

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

MISSION: Deliver retirement and health care benefits to members and their beneficiaries

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

Strategic Goals	FUND SUSTAINABILITY Strengthen the long-term sustainability of the pension fund					HEALTH CARE AFFORDABILITY Transform health care purchasing and delivery to achieve affordability			REDUCE COMPLEXITY Reduce complexity across the enterprise		RISK MANAGEMENT Cultivate a risk-intelligent organization		TALENT MANAGEMENT Promote a high-performing and diverse workforce	
Strategic Objectives	Fund the System through an integrated view of pension assets and liabilities	Mitigate the risk of significant investment loss	Deliver target risk-adjusted investment returns	Educate employers, members, and stakeholders on system risks and mitigation strategies	Integrate environmental, social, and governance considerations into investment decision making	Restructure benefit design to promote high-value health care	Improve the health status of our employees, members and their families, and the communities where they live	Reduce the overuse of ineffective or unnecessary medical care	Simplify programs to improve service and/or reduce cost	Streamline operations to gain efficiencies, improve productivity, and reduce costs	Enhance compliance and risk functions throughout the enterprise	Continue to evolve cyber security program	Recruit and empower a broad range of talents to meet organization priorities	Cultivate leadership competencies and develop succession plans across the enterprise
Strategic Measures	Probability of PERF falling below 50% funded over the next 30 years ★	1 - year total expected fund volatility ★	Annualized (5-year) excess investment returns relative to total fund policy benchmark ★	Stakeholder assessment survey - risk	Investment managers policies and procedures for ESG factor integration ★★	Rating of health care ★	Adult obesity ★	Opioids - dose ★	CEM - pension complexity score	CEM - cost per member ★	Stakeholder assessment survey - compliance and risk	Composite security health score within range (closed session)	Increase diverse recruitment channels ★	Proficiency in CalPERS leadership competencies ★★
	Probability of sharp single year increase in employer contribution rates ★					Access to care ★	Adult diabetes ★	Opioids - duration	Benefit payment timeliness	Total overhead cost ★★	Risk & compliance employee awareness survey ★		Workforce diversity & inclusion ★	Internal candidates selected to fill senior and executive recruitments ★
	Probability of high employer contribution rates ★					Total health care cost annual increase	Diabetes self-management ★	C-section rate ★	Customer satisfaction	5 - year net value added ★	Risk & compliance program maturity assessment ★		Employee engagement survey ★	
	Funded Status ★						Mental health and well being ★	Hospital readmissions ★	External investment manager reduction strategy ★					
	Projected Funded Status ★						Self-reported overall health status ★							
2017-18 Business Plan Initiatives	Alignment of asset liability management	Investment risk management and performance attribution	Enhance capital allocation framework	Stakeholder education on system risks & mitigation	Investment beliefs and environmental, social, and governance risk integration	Value-based insurance design: feasibility	Population health alignment with Let's Get Healthy California taskforce report dashboard	Statewide collaboration through Smart Care California	CEM complexity score reduction	Develop and implement continuous process improvement framework	Enterprise data management	Enterprise business continuity plan phase II	Develop and implement an expanded recruitment strategy	Develop 2017-22 workforce plan
	Employer contracting and collection reporting		Enhance investment platform and controls			Site of care management	Partner with health plans to engage in community activities	Review and update shared savings accountable care organizations cost and quality targets	Customer satisfaction - actionable feedback	Reduce system costs and improve efficiencies	Increase enterprise-wide risk awareness	Information security roadmap (closed session)	Develop and administer team member engagement surveys	Enterprise core competencies
	Redesign and enhance the actuarial valuation system		Investment program long-term planning			Pharmacy benefit design pilot		Research and expand evidence-based medicine	Improve pension benefit payments timeliness	Enhance business effectiveness, resource allocation, and efficiency of investment programs	Increase enterprise-wide compliance awareness		Expand diversity & inclusion program	
						Reference pricing expansion			Implement digital communication strategy				Emerging leader pilot program	
Legend	On-Target	At-Risk	Off-Target	★ Pending refresh	★★ Data not available	Measures under development	CEM Cost Effectiveness Measurement pension administration benchmarking							

Enterprise Operations Map (EOM) - High Level View - Status as of 3/31/2018 - Quarter 3

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 Measures	RELIABLE STEWARD OF FUNDS Marlene Timberlake D'Adamo	CUSTOMER SATISFACTION DRIVEN ORGANIZATION Donna Lum	OPEN & TRANSPARENT COMMUNICATION Brad Pacheco	EFFICIENT & EFFECTIVE ORGANIZATION Doug Hoffner	SUPPORTIVE & ENGAGED LEADERSHIP Ted Eliopoulos	TEAM MEMBER ENGAGEMENT Liana Bailey-Crimmins							
Core Processes	Accounting for Funds <i>Marlene Timberlake D'Adamo</i>	Managing Investments <i>Ted Eliopoulos</i>	Projecting Liabilities <i>Scott Terando</i>	Provide & Administer Retirement Benefits <i>Donna Lum</i>	Provide & Administer Health Care Benefits <i>Liana Bailey-Crimmins</i>	Educate Members, Employers & Stakeholders <i>Brad Pacheco</i>	Listening & Informing <i>Brad Pacheco</i>	Brand Reputation <i>Brad Pacheco</i>	Leveraging Technology <i>Doug Hoffner</i>	Compliance & Managing Risks <i>Marlene Timberlake D'Adamo</i>	Purchasing & Acquisition <i>Doug Hoffner</i>	Managing Resources & Performance <i>Doug Hoffner</i>	Attracting & Supporting Team Members <i>Doug Hoffner</i>
Key Performance Indicators (KPI)	<p>GASB 68 reports completed timely <i>ACTO</i> †</p> <p>Produce CAFR with no material weaknesses <i>FINO</i> †</p> <p>% forecast to actual expenses (annually) <i>FINO</i> *</p> <p>Maintain appropriate reserve levels <i>FINO</i> *</p>	<p>Stay within risk boundaries for total fund <i>INVO</i></p> <p>% of moderate and elevated risk TOM functions <i>INVO</i> *</p> <p>Strategic asset allocation ranges (if outside approved ranges) <i>INVO</i></p> <p>Liquidity coverage ratios accuracy <i>FINO</i></p> <p>Cash forecasting accuracy <i>FINO</i></p>	<p>Generate liabilities and rates for pension funding <i>ACTO</i> *</p> <p>Generate liabilities for long-term care program <i>ACTO</i></p>	<p>Customer satisfaction <i>CSS</i></p> <p>Benefit payment accuracy <i>CSS</i></p> <p>Benefit payment timeliness <i>CSS</i></p>	<p>Health plan scorecard of 90% or better <i>HPBB</i> *</p>	<p>% of employer participation in CalPERS events <i>CSR</i> *</p> <p>Member education satisfaction <i>CSS</i></p> <p>Employer education satisfaction <i>CSS</i></p>	<p>Member rating on Stakeholder Perception Survey <i>CSR</i></p> <p>Member, Employer & Stakeholder rating on Perception Survey <i>CSR</i></p> <p>Employer rating on Stakeholder Perception Survey <i>CSR</i></p> <p>Stakeholder rating on Stakeholder Perception Survey <i>CSR</i></p> <p>% of community reach <i>CSR</i> *</p>	<p>IT capability (CEM) <i>OPT</i></p> <p>Project portfolio health <i>OPT</i></p> <p>Business continuity readiness <i>OPT</i> †</p>	<p>Probability of high employer contribution rates <i>ACTO</i> *</p> <p>Probability of PERF falling below 50% funded over the next 30 years <i>ACTO</i> *</p> <p>Probability of sharp single year increase in employer contribution rates <i>ACTO</i> *</p> <p>Timely resolution of public agency reviews <i>CSS</i> **</p> <p>Form 700 completed timely <i>ECOM</i> *</p> <p>Cyber security risk rating <i>OPT</i> (closed session)</p> <p>Ensure evacuation readiness <i>OPT</i> **</p> <p>Employers current on CalPERS pension obligations <i>FINO</i></p>	<p>Contract/procurement requirements compliance <i>OPT</i> *</p> <p>Contract & procurement agreement service level compliance <i>OPT</i> *</p> <p>Operational sustainability report <i>OPT</i> †</p>	<p>Team member assessment of Leadership <i>OPT</i> *</p> <p>Health of Enterprise Performance Reporting Framework <i>OPT</i> **</p> <p>Operational sustainability report <i>OPT</i> †</p>	<p>Average time to hire for hard-to-recruit positions <i>OPT</i> *</p> <p>Recognition and wellness perceptions <i>OPT</i> *</p> <p>Turnover <i>OPT</i> †</p> <p>Team members' perception of training and development <i>OPT</i> *</p> <p>Our Promise and annual food drive <i>CSR</i> †</p> <p>100% of all ideas responded to within 120 days <i>OPT</i></p> <p>80% of all viable ideas implemented as scheduled <i>OPT</i></p> <p>Response rate of employee engagement survey <i>OPT</i> *</p>	
Legend	<p>Operating (Grey)</p> <p>Supporting (Blue)</p> <p>† Denotes Informational KPIs</p> <p>* Pending Refresh</p> <p>** Data not available</p> <p>□ KPI under development</p> <p>■ On-Target (Green)</p> <p>■ At-Risk (Yellow)</p> <p>■ Off-Target (Red)</p>												

Note: For additional details related to Key Performance Indicators, see Attachment E.

2017-22 Strategic Plan | Strategic Measures 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

EPR Third Quarter Report: Strategic Measures Summary Dashboard


The CalPERS 2017-22 Strategic Plan encompasses 37 Strategic Measures (Measures) that enable us to track our progress towards achieving our strategic goals and objectives. The Strategic Measures Summary Dashboard provides a brief synopsis of how all 37 Measures are performing for the third quarter (January 1, 2018 – March 31, 2018). Additional performance details can be found on the summary sheets for each Measure.


Third Quarter Measure Performance:

- 4 On-Target (Green)
- 2 Off-Target (Red)
- 26 Pending refresh
- 3 Data not available
- 1 Under development
- 1 Closed Session item

Thresholds have been established for each Measure that afford us the ability to assess performance and identify whether each respective Measure is On-Target, At-Risk, or Off-Target.

**Enterprise Performance Reporting – Third Quarter Status
Strategic Measures**


 Fund Sustainability	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
Probability of PERF falling below 50% funded over the next 30 years	●	*	*	August 2018	11
Probability of sharp single year increase in employer contribution rates	●	*	*	August 2018	13
Probability of high employer contribution rates	■	*	*	August 2018	15
Funded Status	■	*	*	August 2018	17
Projected Funded Status	*	*	*	August 2018	19
1-year total expected fund volatility	▲	*	*	August 2018	21
Annualized (5-year) excess investment returns relative to total fund policy benchmark	●	*	*	August 2018	22
Stakeholder assessment survey – risk	*	*	■	February 2019	7
Investment managers policies and procedures for ESG factor integration	**	**	**	August 2018	24


 Health Care Affordability	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
Rating of health care	▲	*	*	August 2018	26
Access to care	●	*	*	August 2018	27
Total health care cost annual increase	*	*	●	March 2019	28
Adult obesity	■	*	*	August 2018	29
Adult diabetes	*	*	*	August 2018	30
Diabetes self-management	●	*	*	August 2018	31
Mental health and well being	□	□	*	August 2019	32
Self-reported overall health status	●	*	*	August 2018	33

Status Key ● On-Target ▲ At-Risk ■ Off-Target * Pending Refresh ** Data Not Available □ Measure Under Development

Enterprise Performance Reporting – Third Quarter Status Strategic Measures


Opioids – dose	<input type="checkbox"/>	<input type="checkbox"/>	*	April 2019	34
Opioids – duration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	January 2019	35
C-section rate	<input type="checkbox"/>	<input type="checkbox"/>	*	August 2018	36
Hospital readmissions	<input type="checkbox"/>	<input type="checkbox"/>	*	August 2018	37

 Reduce Complexity	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
CEM – pension complexity score	*	*	●	July 2019	38
Benefit payment timeliness	●	●	●	June 2018	39
Customer satisfaction	●	●	●	June 2018	40
External investment manager reduction strategy	●	*	*	May 2018	41
CEM – cost per member	**	**	*	July 2019	42
Total overhead cost	**	**	**	June 2018	43
5-year net value added	●	*	*	May 2018	44

 Risk Management	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
Stakeholder assessment survey – compliance and risk	*	*	■	February 2019	9
Risk & compliance employee awareness survey	**	**	*	February 2019	45
Risk & compliance program maturity assessment	**	*	*	January 2019	47
Composite security health score within range	N/A	N/A	N/A	Reported in closed session	49

Status Key ● On-Target ▲ At-Risk ■ Off-Target * Pending Refresh ** Data Not Available Measure Under Development

Enterprise Performance Reporting – Third Quarter Status Strategic Measures

 Talent Management	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
Increase diverse recruitment channels	*	*	*	July 2018	50
Workforce diversity & inclusion	●	*	*	December 2018	52
Employee engagement survey	**	*	*	December 2018	53
Proficiency in CalPERS leadership competencies	**	**	**	September 2018	54
Internal candidates selected to fill senior and executive recruitments	*	*	*	August 2018	55

Status Key ● On-Target ▲ At-Risk ■ Off-Target * Pending Refresh ** Data Not Available □ Measure Under Development

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Educate employers, members, and stakeholders on system risks and mitigation strategies
Measure	Stakeholder assessment survey - risk
Associated Initiative or Project	Business Plan Initiative – Stakeholder education on system risks & mitigation Project - Local Elected Officials Handbook

Measure Description:

The measure scores the overall stakeholder perception of CalPERS' success in explaining and mitigating risks to the System. Data is gathered through the annual Stakeholder Perception Survey in response to the statement "I understand the risks inherent in the System and I am confident CalPERS is taking steps to reduce the risks."

Baseline:

5.17 out of 7 possible points

Target:

Five-year goal: achieve a score of 5.43 out of 7; a 5% increase from the baseline. Annual increases of 1% (0.05 points). This target will be met through continued stakeholder engagement, proactive communications with our various member/employer/retiree populations, and through focused efforts to share our risks and risk mitigation strategies.

Measure Narrative Status:

The score decreased from 5.17 to 5.01.

Segment	Mean
Active Members	4.94
Employers	4.6
Retired Members	5.38
Employer Leaders	4.15
Inactive Members	4.68
Stakeholder Leaders	5.00
Total (ALL)	5.01

Measure Owner: Brad Pacheco

Refresh Frequency: Annually, February

Reporting Range: February 2017 – February 2018

Thresholds: The five-year goal is an increase of 5%, giving us a target of 1% increase annually.

- Annual increase of 0.05 + points
- ▲ Annual increase of 0.0 - 0.04 points
- Decrease from 5.17 or failure to increase 1% from the previous year

Status:



Measure Narrative Status continued:

This drop in score indicates that we are off-target in our goal of swaying general stakeholder sentiment regarding the value and efficacy of our work to address and reduce risk.

