off-Target.

## Enterprise Performance Reporting – First Quarter Status Key Performance Indicators (KPIs)

Reliable Steward of Funds	Status	Date <i>(Pending refresh, Data not available)</i>	Page Number
GASB 68 reports completed timely <sup>†</sup>	N/A		6
Produce CAFR with no material weaknesses FINO <sup>†</sup>	N/A		7
% forecast to actual expenses (annually)	**	December 2017	8
Maintain appropriate reserve levels	●		9
Stay within risk boundaries for Total Fund	●		10
% of moderate and elevated risk TOM functions	▲		11
Strategic asset allocation ranges (if outside approved ranges)	●		12
Liquidity coverage ratios accuracy	●		13
Cash forecasting accuracy	●		14
Generate liabilities and rates for pension funding	●		15
Determine long-term care premiums & reserves	●		16

Customer Satisfaction Driven Organization	Status	Date <i>(Pending refresh, Data not available)</i>	Page Number
Customer satisfaction	●		17
Benefit payment accuracy	**	March 2018	18
Benefit payment timeliness	●		19
Health member satisfaction %	▲		20
Health plan scorecard of 90% of better	●		21
Health premium affordability meets aggregate annual target %	*	March 2018	22

Status Key   ● On Track   ▲ At Risk   ■ Off Track   \* Pending Refresh   \*\* Data Not Available   □ KPI Under Development

Legend:   † = Informational KPI

## Enterprise Performance Reporting – First Quarter Status Key Performance Indicators (KPIs)

Open & Transparent Communication	Status	Date <i>(Pending refresh, Data not available)</i>	Page Number
% of employer participation in CalPERS events	*	October 2018	23
Member education satisfaction	●		24
Employer education satisfaction	●		25
Member rating on Stakeholder Perception Survey	*	Spring 2018	26
Employer rating on Stakeholder Perception Survey	*	Spring 2018	28
Stakeholder rating on Perception Survey	*	Spring 2018	30
% of community reach	*	July 2018	32
Member, Employer & Stakeholder rating on Perception Survey	*	Spring 2018	34

Efficient & Effective Organization	Status	Date <i>(Pending refresh, Data not available)</i>	Page Number
Probability of high employer contribution rates	■	Reported as a Strategic Measure	36
Probability of PERF falling below 50% funded	●		38
Probability of sharp single year increase in contribution rates	●		40
Timely resolution of public agency reviews	□		42
Form 700 completed timely	*	January 2018	43
Composite security health score within range <sup>†</sup>	N/A		44
Ensure evacuation readiness	*	July 2018	45
Employers current on CalPERS pension obligations	*	December 2017	46

Status Key   ● On Track   ▲ At Risk   ■ Off Track   \* Pending Refresh   \*\* Data Not Available   □ KPI Under Development

Legend:   † = Informational KPI

## Enterprise Performance Reporting – First Quarter Status Key Performance Indicators (KPIs)

Business continuity readiness <sup>†</sup>	N/A		47
Lean adoption	*	December 2017/June2018	48
Contract/procurement requirement compliance	*	July 2018	49
Contract & procurement agreement service level compliance	*	July 2018	51
IT capability (CEM)	●		53
Project portfolio health	*	January 2018	54

Supportive & Engaged Leadership	Status	Date <i>(Pending refresh, Data not available)</i>	Page Number
Team member assessment of Leadership	□	FY 2018-19	57
Health of Enterprise Performance Reporting Framework	**	FY 2018-19	58
Operational sustainability report <sup>†</sup>	N/A		59

Team Member Engagement	Status	Date <i>(Pending refresh, Data not available)</i>	Page Number
Average time to hire for hard-to-recruit positions	**	December 2017	60
Recognition and wellness perceptions <sup>†</sup>	**	December 2017	61
Turnover <sup>†</sup>	N/A		62
Team members' perception of training and development	**	December 2017	63
Our Promise and annual food drive <sup>†</sup>	N/A		64
100% of all ideas responded to within 120 days	**	April 2018	65
80% of all viable ideas implemented as scheduled	**	April 2018	66

Status Key   ● On Track   ▲ At Risk   ■ Off Track   \* Pending Refresh   \*\* Data Not Available   □ KPI Under Development

Legend:   † = Informational KPI

## Enterprise Performance Reporting – First Quarter Status Key Performance Indicators (KPIs)

<b>Response rate of employee engagement survey</b>	<b>**</b>	December 2017	67
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**Status Key**  
 ● On Track  
 ▲ At Risk  
 ■ Off Track  
 \* Pending Refresh  
 \*\* Data Not Available  
 □ KPI Under Development

**Legend:** † = Informational KPI

# 2017-22 Operational Measures | Key Performance Indicator Summary (\*I)

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Accounting for Funds
Key Performance Indicator (KPI)	GASB 68 reports completed timely

**KPI Description:**

Each year, public agencies and state entities are required to disclose their fiduciary net position based on their pension plan data. The Actuarial Office creates these reports each year with cooperation from the Financial Office (FINO) team.

**Baseline:**

All reports must be completed by the specified time frames.

**Target:**

Produce accounting valuation reports for all public agency plans as well as reports for State, School, Judges Retirement Systems 1 and 2, and the Legislators' Retirement System

**KPI Status:**

The project is currently underway. So far, ACTO has met its deliverable dates on time or ahead of schedule. The deadlines set were determined in conjunction with FINO team. Currently, ACTO is programming the non-pooled accounting spreadsheets so that the office actuaries can review the 400+ GASB reports due by the end of the calendar year.

**Refresh Frequency:** Annually,

September for plans belonging to a risk pool, schools pool and JRS, LRS, and JRS 2, October for state and, December for plans that are stand alone

**Reporting Range:** Measurement date

6/30/2017, based on demographic experience during the 2015-16 fiscal year rolled forward one year, economic experience through the measurement date

**Thresholds:**

**Status:** Not applicable as KPI is Informational

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Financial Reporting for all funds administered by CalPERS
Key Performance Indicator (KPI)	Produce Comprehensive Annual Financial Report (CAFR) with no material weaknesses

**KPI Description:**

Produce the CAFR with no material weaknesses reported by the external auditors.

**Baseline:**

Each year the CAFR is produced with new requirements and data. To date no material weaknesses have been reported or identified.

**Target:**

Zero material weaknesses, with no acceptable variance.

**KPI Status:**

The CAFR is currently in the review and audit cycles. All pertinent information has been compiled, and the financial reporting section is awaiting comments from the division chiefs and auditors.


**Refresh Frequency:** Annually


**Reporting Range:** 5 months


**Thresholds:** Not applicable as KPI is Informational

**Status:** Not applicable as KPI is Informational

**Status Key:**

 On Track

 At Risk

 Off Track

\*I = Informational KPI

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Accounting for Funds
Key Performance Indicator (KPI)	% forecast to the actual expenses (annually)

**KPI Description:**

The percentage of forecast to actual expenses will measure how closely the organization’s ability to adequately project future expenses

**Baseline:**

The starting point for this measure will be provided at the presentation of the Mid-Year Projection based on annual trends that will be compared to the actual expenses reported at the end of the year. The baseline will be established December 2017.

**Target:**

The December Mid-Year Agenda item (second reading) presented to the Board will serve as the baseline estimation/forecast for the remaining of the year.

**KPI Status:**

Performance data will be available in in December 2018, as this KPI has an annual refresh, and the baseline will be established in December 2017.

**Refresh Frequency:** Annually, December

**Reporting Range:** FY 2017-18

**Thresholds:**

- Accuracy of within 10 percent of total budget
- ▲ Accuracy of within 15 percent of assumption
- Accuracy not within 15 percent of assumption

**Status:**

Data not available - December 2017



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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Accounting for Funds
Key Performance Indicator (KPI)	Maintain appropriate reserve levels

**KPI Description:**

Treasury Management (TM) reserves are established to ensure the payment of member benefits and other obligations without interruption while optimizing the use of fund assets. A TM Reserve is defined as liquid assets dedicated to the payment of member benefits and other obligations during a stressed or crisis event.

**Baseline:**

The TM reserves are documented in the TM Reserve Policy. This policy is reviewed annually. As of May 2017, the following funds have reserves established:

- Public Employees’ Retirement Fund- Prefund monthly benefit payments by 5 business days
- Legislators’ Retirement Fund- TM reserve equal to two months coverage of benefit payments and program obligations
- Judges’ Retirement Fund- TM Reserve equal to two month coverage of member benefit payments and program obligations
- California Employers’ Retiree Benefit Trust Fund- Prefund monthly benefit payments by 5 business days
- Public Employees’ Long Term Care Fund- TM reserve equal to one month’s coverage of expected program obligations

**Target:**

The target is to comply with the Treasury Management Reserve Policy and have no incidents of reserve use.

**KPI Status:**

The KPI Status is on track. All reserves and targets were met.

**Refresh Frequency:** Annually, May

**Reporting Range:** Annually, May

**Thresholds:**

- All reserves targets were met and no reserves were used
- ▲ Some targets were not met
- Reserves were used and some targets were not met

**Status:** ●

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Managing Investments
Key Performance Indicator (KPI)	Stay within risk boundaries for Total Fund

**KPI Description:**

Forecast tracking error is the difference in risk between a managed portfolio and benchmark, measured as the annualized standard deviation (1-yr) of the differential return between the portfolio and an equal investment in the benchmark. This KPI provides a method to evaluate staffs' effectiveness to manage investments within the approved risk boundaries.