The primary driver of this drop was the employer senior leader cohort, who scored us at 4.15 out of a possible 7. Employers have seen significant increases to their projected employer pension contributions as a result of lower than expected market returns, the discount rate change, and the shortening of the amortization policy. While many employers have expressed that they believe these were the prudent actions to take, they nonetheless view CalPERS as being less effective in mitigating risks to their budgets than they wish, and therefore this low score can be viewed as something of a referendum on CalPERS cost increases for employers on the whole.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Enhance compliance and risk functions throughout the enterprise
Measure	Stakeholder assessment survey – compliance and risk
Associated Initiative or Project	Increase enterprise-wide compliance awareness

Measure Description:

The measure scores the overall stakeholder perception of CalPERS' success in implementing functions and programs that support compliance and risk. Data is gathered through the annual Stakeholder Perception Survey in response to the statement: "CalPERS has effective functions and programs to address compliance and risk."

Baseline:

5.16 out of 7 possible points

Target:

Five-year goal: 5.43 out of 7; a 5% increase from the baseline. Annual increases of 1% (0.05 points). This target will be met through continued stakeholder engagement and the consistent demonstration of our commitment to a culture of compliance and risk as an organization and as a system.

Measure Narrative Status:

The score for this measure declined from 5.16 to 5.04 from the previous year.

Segment	Mean
Active Members	4.98
Employers	4.87
Retired Members	5.34
Employer Leaders	4.42
Inactive Members	4.7
Stakeholder Leaders	5.5
Total (ALL)	5.04

Measure Owner: Brad Pacheco

Refresh Frequency: Annually, February

Reporting Range: February 2017 - February 2018

Thresholds: The five-year goal is an increase of 5%, giving us a target of 1% increase annually.

- Annual increase of 0.05 + points
- ▲ Annual increase of 0.0-0.04 points
- Decrease from 5.16 or increase of less than 1% from previous year

Status:



Measure Narrative Status continued:

Employer and inactive member scores declined significantly from the previous year. A number of CalPERS policy decisions during the year likely impacted these lower scores, particularly amongst the employer cohorts. These policy decisions were:

1. Shortening the Amortization policy
2. The affirmation of the lowered discount rate at the conclusion of the Asset Liability Management policy
3. Projections of steep employer contribution increases over the coming 6 years

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Fund the System through an integrated view of pension assets and liabilities
Measure	Probability of PERF falling below 50 percent funded over the next 30 years
Associated Initiative or Project	Business Plan Initiative – Alignment of asset liability management

Measure Description:

This measure represents the likelihood of the Public Employees' Retirement Fund falling below 50 percent funded over the next 30 years. Low funding levels represent risk to the employers and the members. Low funding levels will result in either high contributions or further deterioration of the funding levels. Low funding levels can lead to contribution requirements that are beyond the employer's ability to pay and a risk to the members that benefits will not be paid 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

Measure Narrative Status:

Performance data will be available in August 2018. Each year a 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.

Measure Owner: Scott Terando

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:

Measure Narrative Status continued:

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.

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 unfunded liability. Public agencies continue to make additional payments and this year the State is contributing \$6 billion above the required contribution.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Fund the System through an integrated view of pension assets and liabilities
Measure	Probability of sharp single year increase in employer contribution rates
Associated Initiative or Project	Business Plan Initiative – Alignment of asset liability management

Measure Description:

This measure 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

Measure Narrative Status:

Performance data will be available in August 2018. Each year a 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

Measure Owner: Scott Terando

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:



Measure Narrative Status continued:

(particularly investment losses) occur, or there are changes in actuarial assumptions. Unfunded liabilities from these events are amortized over 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 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Fund the System through an integrated view of pension assets and liabilities
Measure	Probability of high employer contribution rates
Associated Initiative or Project	Business Plan Initiative – Alignment of asset liability management

Measure Description:

This measure 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

Measure Narrative Status:

Performance data will be available in August 2018. Each year a 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

Measure Owner: Scott Terando

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:



Measure Narrative Status continued:

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 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 unfunded liability. Public agencies continue to make additional payments and this year the State is contributing \$6 billion above the required contribution.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Fund the System through an integrated view of pension assets and liabilities
Measure	Funded Status
Associated Initiative or Project	Business Plan Initiative - Alignment of asset liability management Project – An ALM workshop was conducted with the Board in November 2017 to evaluate potential policy portfolios that best balance the long-term investment objectives, risk appetite and tolerances (thresholds), and liquidity constraints.

Measure Description:

Funded Status is a measure of a pension system's health and is determined by dividing the market value of assets by the actuarial accrued liability. This measure will evaluate overall Funded Status for the 3 major components of the Public Employees' Retirement Fund (PERF): State, Schools and Public Agency employers.

Baseline:

PERF: 68%

State: 66%

Schools: 70%

Public Agencies: 69%

These figures are based on the valuation data at June 30, 2016 rolled forward to 6/30/17 and are based on the new demographic assumptions and a 7% discount rate.

Target:

Long-term funded status of 100% to be achieved over 30 years

Measure Narrative Status:

Performance data will be available in August 2018. The Actuarial Office will provide the Funded Status as of 6/30/2016 and the projected Funded Status as of 6/30/2017. The inputs for this metric are influenced by five main factors:

- Payment of unfunded liabilities
- Actual vs. expected investment returns
- Change in actuarial methods and assumptions
- Benefit changes
- Actuarial experience

Measure Owner: Marlene Timberlake D'Adamo

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:

- >100% Funded Status
- ▲ 80% to < 100% Funded Status
- < 80% Funded Status

Status:



Measure Narrative Status continued:

As part of the CalPERS ALM cycle, the Board will examine the current Funded Status of the system and make decisions in alignment with the goal of strengthening the long-term sustainability of the pension fund. CalPERS is also focused on reducing complexity and system costs which will contribute positively to the Funded Status of the PERF.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Fund the System through an integrated view of pension assets and liabilities
Measure	Projected Funded Status
Associated Initiative or Project	Business Plan Initiatives – Alignment of asset liability management; Employer contracting and collection reporting; Redesign and enhance the actuarial valuation system

Measure Description:

Monitoring the actual vs. projected Funded Status of the PERF to determine if CalPERS’ goal of 100% funding is on track.

Baseline:

PERF: 68%

State: 66%

Schools: 70%

Public Agencies: 69%

These figures are based on the valuation data at June 30, 2016 rolled forward to 6/30/17 and are based on the new demographic assumptions and a 7% discount rate.

Baseline for the PERF will be established annually in August using annual actuarial valuation reports.

Target:

Meet or exceed projected funded status based on actuarial valuation reports.

Measure Narrative Status:

Performance data will be available in August 2018. The Actuarial Office will provide the Funded Status as of 6/30/2016 and the projected Funded Status as of 6/30/2017.

The inputs for this metric are influenced by five main factors:

- Payment of unfunded liabilities
- Actual vs. expected investment returns
- Change in actuarial methods and assumptions
- Benefit changes
- Actuarial experience

Measure Owner: Marlene Timberlake D’Adamo

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:

- Not more than 1.0% below projected funded status
- ▲ 1.0% - 3.0% below projected funded status
- More than 3.0% below projected funded status

Status:



Measure Narrative Status continued:

Annually, the Actuarial Office produces valuation reports for the State, Schools and Public Agency employers to determine minimum employer contribution requirements and the Funded Status of each plan. Because Funded Status changes slowly over time, it is important to monitor performance trends to indicate if long-term funding goals are on track.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Mitigate the risk of significant investment loss
Measure	1-year total expected fund volatility
Associated Initiative or Project	Business Plan Initiative – Investment risk management and performance attribution

Measure Description:

The total (gross) risk of the Total Fund expressed in the standard deviation (1-yr) of the funds’ total return distribution, expressed in percent. Reported on a fiscal year-end basis, the metric will measure the expected volatility of the Total Fund returns

Baseline:

Current Barra volatility estimate for PERF is 8.3%, as of June 30, 2016

Target:

Current total expected fund volatility is 8% or less; target derived through the capital market assumption process used in the most recent Asset Liability Management (ALM) Process which is set every four years. A new target was set as part of the November 2017 ALM Cycle, to be effective July 1, 2018.

Current target was established in 2016, when based upon expected long-term capital markets outlook and CalPERS’ risk tolerance, the Investment Committee approved changes to the interim Asset Allocation Targets to reduce the Total Fund risk. *Timeframe to achieve this target is greater than 5 years.

Measure Narrative Status:

Current forecast volatility of 8.3% vs. 10.4% in prior year

- 0.5% risk reduction from asset allocation changes
- Recent low-volatility market conditions explain remainder of reduction in forecast
- Implies 24% chance of negative returns in a given year
- Growth assets, especially public equities, remain the primary drivers of total volatility
- Forecast active tracking error of 0.5% is within guidelines of 1.5%

The next annual update on the performance data will be available in August 2018 and presented at the September 2018 Investment Committee.

Measure Owner: Ted Eliopoulos

Refresh Frequency: Annually, August

Reporting Range: FY 2016-17

Thresholds:

- Equal to or less than the target
- ▲ 1- 50 basis points excess of target
- 51 basis points or more excess of target

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Deliver target risk-adjusted investment returns
Measure	Annualized (5-year) excess investment returns relative to Total Fund policy benchmark
Associated Initiative or Project	Business Plan Initiatives – Enhance capital allocation framework; Enhance investment platform and controls; Investment program long-term planning

Measure Description:

Measures annualized 5-year excess investment returns relative to the Total Fund policy benchmark, which is a composite established by the Investment Committee-assigned asset class benchmarks and the target weights derived from the Asset Liability Management (ALM) process.

Reported on a fiscal year-end basis, the metric will measure the effectiveness of the Investment Office in meeting the objective of achieving superior investment performance relative to relevant targets. The actual performance generated by the portfolio is affected by both the active under- or over-weighting of the asset classes within their policy ranges, as well as the performance of the individual asset classes vs. their specified policy benchmark.

Baseline:

As of June 30, 2017, the Public Employees’ Retirement Fund (PERF) outperformed the Total Fund policy benchmark by 23 bps, for the 5-year period.

Target:

Meet or exceed the Total Fund policy benchmark.

Policy benchmark weights are fixed and do not vary except by Investment Committee action, such as the approval of interim target weights.

Measure Narrative Status:

Relative to the policy benchmark, the PERF generated solid returns over the five-year period, 8.83 percent which exceeded the actuarial target of 7.5 percent, and a Total Net Rate Return of 8.83 which exceeded the policy benchmark by 23 basis points. The next update on the performance data will be available in August 2018 and presented at the September Investment Committee.

Measure Owner: Ted Eliopoulos

Refresh Frequency: Annually, August

Reporting Range: FY 2012-13 through FY 2016-17

Thresholds:

- Exceed Total Fund Policy Benchmark
- ▲ Meet or Trail Total Fund Policy Benchmark by up to 10 basis points
- Trail Total Fund Policy Benchmark by 10 basis points or more

Status:



Measure Narrative Status continued:

The Investment Office executive staff developed the INVO 2020 Vision, which is a 5-year strategic plan that defines long-term direction and support of the CalPERS Strategic Plan while addressing management of the CalPERS Investment portfolio in a cost-effective, transparent, and risk-aware manner.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Integrate environmental, social, and governance considerations into investment decision making
Measure	Investment managers policies and procedures for ESG factor integration
Associated Initiative or Project	Business Plan Initiative – Investment beliefs and environmental, social, and governance risk integration

Measure Description:

Annual survey to determine percentage of internal and external managers that have policies and procedures articulating how environmental, social, and governance (ESG) risk and opportunity considerations are incorporated into investment processes and decisions.

Baseline:

Baseline will be established at the end of FY 2017-18 by the INVO Investment Manager Engagement Programs (IMEP) staff responsible for central monitoring, external communication, and establishment of measurement processes and reporting.

Launched in May 2015, the Pilot Program trialed asset class-specific Sustainable Investment Practice Guidelines with respective internal and external investment managers. These guidelines utilized common governance elements applied across the Total Fund, such as the Investment Beliefs and Global Governance Principles, while adapted to the particular strategies of each asset class; qualitative findings were reported in December 2016.

Target:

100% of internal and external investment managers have policies and procedures in place to integrate ESG factors into investment decisions.

Measure Narrative Status:

The metric will measure total percentage of internal and external investment managers with ESG factors incorporated into investment processes and decisions 2017-18 year-end data will be available in August 2018.

Measure Owner: Ted Eliopoulos

Refresh Frequency: Annually, August

Reporting Range: FY 2017-18

Thresholds:

- 80% and above
- ▲ 50 – 79%
- Less than 50%

Status:

**

Measure Narrative Status continued:

CalPERS team members continue to develop a framework to conduct an annual survey of internal/external managers on their policies and procedures related to ESG risk and opportunity considerations. This was established as a Strategic Priority in August 2016 as part of CalPERS' Environmental Social and Governance (ESG) strategy. Asset classes are continuing to refine and evolve ESG integration efforts, including continued sharing of best practices internally and amongst external investment managers.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Restructure benefit design to promote high-value health care
Measure	Rating of health care
Associated Initiative or Project	Business Plan Initiative – Value-based insurance design: feasibility

Measure Description:

Percent of CalPERS members who rate all their health care in the past 12 months at 8 or higher on a 0 to 10 scale with 10 being the best health care possible.

Baseline:

80.3% (survey conducted in 2016 covering experience in 2015)

Target:

90%

Measure Narrative Status:

Performance data will be available August 2018.


This metric represents the percentage of CalPERS members who rated their health care as positive. A higher percentage is considered good. Factors that can influence this measure include enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners.


Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, August

Reporting Range: January – December 2016

Thresholds:

 85% and above

 80-84.9%

 Below 80%

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Restructure benefit design to promote high-value health care
Measure	Access to care
Associated Initiative or Project	Business Plan Initiative – Site of care management

Measure Description:

Percent of CalPERS members responding that they received routine care as soon as they needed it in the last 12 months.

Baseline:

86.0% (survey conducted in 2016 covering experience in 2015)

Target:

90%

Measure Narrative Status:

Performance data will be available August 2018.

This metric represents the perception of CalPERS members’ access to care when needed. A higher percentage is considered good.

Factors that can influence this measure include enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners.

Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, August

Reporting Range: January – December 2018

Thresholds:

- 85% +
- ▲ 80 – 84.9%
- Below 80%

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Restructure benefit design to promote high-value health care
Measure	Total health care cost annual increase
Associated Initiative or Project	Business Plan Initiatives – Value-based insurance design: feasibility; Pharmacy benefit design pilot; Reference pricing expansion

Measure Description:

This measure assesses the annual overall percent increase in CalPERS Health Care premiums compared to the US Health Care inflation rate.

Baseline:

The US Health Care inflation rate, measured by change in the Consumer Price Index (CPI) for medical care. The baseline for 2017 is 2.51 percent.

Target:

Below 5.51 percent for 2018. The goal is to keep annual overall increase in CalPERS Health Care premiums below change in medical care CPI plus 3 percent. These amounts change annually.

Measure Narrative Status:

CalPERS exceeded the target by holding the annual overall percent increase in health care premiums for 2018 below 5.51 percent. The percent increase in health care premiums for 2018 is 2.33 percent.