**Baseline:**

As of June 30, 2017, the active tracking error is 0.5%

**Target:**

Target is to remain within approved risk boundaries (policy limit) for Total Fund. The CalPERS Total Fund is managed with policy maximum limit of 1.5% tracking error, inclusive of active asset allocation and other active management decisions.

**KPI Status:**

KPI remains on track with 1-year projected active tracking error at 0.5%, which is well below the thresholds, per CIO report as of July 31, 2017, and presented at September Investment Committee.


**Refresh Frequency:** Monthly

**Reporting Range:** FY 2016-2017

**Thresholds:**

 1.35 % to 1.41%

 1.42% – 1.49%

 Greater than 1.50%

**Status:** 

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Managing Investments
Key Performance Indicator (KPI)	% of moderate and elevated risk TOM functions

**KPI Description:**

The Target Operating Model (TOM) defines functions and sub-functions that capture operational activities within the Investment Office, in order to report and track operational risk over time. Measuring the % of TOM functions with Moderate and Elevated risk-levels helps ensure the Investment Office prioritizes people, processes, technology, and data efforts on critical functions impacting Total Fund risk and return.

**Baseline:**

December 2014 TOM Levels: Moderate: 40% Elevated: 10%, for combined total of 50%

**Target:**

Less than 50%

**KPI Status:**

As of May 2017, Moderate: 44% Elevated: 8.7%, for combined total of 52.7 %

**\*Note,** will be further updated following completion of TOM Refresh (Numbers to be updated in December)


**Refresh Frequency:** Semi-Annually


**Reporting Range:** FY 2016-2017

**Thresholds:**

 40 – 50% Combined Total

 51 – 74% Combined Total

 Greater than 75%

**Status:** 

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process

Managing Investments

Key Performance Indicator (KPI)

Strategic asset allocation ranges (If outside approved ranges)

### KPI Description:

The Strategic Asset Allocation ranges are set on a 4-year Asset Liability Management (ALM) cycle with interim asset allocation changes occurring as required to realign levels of risk and liquidity. This KPI provides a method to evaluate staffs' effectiveness to manage investments within the approved ranges.

### Baseline:

Asset Class	Policy Target	Interim Target	Policy Range Relative to Target
Growth	59%	54%	+/- 7%
Global Equity	47%	46%	+/- 7%
Private Equity	12%	8%	+/- 4%
Income - Global Fixed Income	19%	20%	+/- 5%
Real Assets	14%	13%	+/- 5%
Real Estate	11%	11%	+/- 5%
Infrastructure & Forestland	3%	2%	+/- 2%
Inflation	6%	9%	+/-3%
Liquidity	2%	4%	+/-6%
Total Fund	100%	100%	N/A

### Target:

Target is for ranges to remain within the approved Interim targets and ranges, as listed above. Allocations may temporarily deviate from policy ranges due to extreme market volatility or to accommodate contributions, distributions, or other short-term cash needs. If an asset class allocation exceeds the policy range, staff shall return the asset allocation to within its policy range in a timely manner, with the exact time period primarily dependent on transaction costs and liquidity.




### KPI Status:

On track, with asset classes remaining within approved interim targets and ranges, per CIO report as of July 31, 2017, and presented at September Investment Committee.

Refresh Frequency: Monthly

Reporting Range: FY 2016-2017

### Thresholds:

-  Up to 1% of the maximum of any range, up or down
-  Between 0.99% and maximum of any range, up or down
-  Exceeding maximum of any range, up or down

Status: 

Status Key:  On Track  At Risk  Off Track

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Managing Investments
Key Performance Indicator (KPI)	Liquidity coverage ratios accuracy

**KPI Description:**

Liquidity coverage ratios (LCRs) measure the amount of liquidity available to make payments for upcoming benefits, operating expenses, and projected investments during normal, stressed, and crisis market conditions.

**Baseline:**

The baseline for LCR estimates are the actual LCRs calculated on a quarterly basis. The baseline is the estimate we calculate monthly.

**Target:**

LCR estimate variances target to have variances less than 30% of actual LCR calculations.


**KPI Status:**


This KPI status is on track with variances less than 30% for the reporting period.


**Refresh Frequency:** Quarterly

**Reporting Range:** Provide by the 10<sup>th</sup> business day of the month/quarter.

**Thresholds:**

 LCR estimate with less than 30% variance

 LCR estimate variance between 31% to 50%

 LCR estimate variance greater than 50%

**Status:** 

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Managing Investments
Key Performance Indicator (KPI)	Cash forecasting accuracy

**KPI Description:**

Forecasting member benefit and organizational expenses is critical to ensure adequate liquidity is available while managing the investment goals for the funds.

**Baseline:**

The baseline will be the quarterly actual total contributions and total distributions for each defined benefit pension plan (PERF, LRF, JRS I, JRS II). The baseline is the actual for each quarter which is available 5 days after the quarter ends.

**Target:**

The target is to be able to forecast total contributions and total distributions for defined benefit pension plans with forecast variances less than 10%.

**KPI Status:**

The status is on track due to low forecast variances for defined benefit funds.

**Refresh Frequency:** Quarterly

**Reporting Range:** By the 5<sup>th</sup> business day of month/quarter

**Thresholds:**

- Forecast variance less than 10% for total contributions/distributions
- ▲ Forecast variance between 11% to 50% for total contributions/distributions
- Forecast variance more than 50% for total contributions/distributions

**Status:**

● All defined benefit pension plan fund forecasts had variances that were less than 10%

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Projecting Liabilities
Key Performance Indicator (KPI)	Generate liabilities and Rates for Pension Funding

**KPI Description:**

Each year, all pension plans are reviewed and the contribution rates are adjusted to account for any gains and losses the pension plan must pay for. The actuarial office produces a report to explain and generate costs each year. The reports also give employers a projection of future costs.

**Baseline:**

Reports and contribution rates are uploaded to my|CalPERS in July

**Target:**

Calculate liabilities and produce annual valuation reports each year for all public agency pension plans so that the fiscal year rates may be determined.

**KPI Status:**

The project was completed on time for the 2016 valuation cycle. The reports were released in August of 2017. These reports set the contribution rates for the 2018-19 fiscal year.

**Refresh Frequency:** Quarterly

**Reporting Range:** Actual experience for an entire fiscal year 2015-16. This includes both demographic and economic experience.

**Thresholds:**

- Deliverables uploaded in July
- ▲ Deliverables uploaded in August
- Deliverables uploaded after August

**Status:** ●

**KPI Point of Contact:** Fritzie Archuleta

**Data Source:** ACTPR database

**Data Steward:** Fritzie Archuleta

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## Operational Outcome Measure: Reliable Steward of Funds

Owner: Charles Asubonten

Core Process	Projecting Liabilities
Key Performance Indicator (KPI)	Determine long-term care premiums and reserves

**KPI Description:**

Each year, the Long-Term Care plan is reviewed and adjusted to ensure the viability of the plan. The actuarial office produces a report and an agenda item to inform the plan sponsor and the CalPERS Board of the health of the plan.

**Baseline:**

Report and deliverable must be completed by specified Board meeting

**Target:**

The annual Long-Term Care report, complete with agenda item deliverables, for the December Board meeting each year.

**KPI Status:**

The Long-Term Care valuation is in process. We had difficulties unique to this year since ACTO has implemented a new method for measuring liabilities of the Long-Term Care plan. Despite the move to the first principles model, the ACTO team is now on schedule to deliver this item.

**Refresh Frequency:** Quarterly

**Reporting Range:** Fiscal year, July 1 2016-June 30, 2017 to complete the 6/30/2017 report

**Thresholds:**

- Deliverable for December Board
- ▲ Deliverable for February Board
- Deliverable after February Board

**Status:** ▲

**KPI Point of Contact:** Fritzie Archuleta

**Data Source:** LTCG (3<sup>rd</sup> party administrator)

**Data Steward:** Flora Hu



# 2017-22 Operational Measures | Key Performance Indicator Summary

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## Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

Core Process	Provide and Administer Retirement Benefits
Key Performance Indicator (KPI)	Customer satisfaction

**KPI Description:**

This KPI focuses on measuring customer satisfaction with CalPERS key benefit payment streams including service and disability retirement, survivor benefits, and refunds. Collecting satisfaction data through surveys allows us to pinpoint our customer’s preferences and increases our flexibility and responsiveness to their needs.

**Baseline:**

Fiscal Year 2017-18, Quarter 1: 86 percent.

**Target:**

Achieve an overall satisfaction rate of 95 percent, reflecting a positive customer experience across core processes.

**KPI Status:**

This KPI reflects stable performance above the threshold.

**Refresh Frequency:** Quarterly

**Reporting Range:** FY 2017-18, Quarter 1

**Thresholds:** The current threshold for this metric has been to provide exception reports when any individual survey falls below 85 percent. In accordance with the development of the Enterprise Performance Reporting program, CSS is evaluating this threshold to adhere to the stoplight reporting methodology.

**Status:** ●

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## Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

Core Process	Provide and Administer Retirement Benefits
Key Performance Indicator (KPI)	Benefit payment accuracy

**KPI Description:**

This KPI measures the accuracy of identified benefit payments. Monitoring this metric ensures our benefit payment calculations are accurate. Accurate payments will aid in the long-term stability of the fund.

**Baseline:**

Data not available-anticipated March 2018 data source to capture this metric in development.

**Target:**

Issue 98 percent of identified benefit payments within accuracy expectations.