The medical care index is one of eight major groups in the CPI and is divided into two main components: medical care services and medical care commodities, each containing several item categories, including health insurance and medical drugs.

Factors that can influence this measure include member utilization, unit costs, and contract negotiations. Innovations and efficiencies such as promoting efficient hospital plan networks, value based purchasing and integrated health models, help mitigate medical trend increases.

Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, March

Reporting Range: January – December 2018

Thresholds: 2018

- Below 5.51%
- ▲ 5.51 – 7.51%
- Above 7.51%

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Improve the health status of our employees, members and their families, and the communities where they live
Measure	Adult obesity
Associated Initiative or Project	Business Plan Initiative – Population health alignment with <i>Let's Get Healthy California</i> taskforce report dashboard

Measure Description:

This measure assesses the percent of adult members who have a Body Mass Index (BMI) of 30 or above based on self-reported weight and height.

Baseline:

28.3% (survey conducted in 2016 covering experience in 2015)

Target:

11%

Measure Narrative Status:

Performance data will be available August 2018.

This metric represents the percentage of CalPERS members who have a BMI of 30 or above based on self-reported height and weight in the annual Health Plan Member survey. A lower percentage is considered good.

Factors that can influence this measure include:

- Provider and member behavior (e.g., diet and exercise)
- Enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners. For example, obese members who have prediabetes may be eligible for Diabetes Prevention Programs that can help them to lose weight.

Measure Owner: Liana Bailey-Crimmins


Refresh Frequency: Annually, August

Reporting Range: January – December 2016

Thresholds:

 11-15%

 16-20%

 21% +

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Improve the health status of our employees, members and their families, and the communities where they live
Measure	Adult diabetes
Associated Initiative or Project	Business Plan Initiative – Population health alignment with <i>Let's Get Healthy California</i> taskforce report dashboard

Measure Description:

This measure assesses the prevalence of diagnosed diabetes per 100 adults.

Baseline:

13.3% (based on 2016 data)

Target:

7.0%

Measure Narrative Status:

Performance data will be available August 2018.

This metric represents diabetes specific diagnosis codes reported by the health plans for Basic members. Lowering this metric is considered good.

Factors that can influence this measure include:

- Provider and member behavior (e.g., diet and exercise)
- Enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners. For example, members who have prediabetes may be eligible for Diabetes Prevention Programs that can help them prevent the onset of diabetes.

Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, August

Reporting Range: January – December 2018

Thresholds:

 7-10%

 10-13%

 13% +

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Improve the health status of our employees, members and their families, and the communities where they live
Measure	Diabetes self-management
Associated Initiative or Project	Business Plan Initiative – Population health alignment with <i>Let's Get Healthy California</i> taskforce report dashboard

Measure Description:

This measure assesses the proportion of diabetics who report that they check their blood glucose or sugar at least once a day.

Baseline:

67.3% (survey conducted in 2016 covering experience in 2015)

Target:

70%

Measure Narrative Status:

Performance data will be available August 2018.

This metric represents the percentage of CalPERS members with diabetes who indicated that they check their blood for glucose or sugar at least once a day, based on the Annual Health Plan Member survey. A higher percentage is considered good.

Factors that can influence this measure include:


- Provider and member behavior.
- Enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners. For example, many health plans have disease management programs through which members receive advice and coaching on diabetes by telephone.

Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, August

Reporting Range: January – December 2016

Thresholds:

 60% and above

 50-59.9%

 Below 50%

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Improve the health status of our employees, members and their families, and the communities where they live
Measure	Mental health and well being
Associated Initiative or Project	Business Plan Initiative – Population health alignment with <i>Let's Get Healthy California</i> taskforce report dashboard

Measure Description:

Percentage of CalPERS members who answered “Usually” or “Always” to the Health Plan Member Survey (HPMS) question “In the last 12 months, how often was it easy to get the treatment or counseling you needed through your health plan?”

Baseline:

72.2% (2017 data covering member experience in 2016)

Target:

80%. There are no known standardization benchmarks for the question; therefore, this target was chosen with the objective to exceed current and past (63.1% in 2016 and 71.1% in 2015) results. The lower threshold was chosen at 10% less than the target.

Measure Narrative Status:

Performance data will be available August 2019.


CalPERS team members chose to focus on the above-mentioned measure because health plans can influence access to care and because CalPERS data are readily available. CalPERS data on major depressive episodes in people with depression (a Let's Get Healthy California measure) are unavailable. Access to mental health services can impact a variety of mental illnesses, such as depression, schizophrenia, bipolar disorder, Attention Deficit Hyperactivity Disorder (ADHD), Post Traumatic Stress Disorder (PTSD), anorexia, and bulimia.

Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, August beginning in 2019

Reporting Range: January – December 2018

Thresholds:

 **80% and above**

 **65-79.9%**

 **Below 65%**

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Improve the health status of employees, members and their families, and the communities where they live
Measure	Self-reported overall health status
Associated Initiative or Project	Business Plan Initiatives – Population health alignment with <i>Let's Get Healthy California</i> taskforce report dashboard; Partner with health plans to engage in community activities

Measure Description:

This measure assesses the proportion of CalPERS member who rate their overall health as good, very good, or excellent.

Baseline:

88.4% (survey conducted in 2016 covering experience in 2015)

Target:

90%

Measure Narrative Status:

Performance data will be available August 2018.

This metric represents the percentage of CalPERS members who rated their overall health as good, very good, or excellent on the annual Health Plan Member survey. A higher percentage is considered good.


Factors that can influence this measure include enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners.


Measure Owner: Liana Bailey-Crimmins


Refresh Frequency: Annually, August

Reporting Range: January – December 2016

Thresholds:

 85% and above

 80-84.9%

 Below 80%

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Reduce the overuse of ineffective or unnecessary medical care
Measure	Opioids – dose
Associated Initiative or Project	Business Plan Initiative – Statewide collaboration through <i>Smart Care California</i>

Measure Description: Morphine milligram equivalents (MME) per capita on an incurred year basis for Basic plans.

Baseline:
317.46 for 2017

Target:
Below 288

Measure Narrative Status:

Performance data will be available April 2019.

This measure has undergone development. Prior to 2018, the original target for this measure was tentatively the national average (640) because CalPERS was unable to perform MME analyses in the data warehouse. As CalPERS team members discovered that CalPERS is already much better than national and California averages, we are shifting to a target of 45% of the national average as a “stretch” goal, and 50% of the national average as “red zone.” (The calculations exclude Methadone and Suboxone, drugs which are typically used to treat opioid addiction.)

The federal Centers for Disease Control and Prevention (CDC) reported that the average daily morphine milligram equivalents (MME) of opioids prescribed per capita in the United States increased from 180 in 1999 to 782 in 2010, then decreased to 640 in 2015. The California MME per capita, as reported by amfAR (The Foundation for AIDS Research) is 467.0.

Medicare data are currently unavailable for this measure. However, the Centers for Medicare and Medicaid Services (CMS) requires Medicare plans to take actions regarding opioid management, and our Medicare plans are following CMS guidelines in this area.

Measure Owner: Liana Bailey-Crimmins


Refresh Frequency: Annually, April

Reporting Range: January – December

Thresholds:

 Below 288

 289-319

 320 and above

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Reduce the overuse of ineffective or unnecessary medical care
Measure	Opioids - duration
Associated Initiative or Project	Business Plan Initiative – Statewide collaboration through <i>Smart Care California</i>

Measure Description:

Prescription opioid misuse is a public health problem that can lead to long-term health consequences, including death.

Baseline:

This measure is under development with an estimated completion date of January 2019. CalPERS team members are currently researching the feasibility of calculating this measure using a “HEDIS-like” methodology.

Target:

Measure under development with an estimated completion date of January 2019.

Measure Narrative Status:

CalPERS management requested a measure related to the duration of opioid use. The only known relevant nationally-accepted, common measure is the Healthcare Effectiveness Data and Information Set (HEDIS) measure “Use of Opioids at High Dosage.” A new HEDIS measure for 2018, this is defined as “For members 18 years and older, the rate per 1,000 receiving prescription opioids for greater than or equal to 15 days during the measurement year at a high dosage (average morphine milligram dose (MED) greater than 120mg). As the measure is new, national comparative data to establish a target and thresholds will not be available till 2019.

CalPERS will wait for the measure to be available within the data warehouse and for national benchmarks to be established.

Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, August

Reporting Range: January – December

Thresholds:



Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Reduce the overuse of ineffective or unnecessary medical care
Measure	C-section rate
Associated Initiative or Project	Business Plan Initiative – Statewide collaboration through <i>Smart Care California</i>

Measure Description:

Percent of in-network hospitals providing obstetric services to CalPERS members that have a NTSV (“nulliparous” [i.e., first time], “term” [i.e., not preterm or post-term], “single” [i.e., not twins, triplets, etc.], and “vertex” [i.e., not breech]) cesarean section rate of 23.9% or less.

Baseline:

36.96%. That is, out of the 257 in-network hospitals that provided obstetric services to CalPERS members in 2017, 95 (36.96%) had an NTSV C-section rate of 23.9% or less.

Target:

45% of in-network hospitals meet the NTSV C-section rate of 23.9%

Measure Narrative Status:

Performance data available August 2018.

Although cesarean births can be lifesaving and medically optimal, far too many are performed for non-medical reasons. This measure originally involved total C-section rates; however, both nationally and in California (e.g., under Let's Get Healthy California), the preferred measure for C-sections is the NTSV rate, and the NTSV C-section target rate is 23.9% or less.

Calculating the overall NTSV C-section rates among CalPERS membership would require linkage to external data sources, which would be administratively difficult. In contrast, it is simple to determine from each health plan which contracted hospitals provide obstetric services to CalPERS members.

Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, August

Reporting Range: January - December

Thresholds:

- > 45%
- ▲ 37%-45%
- < 37%

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Reduce the overuse of ineffective or unnecessary medical care
Measure	Hospital readmissions
Associated Initiative or Project	Business Plan Initiative – Research and expand evidence-based medicine

Measure Description:

Assess the rate of adult acute inpatient stays that were followed by an unplanned readmission within 30 days after discharge.

Baseline:

For Plan All-Cause Readmissions for Basic members, the 2016 PPO baseline was 9.51%, and the 2016 HMO baseline was 9.79%.

Target:

8.0% for PPO plans and 8.0% for HMO plans, which are the national averages in 2016 according to the National Committee for Quality Assurance.

Measure Narrative Status:

Performance data will be available August 2018.

Reducing hospital readmissions is important because they are associated with unfavorable patient outcomes and high financial costs. Nevertheless, a measure must be chosen carefully because not all readmissions are “bad readmissions.” This strategic measure is consistent with the “Plan All-Cause Readmissions” measure in the Healthcare Effectiveness Data and Information Set (HEDIS).

A previous refinement was separating HMO and PPO measures. With this revision, we are excluding Medicare members because: (1) for Plan All-Cause Readmissions, pertinent Medicare data are unavailable in the CalPERS data warehouse, and (2) the Centers for Medicare and Medicaid Services reduces payments to hospitals for excessive Medicare readmissions.

Measure Owner: Liana Bailey-Crimmins

Refresh Frequency: Annually, August

Reporting Range: January - December 2018

Thresholds:

 < 8.0%

 8.0%-11%

 > 11.0%

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce cost
Measure	CEM pension administration benchmarking survey – pension complexity score
Associated Initiative or Project	Business Plan Initiative – CEM complexity score reduction

Measure Description:

The total Cost Effectiveness Measurement (CEM) complexity score represents the weighted average of CEM’s complexity measure by cause, before scaling, from the annual CEM Pension Administration Benchmarking Survey.

Baseline:

A score of 71 (Weighted Average from 2016)

Target:

Reduce the weighted average CEM complexity score by 3 percent

Measure Narrative Status:

This Strategic Measure reflects the achievement of our goal to reduce CalPERS CEM Complexity Score, based on the 2017 CEM Benchmarking draft report approved in April. After remaining steady at 71, our weighted average complexity score before relative scaling was reduced to 69. This decrease was driven primarily by the simplification of our pension payment options, achieved through legislative change we initiated. While CalPERS remains the most complex system in CEM’s global database, we were able to achieve higher service levels and a total service score above the peer average despite our complex plan design. We remain committed to assessing and identifying opportunities to reduce complexity in our business processes in an effort to gain efficiency in the services we provide to our members and business partners and reduce our overall CEM Complexity Score. This Strategic Measure Summary will be updated if there is any change in the final version of the report. No changes are anticipated.

Measure Owner: Donna Lum

Refresh Frequency: Annually, July

Reporting Range: July 2016 – June 2017

Thresholds:

- Reduced by 1 % or more annually or target met
- ▲ Reduced by less than 1% annually
- Any increase

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce cost
Measure	Benefit Payment Timeliness
Associated Initiative or Project	Business Plan Initiative – Improve Pension Benefit Payment Timeliness

Measure Description:

This measure captures the timeliness of four payment types: Service Retirement, Refunds, Disability Retirement, and Survivor Benefits (Lump Sum and ASAP payments).

Baseline:

FY 2017-18, Quarter 1: 95%

Target:

Issue 95% of benefit payments within service level timeframes.

Measure Narrative Status: This metric performed well with a score of 95 percent for the third quarter of 2017-18. Survivor benefits payment timeliness improved significantly due to mitigations implemented to address the sustained workload increase for these payments.

Measure Owner: Donna Lum

Refresh Frequency: Quarterly

Reporting Range: January 1-March 31, 2018

Thresholds:

87% or above

79-87%

Below 79%

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce cost
Measure	Customer Satisfaction
Associated Initiative or Project	Business Plan Initiative – Customer Satisfaction – Actionable Feedback

Measure Description:

This metric reflects data from our customer satisfaction surveys. Collecting satisfaction data through surveys allows us to utilize the full value of customer feedback and increases our flexibility and responsiveness to their needs.

Baseline:

FY 2017-18, Quarter 1: 86%

Target:

Achieve an overall satisfaction rate of 90 percent, reflecting a positive customer experience across core business processes.

Measure Narrative Status: This metric performed well with a score of 92 percent for the third quarter of 2017-18. This performance reflects an increase of one percentage point from the previous quarter, demonstrating sustained high customer satisfaction rates with our benefit payment processes.

Measure Owner: Donna Lum

Refresh Frequency: Quarterly

Reporting Range: January1 – March 31, 2018

Thresholds:

80% or above

70-79%

69% and below

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce costs
Measure	External investment manager reduction strategy
Associated Initiative or Project	Business Plan Initiative – External manager monitoring, expectations, and reduction strategy

Measure Description:

Annual evaluation of the number of strategic and transition external managers.

Baseline:

151 external strategic and transition managers

Target:

100 or fewer external strategic and transition managers

Measure Narrative Status:

This metric examines the total population of strategic and transition external managers retained to manage assets on behalf of CalPERS. Significant progress has been made over the last year, as of September 2017, the Investment Office is on track to decrease 5 or more managers for FY 2017-18, with the current count at 147 (-4 from the baseline measurement). Transparent, robust, fair and competitive ongoing evaluation processes are driving this metric. An update on the performance data will be available in May 2018.

The INVO 2020 Vision, a 5-year strategic plan, focuses on reducing management fees and complexity, enhancing governance and manager expectations, and moving to fewer but more strategic partnerships.

Measure Owner: Ted Eliopoulos & Elisabeth Bourqui

Refresh Frequency: Annually, May

Reporting Range: FY 2017-18

Thresholds:

- Decrease of 5 or more managers per year
- ▲ Decrease of 4 or less managers per year
- No reduction, or increase in # of managers

Status:

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Streamline operations to gain efficiencies, improve productivity, and reduce costs
Measure	CEM pension administration benchmarking survey – cost per member
Associated Initiative or Project	Business Plan Initiatives – Develop and implement continuous process improvement framework; Reduce system costs and improve efficiencies

Measure Description:

From the annual CEM Pension Administration Benchmarking Survey, reduce cost per member, exclusively to pension administration, and does not include health and investment.

Baseline:

\$207 cost per member for FY 2016-17*

Target:

Reduce by 2% annually

Measure Narrative Status:

The total cost per member is calculated by taking the total members divided by the total pension overhead operating costs. There are several variables that impact the increase or decrease of these costs, including those that are out of our control. For example, if our membership numbers go down, and our operating costs remain the same, costs per member will go up. Employee salary increases drive up the costs per member, determined by collective bargaining.

In efforts to reduce costs per member, process improvement efforts are being developed to increase efficiencies. Working cross-divisionally the Financial Office will identify enterprise cost drivers for the organization and produce a baseline report. Based on the report, the Executive team can look at assessing the members return on investment for the customer service provided and identify possible ways to reduce costs.

*Preliminary results are subject to change.

Measure Owner: Marlene Timberlake D’Adamo

Refresh Frequency: Annually, July

Reporting Range: FY 2016-17

Thresholds:

- Reduced by 2.0% annually
- ▲ Reduced by 1.5-1.99% annually
- Reduced by less than 1.5% annually

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Streamline operations to gain efficiencies, improve productivity, and reduce costs
Measure	Total overhead cost
Associated Initiative or Project	Business Plan Initiatives – Develop and implement continuous process improvement framework; Reduce system costs and improve efficiencies

Measure Description:

Total overhead costs calculated for pension administration and health.

Baseline:

Baseline to be established in Annual Budget. This measure’s baseline will be established with the most recent budget data to provide accurate starting point in May 2018.

Target:

Reduce by 1.5-2% annually

Measure Narrative Status:

Working cross-divisionally the Financial Office will work to identify enterprise cost drivers for the organization and produce a baseline report. Cost drivers can vary in significance of impact. Once a baseline is established, a root cause analysis will be conducted to determine the main drivers impacting overhead costs and a priority analysis will be used to determine which ones the enterprise will address first. By identifying and prioritizing, efforts can be made to minimize those selected cost drivers to strive for this measures target.

Data will be available in FY 2017-18, Quarter 4.

Measure Owner: Marlene Timberlake D’Adamo

Refresh Frequency: Quarterly

Reporting Range: Quarterly

Thresholds:

- Reduced by 1.5-2.0% annually
- ▲ Reduced by 1.0-1.49% annually
- Reduced by less than 1.0% annually

Status:

**

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Streamline operations to gain efficiencies, improve productivity, and reduce costs
Measure	5-year net value added
Associated Initiative or Project	Business Plan Initiative – Enhance business effectiveness, resource allocation, and efficiency of investment programs

Measure Description:

5-year net value added relative to an appropriate peer universe median return adjusted for composition of asset allocation and after expenses.

Baseline:

5-year net value-added relative to an appropriate United States’ (US) peer universe median return, adjusted for composition of asset allocation and after expenses, is 0%. CalPERS is cost advantaged vs our peers by 7 bps. Each year, INVO participates in a CEM Benchmarking (CEM) survey which independently analyzes costs against a customized peer group.

Target:

Exceed the median US peer on investment cost and returns

Measure Narrative Status:

This measure is the analysis of INVO’s cost drivers and cost structure versus US peers. The most recent data available indicates CalPERS did exceed the US Peer median.

INVO is cost-advantaged compared to its US peers, primarily due to:

- Internal management of public assets
- Index-oriented management of 2/3 of equity portfolio
- Lower private asset fees

Continued focus on delivering more value for cost through effective management of portfolios, resources, and technology. This includes renegotiation of external management fees and reduction of consulting and other related operating costs. An update on the performance data will be available in May 2018.

Measure Owner: Ted Eliopoulos

Refresh Frequency: Annually, May

Reporting Range: Current 5 Year Period: FY 2010-11 through FY 2014-15

Thresholds:

- Exceed the US Peer median
- ▲ Meet the US Peer median
- Fall below the US Peer median

Status:

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Enhance compliance and risk functions throughout the enterprise
Measure	Risk and compliance employee awareness survey
Associated Initiative or Project	Business Plan Initiatives – Increase enterprise-wide risk awareness; Increase enterprise-wide compliance awareness

Measure Description:

This measure will be based on two survey questions focused on risk and compliance.

Risk – Annual Employee survey example question: “I am aware of CalPERS risk program. I incorporate risk functions into my daily work.”

Compliance – Annual Employee survey example question: “I am aware of CalPERS’ compliance program. I incorporate compliance functions into my daily work.” Annual Employee survey.

Baseline:

Risk Baseline – Based on the 2018 CalPERS Compliance & Risk Annual survey, 78% of respondents answered “Yes” to the question, “I am aware of CalPERS risk program. I incorporate risk functions into my daily work.”

Compliance Baseline – Based on the 2018 CalPERS Compliance & Risk Annual survey, 87% of respondents answered “Yes” to the question, “I am aware of CalPERS’ compliance program. I incorporate compliance functions into my daily work.”

Target:

Risk Target – Incrementally increase the baseline by 2% annually (8% by 2022), with a target of 86%.

Compliance Target – Maintain 90% or greater positive response rate to the compliance survey question through June 2022.

Measure Owner: Marlene Timberlake D’Adamo

Refresh Frequency: Annually, February

Reporting Range: Current Fiscal Year Snapshot (i.e. first survey in FY 2017-18 will cover FY 2017-18)

Thresholds:

Risk Thresholds

Annual increase of ≥2%

Annual increase of 0-1.9%

No annual increase

Compliance Thresholds

90% - 100%

80% -89%

≤ 79%

Status:



Measure Narrative Status:

Next fiscal year, this measure will be broken out into two separate measures.

Performance data will be available in February 2019.

Risk Narrative Status – The metric is the percentage of CalPERS employees, including team members, managers, and executives, that respond “Yes” to the question: “I am aware of CalPERS risk program. I incorporate risk functions into my daily work.” This metric is driven by CalPERS’ employee awareness and active use of the expectations, programs and resources that make up the risk functions throughout the enterprise. ERMD implements annual plans to enhance and mature risk functions across CalPERS based on industry best practices, and annual risk assessments. As part of those plans, each division has education and communication components intended to increase team member and leadership awareness and understanding of CalPERS’ expectations and their personal responsibilities under the risk functions.

Compliance Narrative Status – ECOM had the highest affirmation rate at 100% and CSR followed at 94%. OPT at 81% provides the greatest educational opportunity. Comparing All CalPERS respondent scores for Team Leaders (91%) to Team Members (83%) shows additional educational efforts could improve these groups. To increase enterprise-wide compliance awareness, ECOM will continue ongoing education efforts. To reinforce these efforts, the ECOM 2018-19 Annual Plan has the following goals - “Promote a culture of integrity”, “Measure Organizational Culture”, and “Measure and report program effectiveness.” These goals will serve to increase compliance awareness and help incorporate compliance functions into CalPERS employees’ daily work.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Enhance compliance and risk functions throughout the enterprise
Measure	Risk and compliance program maturity assessment
Associated Initiative or Project	Business Plan Initiatives – Increase enterprise-wide risk awareness; Increase enterprise-wide compliance awareness

Measure Description: Compliance and risk program maturity model assessments are completed annually

Baseline:

The Fiscal Year 2017-18 baseline for Enterprise Compliance (ECOM) is a **2+** and Enterprise Risk Management (ERMD) is a **3** on a scale of 1 (low) to 5 (high).

Target:

CalPERS risk management and compliance maturity assessment scores are targeted to increase one point by 2021-2022, from the baseline scores set in FY 2017-18.

Measure Narrative Status:

Performance data will be available in January 2019. The metrics are maturity scores for both CalPERS’ risk management program and compliance program. Maturity is defined here as the degree to which risk and compliance processes have been formalized, implemented, and integrated into an organization’s operations. ERMD and ECOM validated the assessments with CalPERS’ Integrated Assurance Workgroup.

The metrics are driven by the level of progress made by CalPERS’ to incorporate recognized compliance and risk elements and best practices into business operations and decision-making processes across the enterprise. Maturity for compliance is measured on a scale ranging from 1 (low) to 5 (high). Maturity scores are refined with a (+) or (-) to indicate intermediate levels of maturity (e.g. 1, 1+, 2-, 2, 2+, etc.). Maturity for risk is solely measured on a scale of 1 (low) to 5 (high) (no plus or minus intermediate ratings). It should be noted that the maturity assessments for compliance and risk are separate surveys and therefore the results are not comparable.

Measure Owner: Marlene Timberlake D’Adamo

Refresh Frequency: Annually, January

Reporting Range: Current fiscal year snapshot (i.e. first assessment in FY 2017-18 will cover FY 2017-18)

Thresholds:

- Year-over-year increase in score
- ▲ No change in score
- Year-over-year decrease in score

Status:



Measure Narrative Status continued:

ECOM and ERMD implement annual plans to enhance and mature compliance and risk functions across CalPERS based on best practices, annual risk assessments, and recommendations from the Five-Year Compliance Plan. Additionally, CalPERS has a Three Lines of Defense model to define assurance roles and responsibilities and an Embedded Compliance and Risk Framework that guide the implementation of new and enhanced compliance and risk functions throughout the organization.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Continue to Evolve Cyber Security Program
Measure	Composite security health score within range REPORTED IN CLOSED SESSION
Associated Initiative or Project	Business Plan Initiative - Information security roadmap

<p>Measure Description: Information to be provided in closed session</p> <p>Baseline: Information to be provided in closed session</p> <p>Target: Information to be provided in closed session</p> <p>Measure Narrative Status: Information to be provided in closed session</p>	<p>Measure Owner: Doug Hoffner</p> <p>Refresh Frequency: Information to be provided in closed session</p> <p>Reporting Range: Information to be provided in closed session</p> <p>Thresholds: Information to be provided in closed session</p> <p>Status: Information to be provided in closed session</p>
--	---

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Recruit and empower a broad range of talents to meet organization priorities
Measure	Increase diverse recruitment channels
Associated Initiative or Project	Business Plan Initiatives – Develop and implement an expanded recruitment strategy; Expand diversity and inclusion program

Measure Description:

Increase the number of diverse channels used to broadcast open positions across the enterprise.

Baseline:

As of July 1, 2017, the Human Resources Division actively engages in 7 distinct recruitment channels:

- Online Job Board
- Social Networks
- CalPERS Brand
- Search Firms
- Print Advertisements
- Outreach Activities
- Job Notifications

Target:

Increase diverse recruitment channels by 25%

Measure Narrative Status:

Performance data available in July 2018.

To attract the most diverse and qualified applicant pool to CalPERS and engage prospective applicants in new ways, two new recruitment channels have been established.




Career Services & Outreach (CSO) has collaborated with the “Honor a Hero, Hire a Vet” organization in the past and wants to expand to additional partnerships. CSO continually increases the number of veteran recruitment partnerships and in 2017 has connected with four additional veteran organizations in the effort to increase

Measure Owner: Doug Hoffner

Refresh Frequency: Annually, July

Reporting Range: Fiscal year

Thresholds:

-  Increase of 25% or more channels from baseline
-  Increase of 14% or more channels from baseline
-  No increase

Status:



Measure Narrative Status continued:

recruitment channels. CalPERS will continue to reach out and increase the number of veteran organization partnerships to attend career fairs and promote job openings.

In addition to our Veteran recruitment partnerships, CalPERS has also established four LinkedIn Recruiter seats. This recruitment channel allows us to actively search and reach out to top qualified candidates on LinkedIn. By expanding the usage of LinkedIn Recruiter seats, CalPERS will be able to actively seek out additional candidates for hard to recruit positions. These LinkedIn Recruitment seats will be used by Executive Recruitment and Employment Services Unit to search for qualified candidates for vacancies across the enterprise.

This measure is also a Business Plan Initiative for 2017-18. In addition to expand existing recruitment channels, HRSD will also identify and add new recruitment activities within existing channels.

2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Recruit and empower a broad range of talents to meet organization priorities
Measure	Workforce diversity & inclusion
Associated Initiative or Project	Business Plan Initiative – Expand diversity & inclusion program

Measure Description:

This measure focuses on our efforts to help foster a culture of inclusion that welcomes diversity of thought, experience, and background. We have learned that diversity within an inclusive working environment enhances the relevance of our work, increases productivity, and improves the value of services we provide. The annual Employee Engagement Survey has several specific questions aimed at gauging the success of our diversity and inclusion (D&I) efforts.

Baseline:

66% (2017) D&I Driver Employee Engagement Survey results.

Target:

Increase the Engagement Survey score average related to D&I by 2% Annually (8% by 2022).

Measure Narrative Status:

Performance data will be available December 2018. Previous baseline utilized a different methodology. New Employee Engagement Survey methodology and baseline established 2017 will provide consistent comparison each year.

The next Employee Engagement Survey will be administered September 2018, and will provide data to refresh this measure.

Measure Owner: Brad Pacheco

Refresh Frequency: Annually, December

Reporting Range: October – September

Thresholds: Increase engagement scores related to D&I by at least 2% each year

- Annual increase of 2% or more
- ▲ Annual increase of 1-1.9%
- Annual increase of less than 1% or no increase

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Recruit and empower a broad range of talents to meet organization priorities
Measure	Employee engagement survey
Associated Initiative or Project	Business Plan Initiative - Develop and administer team member engagement surveys

Measure Description: This measure focuses on our annual employee engagement survey which supports our efforts to foster a culture of engagement at CalPERS. The questions in the survey correspond to engagement and retention drivers, such as manager relationships, learning and development, culture, and organization potential.

Baseline: 59.5%

Target: High performing status of > 59%

Measure Narrative Status: Performance data available December 2018.

Measure Owner: Doug Hoffner

Refresh Frequency: Annually, December

Reporting Range: October-September

Thresholds:

- Above 59% represents high performance
- ▲ 40-59% represents average performance
- Under 40% represents low performance

Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Cultivate leadership competencies and develop succession plans across the enterprise
Measure	Proficiency in CalPERS leadership competencies
Associated Initiative or Project	Projects – Online competency-based assessment to evaluate proficiency; integration of competencies into our leadership training classes

Measure Description: Measure proficiency in CalPERS leadership competencies in a phased approach.

Baseline: Will be established in August 2018 when Year 1 efforts conclude.

Target: Will be established in August 2018 for Year 1 evaluated leaders.