**KPI Status:**

Data not available- anticipated March 2018 data source to capture this metric in development.

**Refresh Frequency:** Data not available- anticipated March 2018, data source to capture this metric in development.

**Reporting Range:** Data not available- anticipated March 2018 data source to capture this metric in development.

**Thresholds:**

 90% or above

 83% - 89%

 Below 83%

**Status:** Data not available- anticipated March 2018 data source to capture this metric in development.

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## Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

Core Process	Provide and Administer Retirement Benefits
Key Performance Indicator (KPI)	Benefit payment timeliness

**KPI Description:**

This KPI measures the timeliness of key benefit payment streams, including service and disability retirement, survivor benefits, and refunds. The timeliness of payments is a vital component of a positive customer experience.

**Baseline:**

Fiscal Year 2017-18, Quarter 1: 95 percent.

**Target:**

Issue 98 percent of benefit payments within service level timeframes.

**KPI Status:**

This KPI reflects stable performance well above the threshold.

**Refresh Frequency:** Quarterly

**Reporting Range:** FY 2017-18, Quarter 1

**Thresholds:** The current threshold for this metric has been to provide exception reports when any benefit payment stream falls below 90 percent. In accordance with the development of the Enterprise Performance Reporting program, CSS is evaluating this threshold to adhere to the stoplight reporting methodology.

**Status:** ●

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## Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

Core Process	Provide & Administer Health Care Benefits
Key Performance Indicator (KPI)	Health member satisfaction %

**KPI Description:**

This KPI is an assessment of member health plan satisfaction. The current measure reflects overall member satisfaction with their CalPERS health plans. Over the next three years, this KPI measure will also include member satisfaction with CalPERS administration of the health benefits program, in addition to the already established health plan satisfaction metric.

**Baseline:**

The 2017 Health Plan Member Survey of member health plan satisfaction over the prior 12 months rating of 82% is the baseline.

**Target:**

90%


**KPI Status:**


Currently, the KPI status is yellow based on the most recent Heal Plan Member Survey Satisfaction rating of 82%. This KPI is driven by member’s perception of satisfaction with their health plan for the prior 12 months as reported on the annual Health Plan Member Survey. To mitigate this at-risk measure, CalPERS will continue enforcement of contractual requirements and collaborative efforts with our health plan partners. Additionally, we anticipate that including information on members’ satisfaction with CalPERS administration of the health program in future reporting will likely improve the overall satisfaction rating.


**Refresh Frequency:** Annually, August

**Reporting Range:** January 2016-December 2016

**Thresholds:**

 85% or higher

 80% - 84.9%

 80% and below

**Status:** 

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## Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

Core Process	Provide & Administer Health Care Benefits
Key Performance Indicator (KPI)	Health plan scorecard of 90% or better

**KPI Description:**

This KPI is an assessment of CalPERS satisfaction with health plan performance in account management services. CalPERS contract compliance and rate development team members rate their satisfaction with health plan account management teams' responsiveness and quality of service.

**Baseline:**

94% (survey conducted in 2016 covering experience in 2015)

**Target:**

90%

**KPI Status:**


Currently, the KPI status is green at 97% (survey conducted in 2017 covering experience in 2016). This KPI is driven by CalPERS staff satisfaction with their health plan account management team for the prior 12 months.


**Refresh Frequency:** Annually, June


**Reporting Range:** January 2016 – December 2016

**Thresholds:**

 90% or above

 85-89%

 Less than 85%

**Status:** 

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## Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

Core Process	Provide & Administer Health Care Benefits
Key Performance Indicator (KPI)	Health premium affordability meets aggregate annual target %

**KPI Description:**

Measuring premium increases compared to a standard allows an objective marker for tracking our performance. Keeping health plan premium increases low is a major concern of our customers.

**Baseline:**

We will use the aggregate % change in health plan premiums between 2017 and 2018 as the baseline = 2.33%

**Target:**

The annual Consumer Price Index (CPI) for Medical Care is published by the federal Bureau of Labor Statistics. Since it changes annually, the exact target percentage will change annually. The current target for medical care plus is 3%

**KPI Status:**

Between 2015 and 2016 (the most recent data available), the annual CPI for Medical Care increased 3.79%, so the target was 6.79%. The aggregated percent change in premiums between 2016 and 2017 was 3.24%, the target was met.

**Refresh Frequency:** Annually, August

**Reporting Range:** January 1, 2017 through December 31, 2018

**Thresholds:**

- CPI for medical +3% or less
- ▲ CPI for medical + 3.1% to CPI for medical +5%
- CPI for medical + 5.1% and above

**Status:** Pending refresh-Performance data will be available March 2018

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Open & Transparent Communication

Owner: Brad Pacheco

Core Process	Educate Members, Employers & Stakeholders
Key Performance Indicator (KPI)	% of Employer Participation in CalPERS events

**KPI Description:**

CalPERS hosts the Educational Forum on an annual basis, in the month of October. The KPI is based on the total number of attendees and total number of unique employers. The totals will be measured by the past year’s total number of attendees and unique employers.

**Baseline:**

This baseline for this measure is total number of attendees and unique employers resulting from the 2017 Educational Forum. The baseline numbers will be available by October 31, 2017

- Attendees: 774
- Unique Employers: 372

**Target:**

Increase registration totals by 2.0% every year for next five years of number of attendees and unique employers.

**KPI Status:**

Pending refresh, performance data will be available in October 2018.

**Refresh Frequency:** Annually, October

**Reporting Range:** October 2016 - October 2017

**Thresholds:**

- Percentage meets or exceeds target yearly increase of 2.0%
- ▲ Percentage remains the same or increases by less than 2.0%
- Percentage decreases from previous years

**Status:**

Pending Refresh – October 2018

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Open & Transparent Communication

Owner: Donna Lum

Core Process	Educate Members, Employers & Stakeholders
Key Performance Indicator (KPI)	Member Education Satisfaction

**KPI Description:**

This KPI measures the satisfaction of attendees at webinars, instructor-led training, computer-based training, and classes at CalPERS Benefit Education Events. Measuring satisfaction with our educational services helps us ensure we are listening to our customers and providing them information to help them plan by better understanding their CalPERS benefits.

**Baseline:**

Fiscal Year 2017-18, Quarter 1: 95 percent.

**Target:**

Achieve an overall satisfaction rate of 95 percent, reflecting a positive customer experience across multiple educational offerings.

**KPI Status:**

This KPI reflects stable performance meeting the target. The current threshold for this metric has been to provide exception reports when any individual survey falls below 85 percent. In accordance with the development of the Enterprise Performance Reporting program, CSS is evaluating this threshold to adhere to the stoplight reporting methodology.

**Refresh Frequency:** Quarterly

**Reporting Range:** FY 2017-18, Quarter 1

**Thresholds:** Thresholds under development

**Status:** 



# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Open & Transparent Communication

Owner: Donna Lum

Core Process	Educate Members, Employers & Stakeholders
Key Performance Indicator (KPI)	Employer education satisfaction

**KPI Description:**

This KPI measures the satisfaction of business partners who attend webinars, computer-based, and instructor-led training for employers.

Measuring satisfaction with our educational services helps us ensure we are listening to our customers and providing them information to ensure they understand CalPERS benefit programs and services.

**Baseline:**

Fiscal Year 2017-18, Quarter 1: 94 percent.

**Target:**

Achieve an overall satisfaction rate of 95 percent, reflecting a positive customer experience across multiple educational offerings.

**KPI Status:**

This KPI reflects stable performance well above the threshold. The current threshold for this metric has been to provide exception reports when any individual survey falls below 85 percent. In accordance with the development of the Enterprise Performance Reporting program, CSS is evaluating this threshold to adhere to the stoplight reporting methodology.

**Refresh Frequency:** Quarterly

**Reporting Range:** FY 2017-18, Quarter 1

**Thresholds:** Threshold under development

**Status:** ●

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Open & Transparent Communication

Owner: Brad Pacheco

Core Process	Listening & Informing
Key Performance Indicator (KPI)	Member Rating on Stakeholder Perception Survey

### KPI Description:

The Stakeholder Perception Survey is administered every year to a randomized sampling of active and retired members from the public agency, State, and school employers that make up the System. The KPI is based on responses to the question "Does CalPERS do a good job of keeping members informed?" This question provides the clearest insight into our members' perception of CalPERS' efforts towards communicating proactively with our members, and reflects on our operational outcome measure of open and transparent communication.

### Baseline:

The baseline for this measure is 80.1% of members answering "yes" to the to the question "Does CalPERS do a good job keeping members informed?" The baseline was established from the score in the survey administered in January 2017, with results reported to the Board in May 2017.

**Target:** Increase by 0.6% from previous year

### KPI Status:

The survey that established the baseline for this KPI was administered at a time when several controversial actions were being taken or considered by the organization:

1. Discount rate change from 7.5 to 7.0 over three years
2. Pension reductions for members of the City of Loyaltan
3. Increased calls for divestment, including Tobacco, thermal coal, and the Dakota Access Pipeline

**Refresh Frequency:** Annually, February

**Reporting Range:** January to December 2016

### Thresholds:

- Score meets or exceeds target increase of 0.6% from the previous year
- ▲ Score remains the same or increases by less than 0.06% from the previous year
- Score decreases from the previous year

### Status:

Pending refresh – performance data available Spring 2018

## 2017-22 Operational Measures | Key Performance Indicator Summary

**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

### KPI Status continued:

The approach to communicating on these actions was to be proactive, transparent and seek stakeholder feedback. The result was relatively high marks for keeping members informed overall, and lower scores for confidence in retirement money being safe.