Measure Narrative Status: Performance data for Year 1 available following the 2017-18 CEA Incentive Compensation calibration (July/August 2018). Year 2 data to include CEAs and Investment Office leaders will be available following the January 2019 Incentive Compensation mid-year calibration. Year 3 data to include all CalPERS leaders. Beginning of Year 4 data to be all-inclusive baseline.

Measure Owner: Doug Hoffner

Refresh Frequency: Annually, September

Reporting Range: July-June

Thresholds: Will be developed once the Baseline and Target has been established.



Status:



2017-22 Strategic Plan | Strategic Measure Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Cultivate leadership competencies and develop succession plans across the enterprise
Measure	Internal candidates selected to fill senior and executive recruitments
Associated Initiative or Project	Projects – Succession Planning Program and Leadership Development Program

Measure Description:

This current measure combines the two previously titled measures - *Participation in succession planning program* and *Active development plans for succession planning program participant* - which allows us to better measure the outcome of the strategic objective.

This measure assesses the percentage of senior and executive recruitments filled by internal candidates who participate in the competitive recruitment process.

Baseline:

In FY 2016-17, 75% of senior and executive recruitments were filled by internal candidates.

Target:

In accordance with industry best practices, 67% of recruitments should be filled by internal candidates.

Measure Narrative Status:

Performance data available August 2018. The target of this measure is based on the 67/33 build/buy ratio from Korn Ferry's Real World Leadership Study, which commissioned a comprehensive, global survey of views on leadership development with broad representation from a variety of international markets.

The merit process limits what we can do to affect change to this measure, but outreach efforts to include Diversity and Inclusion and building talent pools of qualified candidates with LinkedIn are some ways we engage external candidates. The Succession Planning Program and Leadership Development programs are internal factors that can contribute to the measure.

Measure Owner: Doug Hoffner

Refresh Frequency: Annually, August

Reporting Range: Fiscal year

Thresholds: Monitor and report outcomes of senior and executive recruitments

 62-72%

 56-61% or 73-77%

 <55% or = > 78%

Status:



Measure Narrative Status continued:

Annual reporting, as a result of completed recruitments, will be available in August 2018. Senior and executive recruitments are classified as Division leaders at a CEA or equivalent classification and Branch leaders that are direct reports to the CEO.

2017-22 Strategic Plan | Business Plan Initiatives 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

EPR Third Quarter Report: Business Plan Initiatives Summary Dashboard

The CalPERS 2017-18 Business Plan encompasses 37 Business Plan Initiatives (Initiatives) that assist us towards achieving our strategic goals and objectives. The Business Plan Initiatives Summary Dashboard provides a brief synopsis of how all 37 Initiatives are performing for the third quarter (January 1, 2018 – March 31, 2018). Additional performance details can be found on the summary sheets for each Initiative.

Third Quarter Initiative Performance:

- 36 On-Target (Green)
- 1 Closed Session item

Progress Status Criteria for Business Plan Initiatives:

Progress on Business Plans initiatives is based on deliverables, tactics, and risks. The status criteria are listed below:

On-Target (Green):

- All deliverables and tactics will be completed by the due dates
- No risks have materialized
- Initiative will be completed by the established end date


At-Risk (Yellow):


- One or more tactics may not be completed by the due date – no impact to the deliverable due date
- Risks become issues and are being mitigated
- Initiative will be completed by the established end date

Off-Target (Red):

- Critical tactics have yellow indicators – deliverable will not be completed by the due date
- Issues cannot be mitigated
- Initiative may not be completed by the established due date

**Enterprise Performance Reporting – Third Quarter Status
CalPERS 2017-18 Business Plan Initiatives**

 Fund Sustainability	End Date	Q1 Status	Q2 Status	Q3 Status	Page Number
Alignment of Asset Liability Management	June 2018	▲	●	●	61
Employer Contracting and Collection Reporting	June 2018	●	●	●	62
Redesign and Enhance the Actuarial Valuation System	October 2018	●	●	●	64
Investment Risk Management and Performance Attribution	June 2020	●	●	●	66
Enhance Capital Allocation Framework	June 2020	●	●	●	67
Enhance Investment Platform and Controls	June 2020	●	●	●	68
Investment Program Long-Term Planning	June 2020	●	●	●	69
Stakeholder Education on System Risks and Mitigation	June 2018	●	●	●	70
Investment Beliefs and ESG Risk Integration	June 2020	▲	●	●	71

 Health Care Affordability	End Date	Q1 Status	Q2 Status	Q3 Status	Page Number
Value-Based Insurance Design: Feasibility	June 2018	●	●	●	72
Site of Care Management	June 2022	●	●	●	73
Pharmacy Benefit Design Pilot	June 2019	●	●	●	74
Reference Pricing Expansion	June 2022	●	●	●	75
Population Health Alignment with <i>Let's Get Healthy California</i> Taskforce Report Dashboard	June 2022	●	●	●	76
Partner with Health Plans to Engage in Community Activities	June 2022	●	●	●	77
Statewide Collaboration Through <i>Smart Care California</i>	June 2022	●	●	●	78
Review and Update Shared Savings Accountable Care Organizations Cost and Quality Targets	June 2022	●	●	●	79

Status Key: On-Target At-Risk Off-Target ● ▲ ■

**Enterprise Performance Reporting – Third Quarter Status
CalPERS 2017-18 Business Plan Initiatives**


Research and Expand Evidence-Based Medicine	June 2022				80
---	-----------	--	--	--	----

Reduce Complexity	End Date	Q1 Status	Q2 Status	Q3 Status	Page Number
CEM Complexity Score Reduction	June 2018				81
Customer Satisfaction – Actionable Feedback	June 2018				83
Improve Pension Benefit Payments Timeliness	June 2018				85
Implement Digital Communication Strategy	June 2018				87
External Manager Monitoring, Expectations, and Reduction Strategy	June 2020				89
Develop and Implement Continuous Process Improvement Framework	June 2019				90
Reduce System Costs and Improve Efficiencies	June 2018				91
Enhance Business Effectiveness, Resource Allocation, and Efficiency of Investment Programs	June 2020				93

Risk Management	End Date	Q1 Status	Q2 Status	Q3 Status	Page Number
Enterprise Data Management	June 2020				94
Increase Enterprise-Wide Risk Awareness	June 2019				96
Increase Enterprise-Wide Compliance Awareness	June 2019				98
Enterprise Business Continuity Plan, Phase II	December 2018				100
Information Security Roadmap	June 2022	Closed Session	Closed Session	Closed Session	102

Status Key: On-Target At-Risk Off-Target

**Enterprise Performance Reporting – Third Quarter Status
CalPERS 2017-18 Business Plan Initiatives**

 Talent Management	End Date	Q1 Status	Q2 Status	Q3 Status	Page Number
Develop and Implement an Expanded Recruitment Strategy	June 2018	●	●	●	103
Develop and Administer Team Member Engagement Surveys	June 2018	●	●	●	105
Expand Diversity and Inclusion Program	June 2018	●	●	●	107
Emerging Leader Pilot Program	June 2020	●	●	●	108
Develop 2017-22 Workforce Plan	June 2018	●	●	●	110
Enterprise Core Competencies	June 2018	●	■	●	111

Status Key: On-Target At-Risk Off-Target ● ▲ ■

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Fund the System through an integrated view of pension assets and liabilities		
Initiative Title:	Alignment of Asset Liability Management	Owner:	Marlene Timberlake D'Adamo
Description:	Incorporate elements of funding risk from both an asset and liability perspective to ensure the sustainability of the fund	Start Date:	July 2017
		End Date:	June 2018
Intent:	To provide an integrated view of pension assets and liabilities and actively assess and manage funding risk through the Asset Liability Management (ALM) framework in order to strengthen the long-term sustainability of the pension fund.		
Associated Strategic Measure(s)	Projected funded status; Probability of PERF falling below 50% funded over the next 30 years; Probability of sharp single year increase in employer contribution rates; Probability of high employer contribution rates		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Prepare and conduct ALM Workshop. (November 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Develop and implement an Annual Stakeholder Relations Update to share information on current risks and mitigation strategies with stakeholders. (December 2017)	
<input checked="" type="checkbox"/>	Present the experience study results and actuarial assumptions to the Board. (December 2017)	
<input type="checkbox"/>	Implement Strategic Asset Allocation Targets. (July 2018)	
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Fund the System through an integrated view of pension assets and liabilities		
Initiative Title:	Employer Contracting and Collection Reporting	Owner:	Marlene Timberlake D'Adamo
Description:	Develop and implement a report for identifying agency collection issues and contract terminations	Start Date:	July 2017
		End Date:	June 2018
Intent:	Provide the Finance and Administration Committee with an assessment of employer financial health.		
Associated Strategic Measure(s)	Projected funded status		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Develop a delinquency report to monitor employer's financial health. (February 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input type="checkbox"/>	Develop a report to track employer terminations for presentation to the Finance and Administration Committee in June. (May 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

1. Resource constraints due to competing division priorities.
2. Technology limitations to access required information, data quality, or data availability problems.
3. Unclear communication for team members.

Mitigation(s):

1. Identify and commit the resources needed for the specific risk mitigation alternatives.
2. Identify methods and tools for each major risk associated with technology limitations, data availability and data quality.

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

3. Communicate planning to team members for implementation and communication.

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Fund the System through an integrated view of pension assets and liabilities		
Initiative Title:	Redesign and Enhance the Actuarial Valuation System	Owner:	Scott Terando
Description:	Redesign and enhance the Actuarial Valuation System to increase capabilities, streamline processes, and create a more flexible and scalable valuation system	Start Date:	July 2016
		End Date:	October 2018
Intent:	To deliver a flexible and scalable solution that supports the business operation of the Actuarial Office (ACTO) in ensuring the ability for CalPERS to support strategic objectives, business goals, and meet its pension obligations. The existing system presents challenges in terms of support, functionality, and flexibility. The replacement system will address each of these concerns. The future solution will be developed and supported by CalPERS staff and will include improved valuation processing times and added functionality.		
Associated Strategic Measure(s)	Projected funded status		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Establish Development and Test Environments. (December 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">\$3,931,000</p>
<input checked="" type="checkbox"/>	Establish the User Interface (UI) (Staff interaction with all system functionality). (December 2017)	
<input checked="" type="checkbox"/>	Configure Development and Test Environments (February 2018)	
<input type="checkbox"/>	Establish the Actuarial Valuation System redesign and enhance the core to calculate and produce employer valuations. (October 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

Resources 1: If ACTO subject matter experts are not reassigned to focus on the project, then project activities may be delayed, causing impacts to the project budget and schedule.

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Resources 2: If IT resources are not available to develop the new application, modify the extract and convert data, then project activities may be delayed, causing impacts to the project budget and schedule.

Environment: If database structures between Actuarial Valuation System Redesign (AVSRE) and my|CalPERS are not realigned, numerous manual interventions will continue to be required, impacting staff workload and process efficiency.

Mitigation(s):

Resources 1:

- Look at hiring consultants to backfill staff needed to participate on the project.
- Coordinate ACTO staff scheduling to ensure that appropriate staff is available when necessary.

Resources 2:

- Identify additional IT resources via temporary loans for specific activities.
- Hire consultant resources for activities specific to the development of the application, to modify the extract process, and handle the data conversion.

Environment:

- Work with my|CalPERS staff to improve the extract process and deliver cleaner data to the AVSRE system.
- Align the AVSRE data model with the myCalPERS data model wherever possible.
- Leverage the Functional Optimization Project to upgrade the my|CalPERS system.

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Mitigate the risk of significant investment loss		
Initiative Title:	Investment Risk Management and Performance Attribution	Owner:	Ted Eliopoulos
Description:	Build effective investment risk and performance attribution review and decision processes within and across asset classes to ensure risks are fully understood, intended, and compensated	Start Date:	July 2015
		End Date:	June 2020
Intent:	To ensure our investment activities are supported by a solid platform of effective risk management and performance attribution processes.		
Associated Strategic Measure(s)	1-year total expected fund volatility		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Performance Platform Review. (June 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Risk Function Business Design. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Deliver target risk-adjusted investment returns		
Initiative Title:	Enhance Capital Allocation Framework	Owner:	Ted Eliopoulos
Description:	Enhance the Capital Allocation framework through improved risk factor modeling and greater understanding and ownership of trust-level investment risk and performance	Start Date:	July 2015
		End Date:	June 2020
Intent:	Manage the CalPERS investment portfolio in a cost effective, transparent, and risk-aware manner in order to generate returns to pay benefits.		
Associated Strategic Measure(s)	Annualized (5-year) excess investment returns relative to Total Fund policy benchmark		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Total Fund Currency Strategy. (June 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input type="checkbox"/>	Growth Allocation Implementation (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Deliver target risk-adjusted investment returns		
Initiative Title:	Enhance Investment Platform and Controls	Owner:	Ted Eliopoulos
Description:	Enhance the investment platform and internal controls environment to achieve optimum efficiency	Start Date:	July 2015
		End Date:	June 2020
Intent:	To ensure our investment and business activities are supported by a solid platform of effective risk management and controls.		
Associated Strategic Measure(s)	Annualized (5-year) excess investment returns relative to Total Fund policy benchmark		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Broker Selection and Evaluation Review. (June 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input type="checkbox"/>	Investment Data Strategy. (June 2018)	
<input type="checkbox"/>	Trade Controls – Design & Implementation. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Deliver target risk-adjusted investment returns		
Initiative Title:	Investment Program Long-Term Planning	Owner:	Ted Eliopoulos
Description:	Explore long-term planning considerations including private assets business model, talent management, and office locations	Start Date:	July 2016
		End Date:	June 2020
Intent:	To improve long-term pension and health benefit sustainability.		
Associated Strategic Measure(s)	Annualized (5-year) excess investment returns relative to Total Fund policy benchmark		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Deliver a board presentation on the long-term vision for the management of the CalPERS Investment portfolio. (June 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Private Markets Business Model Design. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Educate employers, members, and stakeholders on system risks and mitigation strategies		
Initiative Title:	Stakeholder Education on System Risks and Mitigation	Owner:	Brad Pacheco
Description:	Identify, develop, and implement training, education, and outreach opportunities to educate members, employers, and stakeholders on system risks, mitigation strategies, and compliance enhancements	Start Date:	July 2017
		End Date:	June 2018
Intent:	Provide training, education, and outreach opportunities to our stakeholders and constituencies to enhance understanding of actions and policies that impact our retirement, health, and investment programs.		
Associated Strategic Measure(s)	Stakeholder assessment survey – Risk		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Provide education to senior level employer audiences at 2017 Educational Forum. (October 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Develop and implement webinars to educate stakeholders on System risks, costs, and mitigation efforts. (December 2017)	
<input type="checkbox"/>	Develop a handbook for elected officials to provide education and guidance on CalPERS retirement, health and investment program. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



FUND SUSTAINABILITY

Strengthen the long-term sustainability of the pension fund

Objective	Integrate environmental, social, and governance considerations into investment decision making		
Initiative Title:	Investment Beliefs and Environmental, Social, and Governance (ESG) Risk Integration	Owner:	Ted Eliopoulos
Description:	Develop a framework for the integration of CalPERS Investment Beliefs and ESG risk considerations into the investment decision-making process	Start Date:	July 2015
		End Date:	June 2020
Intent:	To integrate ESG considerations in to the investment decision-making process to strengthen the long-term sustainability of the pension fund.		
Associated Strategic Measure(s)	Investment managers policies and procedures for ESG factor integration		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Diversity & Inclusion Talent Management Engagement & Recruitment. (June 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input type="checkbox"/>	Diversity and Inclusion (Board Diversity). (June 2018)	
<input checked="" type="checkbox"/>	UN PRI Montreal Pledge Company Engagement. (June 2018)	
<input checked="" type="checkbox"/>	Sustainable Investment Research. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Restructure benefit design to promote high-value health care		
Initiative Title:	Value-Based Insurance Design: Feasibility	Owner:	Liana Bailey-Crimmins
Description:	Research and develop health benefit design strategies to improve member health, and value of care, while decreasing costs in Preferred Provider Organization (PPO) plans	Start Date:	July 2017
		End Date:	June 2018
Intent:	This initiative is intended to contain the overall employer and employee health benefit premium increases by: promoting access to and use of higher value providers, treatments, and services; reducing use of low value care; and improving health outcomes for members over the long term.		
Associated Strategic Measure(s)	Rating of health care; health care cost annual increase		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Develop definitions for high-value and low-value care to be presented to the Pension & Health Benefits Committee and used to design a VBID program. (December 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Conduct a feasibility study of Value-Based Insurance Design that looks at consumer and provider approaches to VBID. (December 2017)	
<input type="checkbox"/>	Identify VBID strategies to implement 1/1/19 for PPO health plans and present as an agenda item to the Stakeholders and Pension & Health Benefits Committee. (June 2018)	

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Restructure benefit design to promote high-value health care		
Initiative Title:	Site of Care Management	Owner:	Liana Bailey-Crimmins
Description:	Leverage current Integrated Health Care and Population Health delivery models to contain health care costs in PPO plans for possible expansion to Health Maintenance Organizations	Start Date:	July 2017
		End Date:	June 2022
Intent:	This initiative is intended to reduce health care expenditures for both members and the CalPERS health plans by steering members to lower cost sites of care when medically appropriate.		
Associated Strategic Measure(s)	Access to care		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Design and implement site of care benefit design for PPO plans and present as an agenda item to Stakeholders and Pension & Health Benefits Committee. (December 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Expand Value Based Purchasing Design (VBPD) benefit for use of Ambulatory Surgery Centers (ASCs) and present as an agenda item to Stakeholders and Pension & Health Benefits Committee. (January 2018)	

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause *(if At Risk or Off Track)*:

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 12/31/17)

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




HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Restructure benefit design to promote high-value health care		
Initiative Title:	Pharmacy Benefit Design Pilot	Owner:	Liana Bailey-Crimmins
Description:	Develop and implement strategies to align our pharmacy benefit manager with our reference pricing model	Start Date:	July 2017
		End Date:	January 2019
Intent:	This initiative is intended to reduce prescription drug expenditures for both members and the CalPERS health plans by guiding members to lower cost therapeutic equivalent drugs, redefining drug tiering structure based on drug prices, and modifying prescription drug copayment structure.		
Associated Strategic Measure(s)	Health care cost annual increase		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Develop reference pricing strategy for selected drug therapeutic classifications and present as an agenda item to the Stakeholders and Pension & Health Benefits Committee. (June 2018)	 Resources approved through the 2017-18 budget process: N/A
<input type="checkbox"/>	Redefine drug tiering structure and present as an agenda item to the Stakeholders and Pension & Health Benefits Committee. (June 2018)	
<input type="checkbox"/>	Implement reference pricing strategy for selected drug therapeutic classifications for health plans with pharmacy benefits managed by CalPERS Pharmacy Benefit Manager. (January 2019)	
<input type="checkbox"/>	Implement redefined drug tiering structure. (January 2019)	

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key:  On-Target  At-Risk  Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Restructure benefit design to promote high-value health care		
Initiative Title:	Reference Pricing Expansion	Owner:	Liana Bailey-Crimmins
Description:	Leverage existing efforts to reduce health care costs by expanding the use of reference pricing for routine non-emergency procedures with price variation in the PPOs	Start Date:	July 2017
		End Date:	June 2022
Intent:	This initiative is intended to reduce the overall cost of health care for CalPERS members and employers as part of our goal to make health care affordable.		
Associated Strategic Measure(s)	Health care cost annual increase		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Develop more reference pricing programs for the Preferred Provider Organization (PPO) health plans for 1/1/19 implementation and present as an agenda item to the Stakeholders and Pension & Health Benefits Committee. (June 2018)	 Resources approved through the 2017-18 budget process: N/A
<input type="checkbox"/>	Implement reference pricing programs for the PPO health plans for 1/1/19. (January 2019)	

Initiative Risk(s):

Potential limitation on the number of Centers of Excellence facilities available in the PPO network to adequately administer reference priced benefit for all PPO members.

Mitigation(s):

Identify medical procedures that would have Center of Excellence facilities available statewide. Provide a travel benefit for members who don't have access to a Center of Excellence.

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Improve the health status of our employees, members, and their families, and the communities where they live		
Initiative Title:	Population Health Alignment with Let's Get Healthy California Taskforce Report Dashboard	Owner:	Liana Bailey-Crimmins
Description:	Provide employers with aggregate health care data to identify major health care costs and enhance Population Health Management	Start Date:	July 2017
		End Date:	June 2022
Intent:	Educate stakeholders about the Population Health of the CalPERS Health Program pool and work to align pertinent information with the Let's Get Healthy California dashboard. By identifying and focusing on specific population health indicators, we can improve the overall health status.		
Associated Strategic Measure(s)	Adult obesity; adult diabetes; diabetes self-management; mental health and well being; self-reported overall health status		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Population Health Management report exploring the Let's Get Healthy California dashboard and how it aligns with existing CalPERS strategies and programs. (June 2018)	 Resources approved through the 2017-18 budget process: N/A

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key:  On-Target  At-Risk  Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Improve the health status of our employees, members, and their families, and the communities where they live		
Initiative Title:	Partner with Health Plans to Engage in Community Activities	Owner:	Liana Bailey-Crimmins
Description:	Collaborate with health plans to positively impact the health of our members by engaging in community activities which create a culture of good health	Start Date:	July 2017
		End Date:	June 2022
Intent:	Engage at the community level to positively impact the health of members where they live or work.		
Associated Strategic Measure(s)	Self-reported overall health status		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Develop calendar and schedule of existing health plan community outreach efforts for 2017. (November 2017)	<p>Resources approved through the 2017-18 budget process:</p> <p>N/A</p>
<input checked="" type="checkbox"/>	Develop assessment summary document of 2017 health plan community outreach calendar and schedule. (December 2017)	
<input checked="" type="checkbox"/>	Develop the 2018 health plan community outreach calendar. (December 2017)	
<input type="checkbox"/>	Actively participate in 1-2 health plan events. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Reduce the overuse of ineffective or unnecessary medical care		
Initiative Title:	Statewide Collaboration through Smart Care California	Owner:	Liana Bailey-Crimmins
Description:	Partner with Covered California and Department of Health Care Services through the Smart Care California coalition to promote safe, affordable care in the areas of opioid use, Cesarean sections, and spinal/back disorders	Start Date:	July 2017
		End Date:	June 2022
Intent:	This initiative is intended to reduce barriers to health care access and coordination of care which will improve health outcomes for members over the long term. By reducing use of low value services, this program will reduce health care expenditures for both members and the health plans.		
Associated Strategic Measure(s)	Opioid – dose; opioid - duration; C-section rate		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Collaborate with Smart Care California partners to develop strategies that prevent progression of acute Low Back Pain (LBP) to chronic pain and disability. (June 2018)	 Resources approved through the 2017-18 budget process: N/A
<input type="checkbox"/>	Collaborate with health plan partners to implement LBP strategies among CalPERS health plans. (December 2018)	
<input type="checkbox"/>	Provide annual report to Pension and Health Benefits Committee on Smart Care progress. (annually in May, 2018-2022)	

Initiative Risk(s): None identified at this time.
Mitigation(s): N/A
Root Cause (if At Risk or Off Track): N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Reduce the overuse of ineffective or unnecessary medical care		
Initiative Title:	Review and Update Shared Savings Accountable Care Organizations Cost and Quality Targets	Owner:	Liana Bailey-Crimmins
Description:	Research, analyze, and update shared savings cost and quality targets and expand the use of evidence-based medicine in improving outcomes while decreasing costs	Start Date:	July 2017
		End Date:	June 2022
Intent:	CalPERS health plan carriers contain several shared savings agreements with providers for which quality and total cost of care lacks assessment. Evaluation of these arrangements will improve understanding of alternative payment models in integrated health management systems.		
Associated Strategic Measure(s)	Aligned to overall Health Care Affordability goal		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Integrated health management evaluation (IHM) framework report. (December 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input type="checkbox"/>	Summary report of IHM patient experience survey data. (June 2018)	

Initiative Risk(s):

Surveys can yield low response rates. Historically, the CalPERS annual member survey have completion rates varying between 20 to 30% among the commercial plans. We anticipate similar response rates as the IHM member experience survey will be deployed in parallel with the annual member survey.

Mitigation(s):

Our vendor, DSS Research, is a Center for Medicare Medicaid Services-approved Consumer Assessments for Healthcare Providers and Systems (CAHPS) for Accountable Care Organizations survey vendor. Nearly 20 years as an experienced major research supplier for CAHPS programs, they are well equipped to ensure the required contacts are made with the member for survey completion.

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




HEALTH CARE AFFORDABILITY

Transform health care purchasing and delivery to achieve affordability

Objective	Reduce the overuse of ineffective or unnecessary medicine		
Initiative Title:	Research and Expand Evidence-Based Medicine	Owner:	Liana Bailey-Crimmins
Description:	Apply outcome-based medical strategies to provide affordable and high value care.	Start Date:	July 2017
		End Date:	June 2022
Intent:	Using only the strongest evidence to inform medical practice will improve member health and reduce the cost of care.		
Associated Strategic Measure(s)	Hospital readmissions		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	An internal report that summarizes CalPERS health plan and national approaches to implement evidence based medicine into clinical practice and makes recommendations about strategies moving forward. (June 2018)	<p style="text-align: center;"></p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce cost		
Initiative Title:	CEM Complexity Score Reduction	Owner:	Donna Lum
Description:	Assess current complexity score and identify target areas of complexity reduction	Start Date:	July 2017
		End Date:	June 2018
Intent:	To assess and identify opportunities to reduce complexity in our business processes in an effort to gain efficiency in the services we provide to our members and business partners and reduces our overall CEM Complexity Score.		
Associated Strategic Measure(s)	CEM (pension administration) complexity score		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Report on recommendations for two to three targeted initiatives for reducing complexity. (October 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input type="checkbox"/>	Implement consistent data collection and reporting methodology to ensure accurate responses to CEM’s annual benchmarking survey. (June 2018)	
<input checked="" type="checkbox"/>	Complete legislative proposal development for targeted activities. (June 2018)	
<input type="checkbox"/>	Approval to initiate development of implementation plan for identified activities. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

Successful completion of some deliverables relies on dependencies in business areas outside of Customer Services and Support (CSS). Resource or other constraints within a critical linkage area represents a risk to successful completion.

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Deliverable 3 involves the completion of legislative proposals. The nature of the legislative proposal process presents a risk to successful completion, as proposals may be halted at multiple steps of the process due to a directive from executives or the Board. Changing political environments and stakeholder responses may also affect the progress of a legislative proposal.

Mitigation(s):

CSS has established collaborative partnerships with the identified critical linkage areas for this workload. We have included mitigation strategies in our planning for this initiative, including developing critical time frames for completion and review periods and a communication plan to ensure other business areas are notified of the priority level of the workload. We will closely monitor tactic completion and act to mitigate any materializing risks as they emerge.

CSS works closely with the Legislative Affairs Division to analyze and prepare for risks to legislative proposals.

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce cost		
Initiative Title:	Customer Satisfaction – Actionable Feedback	Owner:	Donna Lum
Description:	Identify actionable feedback from customer satisfaction surveys and implement systems to monitor and facilitate reasonable improvements to enhance customer service	Start Date:	July 2017
		End Date:	June 2018
Intent:	Implementing an actionable feedback process supports our commitment to improve customer satisfaction and enhance the customer experience. Developing a systematic approach to address customer feedback allows us to gain a greater understanding of the usefulness and effectiveness of our business processes as well as our customers' satisfaction with the services we provide. Taking action on satisfaction data through surveys allows us to utilize the full value of customer feedback and increases our flexibility and responsiveness to their needs.		
Associated Strategic Measure(s)	Customer satisfaction		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Establish systems and processes to analyze actionable feedback for Customer Services and Support (CSS) program areas. (September 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Implement quarterly reports on actionable feedback trends and resolutions to CSS senior leadership. (March 2018)	
<input type="checkbox"/>	Develop a plan for ongoing governance process for CSS survey development and administration. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

Successful completion of some deliverables relies on dependencies in business areas outside of CSS. Resource or other constraints within a critical linkage area represents a risk to successful completion.

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Mitigation(s):

CSS has established collaborative partnerships with the identified critical linkage areas for this workload. We have included mitigation strategies in our planning for this initiative, including developing critical time frames for completion and review periods and a communication plan to ensure other business areas are notified of the priority level of the workload. We will closely monitor tactic completion and act to mitigate any materializing risks as they emerge.

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce cost		
Initiative Title:	Improve Pension Benefit Payments Timeliness	Owner:	Donna Lum
Description:	Identify current issues impacting benefit payment timeliness and mitigate constraints to increase service levels more consistently toward the goal or accept the current level of service	Start Date:	July 2017
		End Date:	June 2018
Intent:	Evaluate opportunities to further increase the timeliness of pension benefit payments to implement improvements or confirm the acceptability of performing within current service level agreements.		
Associated Strategic Measure(s)	Benefit payment timeliness		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Develop framework documentation for each pension benefit payment type analysis. (October 2017)	Resources approved through the 2017-18 budget process: N/A
<input checked="" type="checkbox"/>	Develop individual recommendations for the five pension benefit types. (March 2018)	
<input type="checkbox"/>	Develop a plan to increase performance in pension benefit payments or accept current service targets. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

Resource constraints exist within some areas of the two divisions involved in this initiative. If a critical core workload need developed, project team members involved on production teams may be limited in their ability to participate actively on this initiative.

Mitigation(s):

Customer Services and Support leadership will prioritize this activity appropriately, carefully select project team members, and verify internal controls will ensure minimal impact to core workload.