The path forward is to build on the positive perception about our communications and engagement, while strengthening confidence in the long-term sustainability of the fund.

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Open & Transparent Communication

Owner: Brad Pacheco

Core Process	Listening & Informing
Key Performance Indicator (KPI)	Employer rating on stakeholder perception survey

### KPI Description:

The Stakeholder Perception Survey is administered every year to employers at many different levels from the public agency, State, and school employers that make up the System. The KPI is based on responses to the following question: "Does CalPERS do a good job of keeping employers informed". This question provides the clearest insight into our employers' perception of CalPERS' efforts towards communicating across all channels, including in-person, via phone, employer bulletins, circular letters, and outreach meetings.

### Baseline:

The baseline for this measure is 8.21% of members answering "yes" to the to the question "Does CalPERS do a good job keeping members informed?" The baseline was established from the score in the survey administered in January 2017, with results reported to the Board in May 2017.

### Target:

Increase score by 3 percentage points from baseline of 82.1% to 85.1% in five years, with an average 0.6 percentage point increase per year. The survey will be administered every January, to provide a fair and consistent interval between data periods.

### KPI Status:




The survey that established the baseline for this KPI was administered at a time when several controversial actions were being taken or considered by the organization:

1. Discount rate change from 7.5 to 7.0 over three years
2. Pension reductions for members of the City of Loyaltan
3. Increased calls for divestment, including Tobacco, thermal coal, and the Dakota Access Pipeline

**Refresh Frequency:** Annually, February

**Reporting Range:** January to December 2016

### Thresholds:

-  Score meets or exceeds target increase of 0.6% from the previous year
-  Score remains the same or increases by less than 0.06% from the previous year
-  Score decreases from the previous year

**Status:** Pending Refresh – performance data will be available Spring 2018

**Status Key:**  On Track  At Risk  Off Track

## 2017-22 Operational Measures | Key Performance Indicator Summary

**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

### KPI Status continued:

The approach to communicating on these actions was to be proactive, transparent and seek stakeholder feedback. The result was relatively high marks for keeping members informed overall, and lower scores for confidence in retirement money being safe.

The path forward is to build on the positive perception about our communications and engagement, while strengthening confidence in the long-term sustainability of the fund.

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Open & Transparent Communication

Owner: Brad Pacheco

Core Process	Listening & Informing
Key Performance Indicator (KPI)	Stakeholder rating on stakeholder perception survey

**KPI Description:**

The Stakeholder Perception Survey is administered every year to a list of the 75 stakeholder leaders with whom CalPERS is most closely engaged. These stakeholders represent members, employers, retirees, private sector business, the Legislature, peer pension funds, and business partners. The KPI is based on responses to the following question: "Does CalPERS do a good job of keeping stakeholders informed". This question provides the clearest insight into our stakeholders' perception of CalPERS' efforts to communicate and be responsive.

**Baseline:**

The baseline for this measure is 69% of surveyed stakeholders answering "yes" to the to the question "Does CalPERS do a good job keeping stakeholders informed?" The baseline was established from the score in the survey administered in January 2017, with results reported to the Board in May 2017.

**Target:**

Increase score by 3 percentage points from baseline of 69% to 72% in five years, with an average 0.6 percentage point increase per year. The survey will be administered every January, to provide a fair and consistent interval between data periods.

**KPI Status:**

The survey that established the baseline for this KPI was administered at a time when several controversial actions were being taken or considered by the organization:

**Refresh Frequency:** Annual, February

**Reporting Range:** January-December 2016

**Thresholds:**

- Score meets or exceeds target increase of 0.6% from the previous year
- ▲ Score remains the same or increases by less than 0.06% from the previous year
- Score decreases from the previous year

**Status:**

Pending Refresh – Spring 2018

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## KPI Status continued:

1. Discount rate change from 7.5 to 7.0 over three years
2. Pension reductions for members of the City of Loyalton
3. Increased calls for divestment, including Tobacco, thermal coal, and the Dakota Access Pipeline

The approach to communicating on these actions was to be proactive, transparent and seek stakeholder feedback. The result was relatively high marks for keeping members informed overall, and lower scores for confidence in retirement money being safe.

The path forward is to build on the positive perception about our communications and engagement, while strengthening confidence in the long-term sustainability of the fund.

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Open & Transparent Communication

Owner: Brad Pacheco

Core Process	Listening & Informing
Key Performance Indicator (KPI)	% of community reach

**KPI Description:**

This KPI measures our efforts to modernize CalPERS' communications and outreach to improve agility and maximize reach, response and reputation while increasing programmatic and operational efficiencies.

**Baseline:**

**Visits to Public Website**

Baseline: 2,649,358 Total Visits for FY 2016-17

Increase by 5%: 132,468

Baseline: 220,780 Average Monthly Visits

Increase by 5%: 11,039

**Total Social Media Followers**

Baseline: 40,301 Followers on 7/1/2017

Increase by 5%: 2,015

Channel	Total Followers
Twitter	15,106
Facebook	14,483
LinkedIn	7,147
YouTube	2,259
Instagram	1,306

**Email Subscriptions**

CalPERS News


Baseline: 25,632 Subscribers on 7/1/2017


Increase by 5%: 1,282


**Refresh Frequency:** Annually, July

**Reporting Range:** FY 2016/2017

**Thresholds:**

 5% and above

 4%-4.9%

 Below 4%

**Status:** Pending Refresh – performance data available July 2018



## 2017-22 Operational Measures | Key Performance Indicator Summary

**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

**Baseline continued:**

**Ambassador Newsletter**

Baseline: 3,241 Subscribers on 7/1/2017

Increase by 5%: 162

(Total: 28,873; 1,444)

**Target:**

Track community growth metrics monthly using the digital communications dashboard. Increases should average 1.25% per quarter.

**KPI Status:**

Post Q1, both social media followers and email subscribers have increased by over 1.25%.

The three products project is an initiative to convert our paper communication to digital platforms which will have a significant impact on this KPI in the near future (especially for the website and email subscriptions metrics). We are considering the development of a blog platform for PERSpective and Employer News which will generate more website views and more email subscribers as we send alerts over email that a new post has been added online.

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Open & Transparent Communication

Owner: Brad Pacheco

Core Process	Brand Reputation
Key Performance Indicator (KPI)	Member, employer & stakeholder rating on perception survey

**KPI Description:**

The Stakeholder Perception Survey is administered every year to members (active, inactive, and retired), employers of all levels, and stakeholder leaders. The KPI is based on responses to the following survey question: "My overall perception of CalPERS is positive". Respondents are asked to indicate their agreement on a scale ranging from Strongly Agree (7) to Strongly Disagree (1). Each response is assigned a numerical value, as follows:

- Strongly Agree: 7
- Agree: 6
- Somewhat Agree: 5
- Neither Agree nor Disagree: 4
- Somewhat Disagree: 3
- Disagree: 2
- Strongly Disagree: 1

The combined average score from all of these segments offers the clearest insight into the overall brand reputation of CalPERS.

**Baseline:**

The baseline for this measure is a score of 5.65, out of a possible 7, which is roughly between "Somewhat agree" and "Agree". The baseline was established from the results of the Stakeholder Perception Survey, administered in January 2017, with results reported to the Board in May 2017.

**Target:**

Increase score by 5% (0.28) to 5.93 in five years, with an average increase of 0.056 points per year.

**KPI Status:**

Factors such as rising pension costs, pension reductions and public services being cut due to pensions are driving negative perceptions of CalPERS. To help mitigate risks, we are providing education and outreach to employers,

**Refresh Frequency:** Annually, February

**Reporting Range:** January-December 2016

**Thresholds:**

- Score meets or exceeds target yearly increase of 0.056 from previous year
- ▲ Score remains the same or increases by less than 0.056 from the previous year
- Score decreases from the previous year

**Status:**

Pending Refresh – Spring 2018

## 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

### KPI Status continued:

member associations, and retiree groups to increase understanding of the low-return environment and the need to sustain the Fund. We have conducted webinars for large audiences to help explain the reduction in the discount rate and the path forward. We have responded to all requests for presentations to city councils and employer associations, to provide clarity and education for employers grappling with increased employer contribution projections.

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

Reported as Strategic Measure

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Scott Terando

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Probability of high employer contribution rates

**KPI Description:**

This KPI represents the likelihood of high employer contribution rates. High employer contribution rates impose significant financial stress and may increase the risk the employers will default and be unable to make their required contributions.

**Baseline:**

- State Miscellaneous: 73%
- Schools: 4%
- Public Agency Miscellaneous: 11%
- CHP: 100%
- State POFF: 69%
- Public Agency Safety: 78%

**Target:**

Decrease in the probability of employer contribution rates exceeding 35% of payroll for miscellaneous or 55% of payroll for safety

**KPI Status:**

Each year a stochastic model is used to estimate the probability that the employer contribution rates will exceed 35% of payroll (55% for Safety plans) at some point in the next 30 years. The measure is calculated separately for six subsets of the PERF; State Miscellaneous, Schools, Public Agency Miscellaneous, CHP, State POFF, and Public Agency Safety.




It is desirable for these probabilities to be low, but they will never be zero. The probability decreases when investment returns cause the contribution rates to decrease and vice versa, but many other factors affect this metric.

A more aggressive funding policy such as shorter amortization periods can have a negative impact on this measure initially but a positive impact in the long run. For example, amortizing gains and losses over 10 years could cause this probability to increase, because a future loss would cause a larger increase in the employer contribution rate. Eventually though, in any given







**Refresh Frequency:** Annually, August

**Reporting Range:** Investment returns through the most recent fiscal year end (June 30, 2017) are combined with actuarial valuation results (June 30, 2016) to update the measures.

**Thresholds:**

-  10% or less
-  10% to 20%
-  20% or greater

**Status:**

- State Miscellaneous: 
- Schools: 
- Public Agency Miscellaneous: 
- CHP: 
- State POFF: 
- Public Agency Safety: 

**Status Key:**  On Track  At Risk  Off Track

## 2017-22 Operational Measures | Key Performance Indicator Summary

**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

**KPI Status continued:**

year the employer would only be paying for the previous 10 years of gains and losses rather than the previous 30 years.

One action that causes an immediate improvement in this metric is when an employer makes an additional payment towards the UAL. Public agencies continue to make additional payments and this year the State is contributing \$6 Billion above the required contribution.

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Scott Terando

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Probability of PERF falling below 50% funded over the next 30 years

**KPI Description:**

This KPI represents the likelihood of the Public Employees’ Retirement Fund (PERF) falling below 50% funded over the next 30 years. Low funding levels represent risk to both employers and members and will result in either high contributions or further deterioration of the funding levels. Additionally, low funding levels can lead to contribution requirements that are beyond the employer’s ability to pay for member benefits in full when due.

**Baseline:**

- State Miscellaneous: 6%
- Schools: 3%
- Public Agency Miscellaneous: 5%
- CHP: 15%
- State POFF: 6%
- Public Agency Safety: 9%

**Target:**

Decrease in the probability of the PERF funded status falling below 50% over a 30-year time frame

**KPI Status:**




Each year a stochastic model is used to estimate the probability that the funding levels will fall below 50% at some point in the next 30 years. The measure is calculated separately for six subsets of the PERF; State Miscellaneous, Schools, Public Agency Miscellaneous, CHP, State POFF, and Public Agency Safety.

It is desirable for these probabilities to be low, but they will never be zero. The probability decreases when investment returns cause the funding level to increase and vice versa, but many other factors affect this metric. For example, a more aggressive funding policy such as shorter amortization periods, a lower amortization payment escalation rate (or level dollar amortization), or shorter “ramp” would decrease (improve) this probability, but would have a negative impact on other strategic measures.







**Refresh Frequency:** Annually, August

**Reporting Range:** Investment returns through the most recent fiscal year end (June 30, 2017) are combined with actuarial valuation results from the prior fiscal year end (June 30, 2016) to update the measures.

**Thresholds:**

-  10% or less
-  10% to 20%
-  20% or greater

**Status:**

- State Miscellaneous: 
- Schools: 
- Public Agency Miscellaneous: 
- CHP: 
- State POFF: 
- Public Agency Safety: 

**Status Key:**  On Track  At Risk  Off Track

## 2017-22 Operational Measures | Key Performance Indicator Summary

**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

**KPI Status continued:**

More conservative assumptions can have a negative impact on this measure initially but a positive impact in the long run. For example, reducing the discount rate lowers the current funding levels and can increase this probability for a plan that is already close to 50 percent funded. However, if a lower discount rate means a lower likelihood of actuarial losses in the future, this probability would be expected to decrease (improve) later.

One action that causes an immediate improvement in this metric is when an employer makes an additional payment towards the UAL. Public agencies continue to make additional payments and this year the State is contributing \$6 Billion above the required contribution.

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Scott Terando

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Probability of sharp single year increase in contribution rates

**KPI Description:**

This KPI represents the likelihood of sharp single year increases in contribution rates. Sharp increases in contribution rates can impose financial strain on employers and may increase the risk that employers fail to make their required contributions.

**Baseline:**

- State Miscellaneous: 0%
- Schools: 0%
- Public Agency Miscellaneous: 0%
- CHP: 1%
- State POFF: 0%
- Public Agency Safety: 0%

**Target:**

Low probability of a single year employer contribution rate increase of 5% of payroll for miscellaneous or 7% of payroll for safety

**KPI Status:**

Each year a stochastic model is used to estimate the probability that the employer contribution rates will increase by 5% of payroll (7% for Safety plans) in a single year at some point in the next 30 years. The measure is calculated separately for six subsets of the PERF; State Miscellaneous, Schools, Public Agency Miscellaneous, CHP, State POFF, and Public Agency Safety.

It is desirable for these probabilities to be low, but the goal is not for these probabilities to be zero. There will always be a chance that future extraordinary and/or successive actuarial losses will require a sharp increase in employer contribution rates.

Increases in employer contribution rates can occur when actuarial losses (particularly investment losses) occur, or there are changes in actuarial assumptions. Unfunded liabilities from these events are amortized over

**Refresh Frequency:** Annually, August

**Reporting Range:** Investment returns through the most recent fiscal year end (June 30, 2017) are combined with actuarial valuation results (June 30, 2016) to update the measures.

**Thresholds:**

- 10% or less
- ▲ 10% to 20%
- 20% or greater

**Status:**

- State Miscellaneous: ●
- School: ●
- Public Agency Miscellaneous: ●
- CHP: ●
- State POFF: ●
- Public Agency Safety ●

**Status Key:** ● On Track ▲ At Risk ■ Off Track



## 2017-22 Operational Measures | Key Performance Indicator Summary

**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

**KPI Status continued:**

extremely long periods (30 years for losses and 20 years for assumption changes) precisely to avoid sharp increases in contribution rates. There is also a 5 year ramp up and ramp down built into the amortization schedules, which further smooths the contribution rates.

Increases in employer contribution rates can also occur with a change in actuarial methodology such as shortening the amortization period. The impact on employer contribution rates would be thoroughly analyzed before making any such change.

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Timely resolution of public agency reviews

**KPI Description:**

Timely resolution of public agency reviews ensures compliance with CalPERS Audit Resolution Policy.

**Baseline:**

KPI under development – March 2018

**Target:** KPI under development – March 2018

**KPI Status:**

Upon issuance of Public Agency final audit report, Customer Services and Support Branch (CSS) has up to 12 months to work with the public agencies to resolve the findings and bring the agency into compliance with the PERL and its contract.

The contributing factors driving performance will be provided in collaboration with CSS. The Office of Audit Services(OFAS) does not define any unresolved finding until it hits the 12-month mark. OFAS provides quarterly updates to the Risk and Audit Committee on the status of open audit findings. In the coming months, OFAS and CSS will work together to establish the appropriate baseline, target, and thresholds for this KPI.

**Refresh Frequency:** Quarterly

**Reporting Range:** 12 months after the issuance of the audit report.

**Thresholds:** KPI under development – March 2018

**Status:** KPI under development – March 2018

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Form 700 completed timely

**KPI Description:** This KPI measures the performance of timely submission of the Statement of Economic Interests (Form 700) by Board members and employees for the following: Assuming Office, Leaving Office, and Annual filing.

**Baseline:** 98% (for the 2016 calendar year)

**Target:** 100%

**KPI Status:**

Performance data is pending refresh. The Enterprise Compliance Branch tracks the completion of Form 700s on an ongoing basis. The annual filings are due during the first quarter of each year. Additionally, Assuming and Leaving Office Statements are due within 30 days of start or separation date. In 2016, there were a total of 1,040 annual filers, of which 1,007 filed on time. There were 113 Assuming Office Statements of which 92 filed timely. There were 91 Leaving Office Statements of which 53 filed timely. As part of the FY 2017-18 Business Plan, ECOM continues to enhance the process for identifying and receiving Form 700 Statements timely. Annual tracking of this KPI began July 2017.

**Refresh Frequency:**

Annually, January


**Reporting Range:**

January – December 2017

**Thresholds:**

 90% to 100%

 75% to 89%

 75% and below

**Status:** Pending data refresh – January 2018

# 2017-22 Operational Measures | Key Performance Indicator Summary<sup>(\*I)</sup>

**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

Reported in Closed Session

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Composite security health score within range

**KPI Description:**

Informational KPI that represents our risk posture from an IT perspective. This KPI would include several measures as a report-out, including our ability to stay within acceptable IT risk levels.

**Baseline:**

Information to be provided in closed session.

**Target:**

Information to be provided in closed session.

**KPI Status:**

Information to be provided in closed session.

**Refresh Frequency:** Monthly

**Reporting Range:** Monthly

**Thresholds:** Information to be provided in closed session

**Status:** Information to be provided in closed session

**Status Key:** ● On Track ▲ At Risk ■ Off Track

<sup>(\*I)</sup> = Informational

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Ensure Evacuation Readiness

**KPI Description:**

This KPI is focused on increasing the overall health and safety of all team members in the organization by ensuring that they are equipped with the tools to efficiently and effectively evacuate during an emergency.