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce cost		
Initiative Title:	Implement Digital Communication Strategy	Owner:	Brad Pacheco
Description:	Enhance digital communications capabilities to support outreach and communication to members, employers, and other stakeholders	Start Date:	July 2016
		End Date:	June 2018
Intent:	The Digital Communications Strategic Plan is intended to modernize CalPERS communications and outreach to improve agility and maximize reach, response and reputation while increasing programmatic and operational efficiencies.		
Associated Strategic Measure(s)	Customer satisfaction		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Develop a prototype communications dashboard for business intelligence and customer relationship management integration, and benchmarks monitoring. (December 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Research and propose customer relationship management (CRM) capacity software, to deliver enhanced customer service. (June 2018)	
<input type="checkbox"/>	New communications products based upon the three products pilot, which may include moving prototypes into actual digital publications for members, employers and/or other intended audiences. (June 2018)	
<input checked="" type="checkbox"/>	Revisit Communications & Stakeholder Relations (CSR) FY2016-17 benchmarks and prepare a new, updated 2018 CSR benchmarks baseline. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Simplify programs to improve service and/or reduce cost		
Initiative Title:	External Manager Monitoring, Expectations, and Reduction Strategy	Owner:	Ted Eliopoulos
Description:	Develop enhanced governance and protocols to improve efficiencies and controls in assessing and engaging external managers and migrating additional asset types in house	Start Date:	July 2016
		End Date:	June 2020
Intent:	Identify the most strategic partners through enhanced governance and protocols in assessing and engaging external managers to reduce complexity and simply program(s) to reduce cost.		
Associated Strategic Measure(s)	External investment manager reduction strategy		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Implement External Manager Monitoring Evaluation Program - Phase I. (June 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input type="checkbox"/>	Transfer Manager Expectations (ESG). (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective	Streamline operations to gain efficiencies improve productivity, and reduce costs		
Initiative Title:	Develop and implement continuous process improvement framework	Owner:	Doug Hoffner
Description:	Develop and implement a framework to identify and support continuous process improvement opportunities that increase efficiency and reduce complexity throughout the enterprise	Start Date:	July 2017
		End Date:	June 2019
Intent:	As a complex agency our goal is to develop a culture of continuous business process improvement by empowering our team members with a common methodology to define our processes, identify opportunities to increase efficiency and reduce complexity, and ensure we provide the most value to our customers.		
Associated Strategic Measure(s)	CEM cost per member; total overhead cost		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Establish Cultural Framework. (October 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Develop and implement program infrastructure. (December 2017)	
<input checked="" type="checkbox"/>	Develop Enterprise Training Plan. (December 2017)	
<input checked="" type="checkbox"/>	Develop and Implement Communication Plan (March 2018)	
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause (if At Risk or Off Track):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective		Streamline operations to gain efficiencies, improve productivity, and reduce cost	
Initiative Title:	Reduce System Costs and Improve Efficiencies	Owner:	Marlene Timberlake D'Adamo
Description:	Identify cost drivers and assess enterprise-wide cost savings for proposed areas of improvement to reduce costs and improve efficiencies to the System	Start Date:	July 2017
		End Date:	June 2018
Intent:	Reducing system costs and improving efficiencies will support the sustainability of the retirement and health system and demonstrate CalPERS' continued commitment to its fiduciary responsibility.		
Associated Strategic Measure(s)	Total overhead cost; CEM-cost per member		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Gather, validate, and assess cost drivers. (February 2018)	● Resources approved through the 2017-18 budget process: N/A
<input type="checkbox"/>	Report on findings of the identified cost drivers and prepare a baseline report. (June 2018)	
<input type="checkbox"/>	Communicate baseline report to senior leadership. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

- Not properly identifying the appropriate methodology for determining baseline data.
- Timing of the benchmark data.
- Fill key leader position.

Mitigation(s):

- Create workgroup to identify the methodology for baseline data.
- Document desk procedures and process documents.

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

- Timely submission of data to CEM Vendor.

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



REDUCE COMPLEXITY

Reduce complexity across the enterprise

Objective		Streamline operations to gain efficiencies improve productivity, and reduce costs	
Initiative Title:	Enhance Business Effectiveness, Resource Allocation, and Efficiency of Investment Programs	Owner:	Ted Eliopoulos
Description:	Enhance cost effectiveness, resource allocation, and efficiency of the investment program to increase net returns on assets	Start Date:	July 2015
		End Date:	June 2020
Intent:	Manage the CalPERS investment portfolio in a cost effective, transparent, and risk-aware manner in order to generate returns to pay benefits.		
Associated Strategic Measure(s)	5-year net value added		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Implement Global Investment Performance Standards (GIPS). (February 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Assembly Bill 2833 Report Implementation. (June 2018)	
<input type="checkbox"/>	Tobacco Divestments Execution for Affiliate Funds. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause *(if At Risk or Off Track)*:

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Enhance compliance and risk functions throughout the enterprise				
Initiative Title:	Enterprise Data Management	Owner:	Marlene Timberlake D'Adamo		
Description:	Create/enhance policies and processes to strengthen appropriately defined data-driven decisions, ensure intent is understood, and improve the consistency of data use across the enterprise which includes people, process, technology and culture dimensions	Start Date:	July 2017		
		End Date:	June 2020		
Intent:	This initiative will help drive change across people, process, technology, and culture dimensions to achieve the following objectives: <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <u>Value Statements</u> <ul style="list-style-type: none"> – Improve data consistency and integrity across organization – Improve enterprise transparency into data – Reduce complexity inherent in data silos – Provide data-driven insights and decision-making – Facilitate enterprise collaboration and data-sharing </td> <td style="width: 50%; vertical-align: top;"> <u>Risk Statements</u> <ul style="list-style-type: none"> – Minimize the risk of reputational harm to the CalPERS brand – Minimize the risk of loss of trust in our information – Minimize the risk of poor communication and knowledge sharing – Minimize the risk of misuse of resources </td> </tr> </table>			<u>Value Statements</u> <ul style="list-style-type: none"> – Improve data consistency and integrity across organization – Improve enterprise transparency into data – Reduce complexity inherent in data silos – Provide data-driven insights and decision-making – Facilitate enterprise collaboration and data-sharing 	<u>Risk Statements</u> <ul style="list-style-type: none"> – Minimize the risk of reputational harm to the CalPERS brand – Minimize the risk of loss of trust in our information – Minimize the risk of poor communication and knowledge sharing – Minimize the risk of misuse of resources
<u>Value Statements</u> <ul style="list-style-type: none"> – Improve data consistency and integrity across organization – Improve enterprise transparency into data – Reduce complexity inherent in data silos – Provide data-driven insights and decision-making – Facilitate enterprise collaboration and data-sharing 	<u>Risk Statements</u> <ul style="list-style-type: none"> – Minimize the risk of reputational harm to the CalPERS brand – Minimize the risk of loss of trust in our information – Minimize the risk of poor communication and knowledge sharing – Minimize the risk of misuse of resources 				
Associated Strategic Measure(s)	Aligned to overall Risk Management goal				

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Establish Enterprise Data Management governance which includes a Steering Committee, Committee Charter, and defining Enterprise Data Management governance roles (e.g., Data Owner and Data Steward). (June 2018)	 Resources approved through the 2017-18 budget process: N/A
<input checked="" type="checkbox"/>	Create a common enterprise language through Enterprise-level Business Taxonomy, Data Dictionary and by building CalPERS master data discipline. (June 2018)	
<input type="checkbox"/>	Develop change management plans including Communication and Training Plans and model development for Data Management metrics. (June 2018)	

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

<input checked="" type="checkbox"/>	Define and articulate a set of repeatable Data Management, Business Intelligence, and analytics-oriented set of services to be offered to CalPERS lines of business in a consistent, transparent, and predictable way. (December 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<p>Initiative Risk(s):</p> <ol style="list-style-type: none"> Executive sponsorship is critical to the success of commitment and participation for this initiative. Executive sponsorship is critical to the success of top-down communication of Enterprise Data Management as a business-oriented capability. The risk of losing the Business Plan Initiative Owner. 		
<p>Mitigation(s):</p> <p>Risk 1. Perform regular check-ins with Executive team for direction. Continue to monitor and track Data Management as an enterprise-level risk using the existing risk dashboard approach.</p> <p>Risk 2. Create a Communication Plan and execution of the plan with direction from Executive team. Develop and execute a Training Plan to instill awareness of Enterprise Data Management across the organization.</p> <p>Risk 3. Develop a Transition Plan to back-fill the Business Plan Initiative Owner</p>		
<p>Root Cause (if At Risk or Off Track): N/A</p>		

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Enhance compliance and risk functions throughout the enterprise		
Initiative Title:	Increase Enterprise-Wide Risk Awareness	Owner:	Marlene Timberlake D'Adamo
Description:	Develop enterprise-wide risk communication and training plans to increase risk awareness, and strengthen and expand risk capabilities	Start Date:	July 2017
		End Date:	June 2019
Intent:	To enhance and mature risk functions throughout the enterprise by developing and implementing communication and training programs intended to cultivate a more risk-intelligent organization in alignment with the Strategic Plan Risk Management goal.		
Associated Strategic Measure(s)	Risk & compliance program maturity assessment; Risk & compliance employee awareness survey		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Initiate Enterprise Risk Training Plan, including modules for CalPERS' new employees and Internal Controls for the Compliance and Risk Liaisons. (June 2018)	<p style="text-align: center;">  Resources approved through the 2017-18 budget process: N/A </p>
<input checked="" type="checkbox"/>	Using the stakeholder assessment survey, establish baseline to assess stakeholder awareness of CalPERS' risk programs. (June 2018)	
<input checked="" type="checkbox"/>	Establish baseline for the employee survey (June 2018)	
<input type="checkbox"/>	Create an Enterprise Risk Management Division (ERMD) Communication Plan to inform CalPERS team members on Enterprise Risk Management services, tools, and training. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

Some of the potential risks are maturity and acceptance of Enterprise Risk Management (ERM) framework, changes to organizational governance as well as limited resources and competing priorities.

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Mitigation(s):

Enhance ERM framework, implement training and communication plan. Foster staff professional growth and development to maintain acceptable staffing levels and continue building positive relationships across the enterprise.

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Enhance compliance and risk functions throughout the enterprise		
Initiative Title:	Increase Enterprise-Wide Compliance Awareness	Owner:	Marlene Timberlake D'Adamo
Description:	Develop compliance communication and training plans to increase awareness throughout the enterprise	Start Date:	July 2017
		End Date:	June 2019
Intent:	The purpose of the Enterprise Compliance Plan is to ensure that CalPERS strives to maintain compliance with the letter and spirit of all applicable laws, regulations and policies in partnership with program areas.		
Associated Strategic Measure(s)	Risk & compliance program maturity assessment; Risk & compliance employee awareness survey; Stakeholder assessment survey – compliance and risk		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Create and implement an internal compliance and ethics communication plan for FY 2017-18 to increase awareness of the compliance program throughout the enterprise. (June 2018)	 Resources approved through the 2017-18 budget process: N/A
<input type="checkbox"/>	Create and implement an external compliance and ethics communication plan for FY 2017-18 to create awareness of CalPERS' compliance functions and programs among our members and stakeholders. (June 2018)	
<input type="checkbox"/>	Enhance compliance and ethics education by developing and implementing a compliance and ethics training plan for FY 2017-18 that combines web-based and instructor-led formats. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Status Key:  On-Target  At-Risk  Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Initiative Risk(s):

- Obtaining funding for web-based training.
- Unable to gain buy-in from other program areas for communications plans and training plan.

Mitigation(s):

- Some intended web-based training may need to be conducted as instructor-led training.
- Roll out the strategy to governance committees in order to educate and gain buy-in from leadership.

Root Cause *(if At Risk or Off Track)*:

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Continue to evolve cyber security program		
Initiative Title:	Enterprise Business Continuity Plan, Phase II	Owner:	Doug Hoffner
Description:	Develop a comprehensive Enterprise Business Continuity Plan that identifies operational needs, business functions, procedures and applications needed for all business operations beginning 31-days post disaster through full resumption	Start Date:	July 2017
		End Date:	December 2018
Intent:	Design comprehensive and functional Business Continuity Plans to ensure that CalPERS is prepared to resume business operations post-disaster by identifying resources and system requirements to restore critical and non-critical business operations to reduce risk to the organization in an emergency.		
Associated Strategic Measure(s)	Aligned to overall Risk Management goal		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Business Continuity Consultant Onboarding (Familiarize consultant with previously completed plans and materials needed for critical business functions in the 30 day period post-disaster). (October 2017)	<p style="text-align: center;"></p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">\$250,000</p>
<input checked="" type="checkbox"/>	Complete Phase II - update of all division Business Continuity Plans. (April 2018)	
<input type="checkbox"/>	Update ITSB Gap Analysis that identifies the gaps between the program areas' requests and Information Technology Services Branch's capabilities. (August 2018)	
<input type="checkbox"/>	Update Master Enterprise Business Continuity Plan, which will include the updated Enterprise Business Processes and Critical Systems spreadsheet, a calendar identifying the "time of year" sensitive processes, and Integrated Key Process Plans. (November 2018)	
<input type="checkbox"/>	Develop operational procedures in the event CalPERS' Headquarters is uninhabitable for longer than six months. (December 2018)	
<input type="checkbox"/>		

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Initiative Risk(s):

1. Program areas – missed deadlines and failure to identify all critical processes and/or applications.
2. Consultant – failure by consultant to provide deliverables by the deadlines.
3. OSSD staffing – Loss of key personnel in Emergency Management and Administrative Unit (EMAU).

Mitigation(s):

1. Work closely with the program areas to make sure their deliverables are met by the due dates. EMAU will provide orientation training for program area Business Continuity representatives to ensure they have the knowledge and resources to effectively update their plans.
2. Receive frequent progress reports to ensure consultants are on track to complete deliverables.
3. Facilitate knowledge transfer amongst EMAU staff.

Root Cause *(if At Risk or Off Track)*:

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/17)

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

RISK MANAGEMENT

Cultivate a risk-intelligent organization

Objective	Continue to evolve cyber security program		
Initiative Title:	Information Security Roadmap	Owner:	Doug Hoffner
Description:	Advance the cyber security strategy and roadmap to mitigate cyber security risks	Start Date:	July 2017
		End Date:	June 2022
Intent:	This initiative moves from the technology implementation focus of the 2011 Security Roadmap, which built our Defense in Depth foundation, to include people and processes. This initiative will build a 5-Year Security Roadmap, emphasizing processes and security awareness while increasing operational efficiency and leveraging the proper technology of our defense in depth foundation. This focus will increase our ability to respond to and identify new threats, increase awareness, and adopt adaptable processes.		
Associated Strategic Measure(s)	Composite security health score within range		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Information to be provided in closed session.	Information to be provided in closed session. Resources approved through the 2017-18 budget process: N/A

Initiative Risk(s):

Information to be provided in closed session.

Mitigation(s):

Information to be provided in closed session.

Root Cause (if At Risk or Off Track):

Information to be provided in closed session.