**Baseline:**

- 2016 Annual evacuation drill (13 minutes)
- Floor Warden Team (FWT) participation percentage (77%)
- Emergency Response Team (ERT) participation percentage (78%)

**Target:**

The target is to achieve 100% team member evacuation readiness using the weighted scale below:

- Annual evacuation drill **(weighted 30%)**
- Floor Warden Team (FWT) participation percentage (85%) **(weighted 15%)**
- Emergency Response Team (ERT) participation percentage (85%) **(weighted 15%)**
- Biannual FWT Training **(weighted 10%)**
- Annual ERT Training **(weighted 10%)**
- Quarterly ERT and FWT mock drills **(weighted 10%)**
- Quarterly market and educate emergency evacuation assistance program to raise awareness to those with special assistance needs **(weighted 10%)**

**KPI Status:**

CalPERS Headquarters conducted a planned enterprise-wide offsite evacuation drill on Monday, October 16, 2017 at 2:30pm:

- All buildings were cleared within 11 minutes which was an improvement from 13 minutes in 2016.
- All team members were accounted for within 31 minutes (no baseline was established in 2016 due to the premature all clear announcement)

**Refresh Frequency:** Annually, July

**Reporting Range:** FY 17/18

**Thresholds:** Under development – June 2018

**Status:** Pending refresh –June 2018

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Employers current on CalPERS pension obligations

**KPI Description:**

The positive proportion of employers that are current on their CalPERS obligations ensures fulfillment of the employer’s contractual and statutory responsibilities when participating in CalPERS’ pension programs.

**Baseline:**

98% of employers are current on their CalPERS pension obligations based on the September FAC Reporting on Participating Employers.

**Target:**

100% of employers are current on all CalPERS pension obligations.

**KPI Status:**




California local government agencies that participate in CalPERS’ programs accept the fiduciary and statutory requirement to remain current on their CalPERS pension obligations to ensure their programs (e.g., benefits) are provided to their employees.

CalPERS assesses the status and age of the associated financial receivables respective of these programs and the aging of these receivables. In the event employers near or become delinquent, CalPERS identifies the distressed agencies for focused outreach and education.

**Refresh Frequency:** Quarterly

**Reporting Range:** Quarterly (timed in conjunction with report to FAC)

**Thresholds:**

-  100-85% of employers current
-  60-84% of employers current
-  59% of employers current

**Status:** Pending refresh – December 2017

# 2017-22 Operational Measures | Key Performance Indicator Summary (\*)

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Business Continuity Readiness

**KPI Description:**

This KPI supports CalPERS’ mission of delivering retirement and health care benefits to members and their beneficiaries during disaster recovery and maintaining CalPERS’ ability to remain effective after an interruption to business operations.

**Baseline:**

N/A – Informational KPI

**Target:**

N/A – Informational KPI

**KPI Status:**

Annual business continuity and biennial Emergency Operations Team (EOT) training updates will be provided.

- Annual Division Business Continuity Plan updates
- Annual Master Enterprise Business Continuity Plan update
- Annual Business Continuity Plan submission to CalOES
- Biennial Emergency Operations Team readiness training

**Refresh Frequency:** Annually, July

**Reporting Range:** FY 2016-17

**Thresholds:**

N/A – Informational KPI

**Status:**

N/A – Informational KPI

# 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Compliance & Managing Risks
Key Performance Indicator (KPI)	Lean Adoption

### KPI Description:

Lean is a continuous business process improvement approach to eliminate waste and increase value to customers. Lean Adoption needs to begin with education and the Senior Leadership Council recommended the following: (1) White Belt education should begin with CalPERS Leadership and (2) Green Belt education should begin with Retirement Research and Planning Division (RRPD) team members. As such, the initial Lean Adoption KPI will measure the percent of CalPERS Leadership that has participated in Lean White Belt training, as well as the percentage of completion for 4 Green Belt projects.

As Lean education increases throughout the organization, we may develop additional KPIs to further measure Lean Adoption or identify opportunities to embed Lean Adoption into other directly related KPIs.

### Baseline:

As of September 2017, 11 percent of CalPERS leadership have participated in Lean White Belt training and RRPD team members have initiated training in support of 4 upcoming Green Belt projects.

### Target:

- 1) 80 percent of CalPERS leadership participation in Lean training by June 30, 2019.
- 2) 100 percent completion of 4 Green Belt projects by June 30, 2018.

### KPI Status:

Pending data refresh, as data will not be available until December 2017 for Lean Green Belt training and June 2018 for Lean White Belt education. For each project, we anticipate reaching three milestones: RRPD completed training by October 2017, RRPD received certification for their project by February 2018, and respective CalPERS program area initiated a Lean improvement by June 2018.

### Refresh Frequency:

- For Lean White Belt education, quarterly starting June 2018
- For Lean Green Belt training, quarterly, starting December 2017

### Reporting Range:

### Thresholds:

- Approx. 15% increase in participation per quarter and 100% of green belt projects reach milestone
- ▲ 1-14% increase in participation per quarter or 75% of green belt projects reach milestone
- 0% increase in participation per quarter or 50% of green belt projects reach milestone

### Status:

Pending data refresh - December 2017 for Lean Green Belt training and June 2018 for Lean White Belt education.



# 2017-22 Operational Measures | Key Performance Indicator Summary

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## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Purchasing & Acquisition
Key Performance Indicator (KPI)	Contract/Procurement Requirements Compliance

**KPI Description:**

Ensure 100% compliance with all internal and external rules, regulations, and policies as it pertains to purchasing and acquisition and to reduce the dependency on CalPERS external consultants.

**Baseline:**

The baseline reflects Fiscal Year 16/17 information as follows:

- Overall Contract & Purchase Order (PO) Value\* = \$590,451,805
- Overall # of engagements = 3,330 (97 contracts / 3,233 PO)
- 19.18% Small Business (SB) and 2.79% Disabled Veterans Business (DVBE) participation rates
- 2 audits performed (January 2017 and July 2017)
- No audit findings from either FY16/17 audit

\*following current reporting procedures for contracts above \$100K and all POs.

**Target:**

The target is to achieve 100% contract and procurement requirement compliance using the weighted scale below:

- Reduction of overall contract & PO Value **(weight: 10%)**
- Reduction in overall number of contracts & POs **(weight: 10%)**
- 100% compliance with SB (25% participation) & DVBE (3% participation) Enterprise goals **(weight: 10%)**
- Bi-annual internal contract audit **(weight: 10%)**
- 100% compliance with all internal and external rules, regulations, and policies **(weight: 40%)**
- Vendor adherence to contractual requirements for all contracts **(weight: 20%)**

**KPI Status:**

During FY 17/18 the deep dive on contract/procurement engagement value and numbers will commence. The expanded use of Spring Fed Pools throughout the enterprise (while having a positive impact on service level

**Refresh Frequency:** Annually, October

**Reporting Range:** FY 17/18

**Thresholds:**

- 91% or greater
- ▲ 81% to 90%
- 80% or lower

**Status:**

Pending refresh – July 2018

**Status Key:** ● On Track ▲ At Risk ■ Off Track

## 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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**KPI Status continued:**

agreements) may be negatively impacting the overall number of enterprise engagements.

Additionally, efforts to expand the role of our DVBE/SB advocate to ensure this position is used to its full capabilities are underway. There was staff turnover in this position in 16/17 that may have negatively impacted our ability to adequately support the enterprise in SB/DVBE education and outreach.

The focus for FY 17/18 will include defining roles and responsibilities, relaunching the SB/DVBE marketing/outreach campaign and training efforts, and introducing engagement close out procedures to track compliance for the life of the engagement not just the origination.

Ongoing efforts for FY 17/18:

- Focus on reduction of overall contract/PO value
- Focus on reduction of overall contract/PO engagements
- Increase on DVBE/SB enterprise goals education efforts
- 2 audits scheduled to be performed January 2018 and July 2018
- Audit finding well be available after audits are performed
- Continue working with the embedded OSSD compliance team to track and record contract compliance issues

# 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Purchasing & Acquisition
Key Performance Indicator (KPI)	Contract & Procurement Agreement Service Level Compliance

**KPI Description:**

Ensure OSSD and program areas meet service level agreements (SLA) for Contracts, Solicitations and Purchase Orders (PO).

**Baseline:**

The baseline reflects FY 2016-17 information as follows:

- Contract SLA = 72.5% of all contracts issued were within target SLA. (46.2% increase over FY 15/16)
- SLA reporting for POs and Solicitations are new data elements and baseline metrics are not yet available. We are developing and establishing tracking tool(s) to calculate/report PO and Solicitation adherence.

**Target:**

The target is to achieve 100% contract and procurement agreement service level compliance using the weighted scale below:

- 45-day (calendar) SLA from receipt of contract request form and all supporting documents to the day the contract is mailed to vendor for all new contracts and amendments **(weight 20%)**
- 5-day (business) SLA for expedited contracts and amendments (requires OSSD DC approval for expedite process) **(weight 20%)**
- Request for Proposal (RFP)/Solicitation on target status **(weight 20%)**
- 10-day (business) PO SLA from program submittal to PO dispatch **(weight 20%)**
- 5-day (business) Expedite PO SLA from program submittal to PO dispatch (requires managerial approval) **(weight 20%)**

**KPI Status:**

Mitigation measures will continue to develop over FY 17/18. Our effort include the development of a tracking tool that will automatically calculate engagement initiation and completion to assist in the monitoring and reporting of SLA adherence. The RFP/Solicitation Status Report is now being produced monthly and this document will be used to determine on track status. Additionally, policies and procedures are being developed to clearly

**Refresh Frequency:** Annually, October

**Reporting Range:** FY 17/18

**Thresholds:**

- 91% or greater
- ▲ 81% to 90%
- 80% or lower

**Status:**

Pending refresh-July 2018

## 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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### **KPI Status continued:**

identify expedite scenarios and approval processes. Expedite check box to be implemented in Financials for use on contracts/amendments and POs to assist in the monitoring and reporting of SLA adherence.

### Ongoing efforts for FY 17/18:

- Enhance tracking system for 45-day contract/amendment SLA
- Develop/implement a process to track expedited contract/amendment SLA
- Establish a business process for tracking RFP/Solicitation SLA
- Enhance tracking system in ePRO for 10-day PO SLA
- Enhance tracking system in ePRO 5-day Expedite PO SLA

# 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Leveraging Technology
Key Performance Indicator (KPI)	IT Capability (CEM)

**KPI Description:**

This KPI 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 2012-13 CEM IT Capability Score of 83.

**Target:**

CalPERS target is to stay within the range of 80-90.

**KPI Status:**


The CalPERS Customer Relationship Management (CRM)/IT Capability score for FY 2015-2016 is 85, compared to our peer average of 81. Historically, CalPERS averages around 83.

**Refresh Frequency:** Annually, June


**Reporting Range:** FY 2015-16

**Thresholds:**

 80 or above

 75 to 79

 Less than 75

**Status:** 

# 2017-22 Operational Measures | Key Performance Indicator Summary

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## Operational Outcome Measure: Efficient & Effective Organization

Owner: Doug Hoffner

Core Process	Leveraging Technology
Key Performance Indicator (KPI)	Project portfolio health

**KPI Description:**

This KPI measures the overall health component of Board Reportable Projects in the portfolio.

**Baseline:**

The baseline measurement taken from Board Reportable Projects as of 9/29/17 is 77%.

**Target:**

The target is 70% of the projects in the portfolio are on track for the next fiscal year.

**KPI Status:**

A weighted average of the overall health of Reportable Projects is used to determine the overall portfolio health. Weights are assigned based on the project size and complexity as defined in the CalPERS Project Management Framework. The overall health score is multiplied by the weight, and the health percentage is calculated based on the weighted score:

- Very Large - 10
- Large - 6
- Medium - 4
- Small - 2

The full portfolio summary to be included as supporting documentation.

**Refresh Frequency:** Quarterly

**Reporting Range:** 10/1/17 - 12/31/17

**Thresholds:**

 70% or above

 54% to 69%

 Less than 54%

**Status:** Pending refresh-January 2018

### Information Technology Projects Dashboard

Project Name	Status	Start Date	End Date	Budget	Total Expended	Overall Health Status
<b>Infrastructure Modernization Evaluation (IME)</b>	Complete	07/01/16	10/20/17	\$3,723,500	\$3,362,807	★
<b>Actuarial Valuation System Redesign and Enhancement (AVSRE)</b>	Active	03/09/15	10/31/18	\$13,709,125	\$3,356,311	●
<b>CalPERS Education Center (CEC) Redesign</b>	Active	06/24/15	10/01/18	\$2,196,727	\$791,235	●
<b>Identity Lifecycle Implementation</b>	Active	07/01/17	06/30/18	\$954,720	\$235,755	●
<b>my CalPERS Functional Optimization</b>	Active	10/01/14	06/30/18	\$73,845,000	\$63,672,783	●
<b>Windows 10 Upgrade</b>	Active	08/24/16	04/27/18	\$299,910	\$211,119	●
<b>Backup, Restoration, and Disaster Recovery (BRDR)</b>	Active	07/01/17	06/30/18	\$7,000,000	\$0	▲

## Information Technology Projects Report

### Backup, Restoration, and Disaster Recovery (BRDR)

#### Project Description

The Backup, Restoration, and Disaster Recovery (BR/DR) project objective is to solicit, evaluate, procure, and implement a cost effective solution that will enable CalPERS to run its business on demand from a geographically remote location with real-time availability to its systems, data, and applications during an unplanned outage, system failure, or declared disaster.

#### Business Benefits

- Improves ability to perform critical business functions, such as benefit payments and member services, in the event of a declared disaster or any other long term outage
- Mitigates business risks and customer impact

**Start Date:** 07/01/2017

**End Date:** 06/30/2018

**Budget:** \$7,000,000

**Total Expended:** \$0

**Overall Health Status:** ▲ Warning

**Percent Complete:** 20%

**Status Explanation:** The project continues to be in a warning status due to the late start on solicitation and procurement. The Evaluation Team has reviewed and scored proposals submitted by the four vendors participating in the solicitation process. Competitive negotiations and vendor selection are planned for the next 30 days.

**Critical Risks/Mitigation:** A solution may not be in place by the time that the existing contract expires on June 30, 2018. Depending on the implementation schedule proposed by the selected vendor, there may be a need to request a contract extension for the existing provider beyond the June, 30 2018 expiration. If this occurs, the intention is to negotiate a month to month, rather than a full-term agreement.

**Critical Issues/Strategy:** None

#### Major Accomplishments:

- Completed evaluation and scoring of all four vendor proposals.



# 2017-22 Operational Measures | Key Performance Indicator Summary

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## Operational Outcome Measure: Supportive & Engaged Leadership

Owner: Doug Hoffner

Core Process	Managing Resources & Performance
Key Performance Indicator (KPI)	Team member assessment of leadership

**KPI Description:**

The annual Employee Engagement Survey will help us ensure we continue to measure how team members perceive their relationship with their direct managers and members of the Senior and Executive leadership team.

**Baseline:**

The annual Employee Engagement Survey captured team members' perceptions of leadership in the following areas:

- **Manager Relationships: 71%**
- **Senior and Executive Management Relationships: 54%**

**Target:**

Target will be set by FY 2018-19.


**KPI Status:**

KPI is in development; target will be set by FY 2018-19.

**Refresh Frequency:** Annually, December

**Reporting Range:** October-September

**Thresholds:**

 59% and above

 40-59%

 Under 40%

**Status:** KPI under development – FY 2018-19

# 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

## Operational Outcome Measure: Supportive & Engaged Leadership

Owner: Doug Hoffner

Core Process	Managing Resources & Performance
Key Performance Indicator (KPI)	Health of Enterprise Performance Reporting (EPR) Framework

**KPI Description:**

The Enterprise Performance Reporting KPI provides a comprehensive view of the health of CalPERS as it pertains to our strategic efforts and operational processes. This KPI will include the health of Strategic Measures, Business Plan Initiatives, and KPIs.

**Baseline:**

It is anticipated that the baseline will be established in FY 2018-19 when all three EPR components reach full maturity.

**Target:**

85% or greater of all EPR components that are in a healthy status (green).

**KPI Status:**

- Of the 37 Strategic Measures, 29 are On-Track, pending data refresh, or in development, and 8 are At-Risk or Off-Track.
- Of the 37 Business Plan Initiatives, 35 are currently On-Track, and two are At-Risk.
- Of the 52 Key Performance Indicators, X are under development, pending data refresh, or in development.

**Refresh Frequency:** Quarterly, End of quarter

**Reporting Range:** FY 2019-20, First quarter

**Thresholds:**



85%+



80-84.9%



Below 80%

**Status:**

Data not available – FY 2018-19

# 2017-22 Operational Measures | Key Performance Indicator Summary (\*I)

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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**CORE VALUES:** Quality, Respect, Accountability, Integrity, Openness, Balance

## Operational Outcome Measure: Supportive & Engaged Leadership

Owner: Doug Hoffner

Core Process	Managing Resources & Performance
Key Performance Indicator (KPI)	Operational sustainability report

**KPI Description:**

This indicator supports the CalPERS Core Value of Accountability and Integrity of maintaining compliance with CalPERS sustainability practices and the Governor’s Executive Orders (EO) which outline state agencies sustainable operations.

**Baseline:**

The Governor has directed California State Agencies to demonstrate sustainable operations and lead the way by implementing sustainable policies set by the state which includes the following general initiatives as outlined in the following:

- Green Building Action Plan (EO B-18-12)
- Zero Emission Vehicles and Infrastructure (EO-16-12)
- Greenhouse Gas Emission Reduction (EO B-30-15)
- State Agency Buy Recycle Campaign (SABRC) (Assembly Bill 4)
- State Administrative Manual and Management Memos – Requirements for building green operations

**Target:**

CalPERS completes the Sustainability Roadmap, administered by Department of General Services (DGS) which details the actions and steps taken to meet the requirements of the Governors initiatives set-forth above. The Roadmap is broken into monthly deliverables for each initiative such as: greenhouse gas emissions, water conservation, and environmental preferable purchasing, to name a few. The Roadmap is peer reviewed monthly with the final version due in December.

**KPI Status:**

Not applicable as KPI is Informational.

**Refresh Frequency:** Annually, July

**Reporting Range:**

Not applicable as KPI is Informational

**Thresholds:**

Not applicable as KPI is Informational

**Status:**

Not applicable as KPI is Informational

# 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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## Operational Outcome Measure: Team Member Engagement

Owner: Doug Hoffner

Core Process	Attracting & Supporting Team Members
Key Performance Indicator (KPI)	Average time to hire for hard-to-recruit positions

**KPI Description:**

Measures the average time to hire for those defined as hard-to-recruit. Time measured starts when the recruitment request is submitted to Human Resources until the time an official job offer is accepted by the candidate.

**Baseline:**

Definition for hard-to-recruit classifications were established using the Hard to Recruit Report and will be revised/refreshed by July 2018 to include an updated list which is being developed in collaboration with each Program area. Baseline data will be available December 2017 once temporary manual tracking system is completed

**Target:**

50% of Hard to Recruit Positions filled within 120 days of recruitment initiation.

**KPI Status:**

First Monthly Report will be available in December 2017 to provide baseline. HRSD is collaborating with business partners to define which positions are considered hard-to recruit. ITSB is developing Phase II of the Start Talent Acquisition Request (STAR) with HRSD to track data points we can't currently track with existing STAR functionality and the statewide recruitment system, ECOS.

HRSD will work with CalHR to develop a reporting feature that integrates ECOS and STAR data. This integration will provide the complete set of data points required to measure the time it takes from the point of request to the acceptance of offer. A revised hard-to-recruit position definition is in development by HRSD as they meet with business partners to discuss positions that require extra recruitment attention.

**Refresh Frequency:** Annually (each fiscal year)

**Reporting Range:** December 1 2017- June 30, 2018

**Thresholds:** 120 days – Hard to Recruit positions are not typical in nature and often require nationwide searches which can take over six months

**Status:** Data not available – December 2017

# 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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## Operational Outcome Measure: Team Member Engagement

Owner: Doug Hoffner

Core Process	Attracting & Supporting Team Members
Key Performance Indicator (KPI)	Recognition and wellness perceptions

**KPI Description:**

Per Society for Human Resource Management (SHRM), there is a proven return on investment for wellness and recognition programs. Such return is typically realized through employee attendance, lower health care costs, lower workers' compensation cost, increased productivity, and reduced employee turnover. As the second largest health benefits provider in the country, it is important CalPERS provide programs demonstrating commitment to team members.

**Baseline:**

The annual Employee Engagement Survey captured team members' perceptions of Recognition and Wellness in the following two areas:

- Work Life Balance: 65%
- Rewards and Recognition: 57%

**Target:**

Will be established in December 2017


**KPI Status:**

Survey feedback will help us ensure we continue to foster a culture of recognition and wellness.


**Refresh Frequency:** Annually, December

**Reporting Range:** October-December

**Thresholds:**

 59% and above represents high performance

 40-59% represents average performance

 Under 40% represents low performance

**Status:** Data not available – December 2017

# 2017-22 Operational Measures | Key Performance Indicator Summary (\*I)

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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## Operational Outcome Measure: Team Member Engagement

Owner: Doug Hoffner

Core Process	Attracting & Supporting Team Members
Key Performance Indicator (KPI)	Turnover

**KPI Description:**

Turnover data provides an overview of CalPERS retention rate. The focus is on one area:

- External Movement, including voluntary separations (transfers or promotions to other state agencies and permanent separations to other employers) and involuntary separations (completed limited-term appointments and discharges), as well as retirements.

At CalPERS, we consider employee turnover to be healthy. A review of employee movement on an annual basis involves identifying trends for areas where we have success, as well as areas where we may be experiencing challenges.

**Baseline:**

Not applicable – Informational KPI

**Target:**

Not applicable – Informational KPI.

Additionally, we do not set a target for a minimum or maximum amount of hires, transfers, promotions, discharges, etc. If there is a change of more than 5% from the previous year's numbers, we will evaluate progress.

**KPI Status:**

An annual review of employee movement will help us to identify trends for areas where there's success, as well as identifying areas where we are experiencing challenges.

**Refresh Frequency:** Annually, December

**Reporting Range:** Fiscal year

**Thresholds:** Not applicable - Informational KPI

**Status:** Not applicable – Informational KPI

# 2017-22 Operational Measures | Key Performance Indicator Summary

**VISION:** A respected partner, providing a sustainable retirement system and health care program for those who serve California

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## Operational Outcome Measure: Team Member Engagement

Owner: Doug Hoffner

Core Process	Attracting & Supporting Team Members
Key Performance Indicator (KPI)	Team members' perception of training and development

**KPI Description:**

The annual Employee Engagement Survey will help us ensure we continue to measure how team members perceive CalPERS training and development.

**Baseline:**

The annual Employee Engagement Survey captured team members' perception of CalPERS training and development in the following area:

- Learning and Development: 60%

**Target:**

Will be established in December 2017


**KPI Status:**

Performance data available in December 2018


**Refresh Frequency:** Annually, December

**Reporting Range:** October-September

**Thresholds:**

 59% and above represents high performance

 40-59% represents average performance

 Under 40% represents low performance

**Status:** Data not available – December 2017

# 2017-22 Operational Measures | Key Performance Indicator Summary (\*I)

**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

## Operational Outcome Measure: Team Member Engagement

Owner: Doug Hoffner

<b>Core Process</b>	Attracting & Supporting Team Members
<b>Key Performance Indicator (KPI)</b>	Our Promise and Annual Food Drive

**KPI Description:**

Our goal is to gauge the level of outreach by cataloging our efforts to promote and support the Our Promise and food drive campaigns.

**Baseline:**

Not applicable – Informational KPI

**Target:**

Not applicable – Informational KPI

**KPI Status:**

In past years, we devoted a great deal of staff time to producing two signature Our Promise events, one in September, one at the end of the October. These events were very time-consuming and required a large level of effort by several CalPERS employees.

As part of the organization's overall goal to do our work in a more efficient manner, we elected to cut the number of events in half, and hold only one, in October. Because we've had difficulty in past years getting a sufficient number of employees to cook chili for our annual fund-raising chili cook-off, we changed the format this year to a silent auction. Employees can donate food, art work, crafts, and gift baskets to the auction, with proceeds going entirely to Our Promise. We believe this new approach simplifies our work while still maintaining our commitment to Our Promise.

**Refresh Frequency:** Annually, January

**Reporting Range:** 2017 fundraising efforts

**Thresholds:** Not applicable – Informational KPI

**Status:** Not applicable – Informational KPI



# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Team Member Engagement

Owner: Liana Bailey-Crimmins

<b>Core Process</b>	Attracting & Supporting Team Members
<b>Key Performance Indicator (KPI)</b>	100% of all ideas responded to within 120 days

**KPI Description:**

Idea Factory is CalPERS employee-driven innovation program, designed to inspire team members to share ideas and solutions that will improve CalPERS. All ideas will be evaluated and scored based upon perceived business value and effort to implement by the Senior Leadership Council (SLC) and the outcome of the ideas will be shared with the organization via The Spark and Idea Factory Library. By considering and responding to each idea submitted through the program, it shows that leadership supports team members by being open to innovative thinking and continuous improvement.

**Baseline:**

It is anticipated data will be available in April 2018. The baseline is not yet established as the formal evaluation process for the first month of ideas won't begin until late-November 2017.

**Target:**

100% of ideas submitted through Idea Factory will be responded to within 120 days of idea submission.

- Responded to: communicating an idea's evaluation outcome to the idea submitter


**KPI Status:**


Performance data will be available in April 2018.


**Refresh Frequency:** Month following each Quarter

**Reporting Range:** January-March 2018

**Thresholds:**

 100% of ideas responded to within 120 days of idea submission

 Less than 100% (99-95%) of ideas responded to within 120 days of idea submission

 Less than 95% of ideas responded to within 12 days of idea submission

**Status:**

Data not available – April 2018

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Team Member Engagement

Owner: Liana Bailey-Crimmins

Core Process	Attracting & Supporting Team Members
Key Performance Indicator (KPI)	80% of all viable ideas implemented as scheduled

**KPI Description:**

Idea Factory is CalPERS employee-driven innovation program, designed to inspire team members to share ideas and solutions that will improve CalPERS. All ideas will be evaluated and scored based upon perceived business value and effort to implement by the Senior Leadership Council (SLC). Implementing ideas that are submitted through the program shows that leadership supports team members by being open to innovative thinking, values their ideas and solutions for continuous improvement, and encourages team member engagement.

**Baseline:**

It is anticipated data will be available in April 2018. The baseline is not yet established as the formal evaluation process for the first month of ideas won't begin until late-November 2017 and subsequently business owners will determine feasibility and project initiation and implementation dates from December 2017 to January 2018 and report status back to the Idea Factory Team by February 2018.

**Target:**

80% of all viable ideas submitted through Idea Factory will be implemented as scheduled.

- Viable idea: Any idea that has potential for implementation
- Scheduled: Any idea that turns into a project and is scheduled for implementation




**KPI Status:**

Performance data will be available in April 2018.

**Refresh Frequency:** Month following each Quarter

**Reporting Range:** January-March 2018

**Thresholds:**

-  80% or more of all viable ideas are implemented as scheduled
-  Less than 80% (50-79%) all viable ideas are implemented as scheduled
-  Less than 50% all viable ideas are implemented as scheduled

**Status:**

Data not available – April 2018

# 2017-22 Operational Measures | Key Performance Indicator Summary

**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

## Operational Outcome Measure: Team Member Engagement

Owner: Doug Hoffner

Core Process	Attracting & Supporting Team Members
Key Performance Indicator (KPI)	Response rate of employee engagement survey

**KPI Description:**

This KPI will capture survey response rate of team members. The annual Employee Engagement Survey will help us ensure we continue to foster a culture where engaging behaviors are part of our daily interactions and practices.

**Baseline:**

70% of total numbers of employees responded to the survey

**Target:**

Will be established in December 2017


**KPI Status:**

Survey feedback will help us learn what percentage of our team is engaged, almost engaged, indifferent, and disengaged; which engagement and retention drivers have the greatest influence on engagement; and which drivers scored well and which scored poorly.


**Refresh Frequency:** Annually, December

**Reporting Range:** October-September

**Thresholds:**

 59% and above represents high performance

 40-59% represents average performance

 Under 40% represents low performance

**Status:** Data not available – December 2017