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Recruit and empower a broad range of talents to meet organization priorities		
Initiative Title:	Develop and Implement an Expanded Recruitment Strategy	Owner:	Doug Hoffner
Description:	Develop and implement a plan to increase the number of channels used to broadcast open positions	Start Date:	July 2017
		End Date:	June 2018
Intent:	Ensure that CalPERS' recruitment and outreach efforts maximize opportunities to connect with potential candidates.		
Associated Strategic Measure(s)	Increase diverse recruitment channels		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input type="checkbox"/>	Develop a comprehensive recruitment strategy to engage veteran organizations and assist veteran applicants in the hiring process. (June 2018)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input type="checkbox"/>	Develop a comprehensive strategy to engage utilized LinkedIn capabilities to source qualified candidates. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

1. Class Consolidation would impact Deliverable 1 because any current classifications identified matching veteran skill-sets may be impacted by CalHR's ongoing class consolidation project implementation – IT Class Consolidation was adopted by SPB on January 11, 2018 and will be effective on January 31, 2018. We will need to update our classification matching document for veterans.

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

2. Reduction in funding for LinkedIn Recruiter seats would impact Deliverable 2 with a diminished outreach, smaller pool of qualified candidates, and increased use of search firms for specialized positions.

Mitigation(s):

1. Revise position matching to accommodate new classification structures.
2. Consolidate Recruiter seat efforts to accommodate reduced funding.

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Recruit and empower a broad range of talents to meet organization priorities		
Initiative Title:	Develop and Administer Team Member Engagement Surveys	Owner:	Doug Hoffner
Description:	Develop a plan and implement a new engagement survey(s) to continually improve our culture and preserve our reputation as a destination employer	Start Date:	July 2017
		End Date:	June 2018
Intent:	Preserve our culture and reputation as a destination employer by continually seeking to understand the level of engagement across the enterprise and respond accordingly.		
Associated Strategic Measure(s)	Employee engagement survey		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Develop a plan to administer a customized annual engagement survey, which includes pulse check mechanisms and a process to analyze outcomes. (July 2017)	<p>Resources approved through the 2017-18 budget process:</p> <p>N/A</p>
<input checked="" type="checkbox"/>	Develop a plan to address key drivers of engagement based on results of the annual engagement survey and the McLean Leadership Index (MLI) pulse checks. (January 2018)	
<input type="checkbox"/>	Implement improvement efforts to address priority engagement drivers identified through the survey results. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

1. Low survey response rate will result in incomplete picture of engagement and drivers impacting the score and the inability to appropriately address true areas of concern.
2. Competing enterprise priorities may delay the release of the survey and subsequent action.

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Mitigation(s):

1. Ensure a detailed communication plan includes the benefits and compelling reasons to participate and be part of the change or eventual action.
2. Release the survey at an appropriate time allowing sufficient time to work around competing priorities and engage executive sponsorship to promote a collaborative effort regarding actions to be taken based on survey results.

Root Cause *(if At Risk or Off Track)*:

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Recruit and empower a broad range of talents to meet organization priorities		
Initiative Title:	Expand Diversity and Inclusion Program	Owner:	Brad Pacheco
Description:	Develop and begin implementing a plan to expand the Diversity and Inclusion Program to recruit and empower a broad range of talents to meet organizational priorities	Start Date:	July 2016
		End Date:	June 2018
Intent:	This business initiative is intended to be an enterprise approach to implement Diversity and Inclusion (D&I) efforts to increase engagement and integrate best practices across the enterprise.		
Associated Strategic Measure(s)	Workforce diversity and inclusion		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Establish partnerships with organizations and educational institutions to share CalPERS perspective on Diversity and Inclusion. (August 2017)	 Resources approved through the 2017-18 budget process: N/A
<input checked="" type="checkbox"/>	Finalize, communicate, and implement the new D&I Enterprise Strategy to engage all CalPERS team members. (December 2017)	
<input type="checkbox"/>	Implement best practices for hiring and capturing self-identifying data i.e. demographics. (June 2018)	
<input type="checkbox"/>	Develop D&I survey reporting to achieve desired outcomes related to the Workforce Diversity and Inclusion Strategic Measure. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

Staffing and on-boarding challenges, and timelines.

Mitigation(s):

Cross-training and proper on-boarding materials of new team members.

Root Cause (if At Risk or Off Track): N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Recruit and empower a broad range of talents to meet organization priorities		
Initiative Title:	Emerging Leader Pilot Program	Owner:	Doug Hoffner
Description:	Implement and evaluate a journey-level training program to prepare non-supervisory employees for future leadership roles	Start Date:	July 2016
		End Date:	June 2020
Intent:	Conduct a six-month pilot with up to 25 CalPERS hi-potential journey-level analysts and technical staff to develop their leadership competencies in support of the 2017-22 Strategic Plan Talent Management goal and to mitigate the risk of losing these highly skilled team members.		
Associated Strategic Measure(s)	Aligned to talent management goal		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Identify journey-level analyst/technical staff to participate in the six-month pilot. (September 2017)	<p style="text-align: center;">●</p> <p>Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Implement six-month pilot program. (April 2018)	
<input type="checkbox"/>	Present post-pilot evaluation and recommendations report to executive staff to determine future delivery and funding. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

Lack of future funding will jeopardize enterprise implementation of the Emerging Leader Program upon successful pilot results.

Mitigation(s):

HRSD will propose options to the Executive team:

--Each division share a portion of the program costs

--The selected participants' division pays the tuition to attend the program

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

--HRSD re-evaluates enterprise training projects and adjusts resources as needed to support this program

Root Cause (if At Risk or Off Track):

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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




TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Cultivate leadership competencies and develop succession plans across the enterprise		
Initiative Title:	Develop 2017-22 Workforce Plan	Owner:	Doug Hoffner
Description:	Develop a plan to implement a phased approach to workforce planning that includes: recruitment, retention, development, empowerment, and succession planning	Start Date:	July 2017
		End Date:	June 2018
Intent:	Workforce Planning incorporates initiatives and strategies necessary to ensure we have the human capital and talent management efforts to support our business goals. Workforce Planning is good business practice and a statewide CalHR requirement.		
Associated Strategic Measure(s)	Aligned to cultivate leadership competencies and develop succession plans across the enterprise objective		

Deliverables with due dates *(Month YYYY)*

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Business initiative updates on current findings and next steps of Workforce Planning efforts. (February 2018)	 Resources approved through the 2017-18 budget process: N/A
<input type="checkbox"/>	Publish 2018-22 CalPERS Workforce Plan (4-year plan). (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

None identified at this time.

Mitigation(s):

N/A

Root Cause *(if At Risk or Off Track)*:

N/A

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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



TALENT MANAGEMENT

Promote a high-performing and diverse workforce

Objective	Cultivate leadership competencies and develop succession plans across the enterprise		
Initiative Title:	Enterprise Core Competencies	Owner:	Doug Hoffner
Description:	Adopt competencies for team members that align with expected behaviors to promote a high performing and diverse workplace	Start Date:	July 2017
		End Date:	June 2018
Intent:	Establishes a core competency model linking team member performance to CalPERS mission and goals, provides business and talent strategy alignment, and strengthens our career development culture.		
Associated Strategic Measure(s)	Aligned to cultivate leadership competencies and develop succession plans across the enterprise objective		

Deliverables with due dates (Month YYYY)

Completed	Deliverable and Due Date	Status:
<input checked="" type="checkbox"/>	Develop project scope and plan to develop and introduce core competency model. (September 2017)	<p style="text-align: center;">●</p> <p style="text-align: center;">Resources approved through the 2017-18 budget process:</p> <p style="text-align: center;">N/A</p>
<input checked="" type="checkbox"/>	Establish a competency model, including competency definitions and key behavior indicators, for team members. (April 2018)	
<input type="checkbox"/>	Introduce team member competencies. (June 2018)	
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

Initiative Risk(s):

No risk –The CalHR Core Competency model will be mapped to the existing CalPERS Leadership Competencies and the existing model will be expanded to encompass the core competencies for the enterprise. Key behaviors are being developed for three levels of team members that will incorporate much of the CalHR Core Competencies and Key Behaviors. The June 2018 date for introduction to the enterprise still stands.

Mitigation(s):

N/A

Status Key: ● On-Target ▲ At-Risk ■ Off-Target

2017-22 Strategic Plan | 2017-18 Business Plan Initiative Summary (as of 3/31/18)

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

Root Cause *(if At Risk or Off Track):*

N/A

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

MISSION: Deliver retirement and health care benefits to members and their beneficiaries

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

EPR Third 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 (KPIs). The KPIs are the third and newest component of our Enterprise Performance Reporting structure and serve as a collection of performance indicators that measure and monitor the effectiveness of our efforts at the operational level.

The Key Performance Indicators Summary Dashboard provides a brief synopsis of how all 48 KPIs are performing for the third quarter (January 1, 2018 – March 31, 2018). Additional performance details can be found on the summary sheets for each KPI. Informational KPIs are non-performance driven.

Third Quarter KPI Performance:

- 18 On-Target (Green)
- 2 Off-Target (Red)
- 18 Pending refresh
- 3 Data not available
- 6 Informational
- 1 Closed Session item

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

Enterprise Performance Reporting – Third Quarter Status
Key Performance Indicators (KPIs)

Reliable Steward of Funds	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
GASB 68 reports completed timely [†]	N/A	N/A	N/A	Informational	121
Produce CAFR with no material weaknesses [†]	N/A	N/A	N/A	Informational	122
% forecast to actual expenses (annually)	**	*	*	December 2018	123
Maintain appropriate reserve levels	●	*	*	May 2018	124
Stay within risk boundaries for Total Fund	●	●	●	June 2018	125
% of moderate and elevated risk TOM functions	▲	*	*	June 2018	126
Strategic asset allocation ranges (if outside approved ranges)	●	●	●	June 2018	127
Liquidity coverage ratios accuracy	●	●	●	June 2018	128
Cash forecasting accuracy	●	●	●	June 2018	129
Generate liabilities and rates for pension funding	●	*	*	September 2018	130
Generate liabilities for long-term care program	●	▲	●	February 2019	131

Customer Satisfaction Driven Organization	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
Customer satisfaction	●	●	●	June 2018	132
Benefit payment accuracy	**	●	●	June 2018	133
Benefit payment timeliness	●	●	●	June 2018	134
Health plan scorecard of 90% or better	●	*	*	June 2018	135

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

Enterprise Performance Reporting – Third Quarter Status
Key Performance Indicators (KPIs)

Open & Transparent Communication	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
% of employer participation in CalPERS events	*	*	*	October 2018	136
Member education satisfaction	●	●	●	June 2018	137
Employer education satisfaction	●	●	●	June 2018	138
Member rating on Stakeholder Perception Survey	*	*	●	February 2019	139
Employer rating on Stakeholder Perception Survey	*	*	■	February 2019	117
Stakeholder rating on Stakeholder Perception Survey	*	*	●	February 2019	141
% of community reach	*	*	*	July 2018	143
Member, Employer & Stakeholder rating on Perception Survey	*	*	■	February 2019	119

Efficient & Effective Organization	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
IT capability (CEM)	●	*	●	July 2019	145
Project portfolio health	*	●	●	June 2018	146
Probability of high employer contribution rates	■	*	*	August 2018	150
Probability of PERF falling below 50% funded over the next 30 years	●	*	*	August 2018	152
Probability of sharp single year increase in employer contribution rates	●	*	*	August 2018	154
Timely resolution of public agency reviews	□	**	**	July 2018	156
Form 700 completed timely	*	*	*	May 2018	157
Cyber security risk rating	N/A	N/A	N/A	Reported in closed session	158
Ensure evacuation readiness	**	**	**	July 2018	159

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

**Enterprise Performance Reporting – Third Quarter Status
Key Performance Indicators (KPIs)**

Employers current on CalPERS pension obligations	*	●	●	June 2018	161
Business continuity readiness [†]	N/A	N/A	N/A	Informational	162
Lean adoption	*	●	●	June 2018	163
Contract/procurement requirements compliance	*	*	*	October 2018	164
Contract & procurement agreement service level compliance	*	*	*	October 2018	166

Supportive & Engaged Leadership	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
Team member assessment of Leadership	□	*	*	December 2018	168
Health of Enterprise Performance Reporting Framework	**	**	**	FY 2018-19	169
Operational sustainability report [†]	N/A	N/A	N/A	Informational	170

Team Member Engagement	Q1 Status	Q2 Status	Q3 Status	Date (Upcoming Refresh)	Page Number
Average time to hire for hard-to-recruit positions	**	*	*	September 2018	171
Recognition and wellness perceptions	**	*	*	December 2018	172
Turnover [†]	N/A	N/A	N/A	Informational	173
Team members' perception of training and development	**	*	*	December 2018	174
Our Promise and annual food drive [†]	N/A	N/A	N/A	Informational	175
100% of all ideas responded to within 120 days	**	**	●	July 2018	176
80% of all viable ideas implemented as scheduled	**	**	●	July 2018	177
Response rate of employee engagement survey	**	*	*	December 2018	178

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

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 82.1% of members answering "yes" 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 Narrative Status:

This year, the score decreased from 82.1% to 71.5% for the employer community. This cohort showed decreased favorability towards CalPERS across all metrics. It is likely that these decreases are attributable to several policy changes that resulted in increases to employer contributions and negatively impacted budgets.

Refresh Frequency: Annually, February

Reporting Range: February 2017 to February 2018

Thresholds:

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

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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

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

The approach to communicating on these actions was to be proactive, transparent and seek stakeholder feedback.

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 (as of 3/31/18)

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 Narrative Status:

The combined Overall Perception of CalPERS declined from 5.65 to 5.47 this year, with negative scores from the employer community as the main contribution factor to the decline. In particular, employer senior leaders (city

Refresh Frequency: Annually, February

Reporting Range: February 2017
February 2018

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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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

managers, county executives, school superintendents, etc.) had reduced favorability towards CalPERS.

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, 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 (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

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

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 (ACTO) creates these reports each year with the cooperation of the Financial Office (FINO).

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 Narrative 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, December

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: Not applicable as KPI is Informational

Status: Not applicable as KPI is Informational

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/3/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

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

<p>KPI Description: Produce the CAFR with no material weaknesses reported by the external auditors.</p> <p>Baseline: Each year the CAFR is produced with new requirements and data. To date no material weaknesses have been reported or identified.</p> <p>Target: Zero material weaknesses, with no acceptable variance.</p> <p>KPI Narrative Status: The CAFR was produced and released in November 2017 with no material weaknesses reported by the external auditors. Next informational status will be available in November 2018.</p>	<p>Refresh Frequency: Annually, November</p> <p>Reporting Range: 2016-2017</p> <p>Thresholds: Not applicable as KPI is Informational</p> <p>Status: Not applicable as KPI is Informational</p>
--	--

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

Core Process	Accounting for Funds
Key Performance Indicator (KPI)	% forecast to 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 Fiscal Year (FY) 2017-18 Mid-Year Total Budget of \$1,675,851,000 and 2,875 positions was approved by the Board in November and will serve as the baseline for the remaining FY.

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 Narrative Status:

Performance data will be available in December 2018.

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:

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D’Adamo

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 Narrative Status:

Performance data will be available in May 2018.

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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D’Adamo

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 Narrative Status: KPI remains on track with 1-year projected active tracking error at 0.6%, which is well below the thresholds, per the March 31, 2018 CIO report. An update on the 2017-18 year-end data will be presented at the September Investment Committee.

Refresh Frequency: Quarterly

Reporting Range: FY 2017-2018

Thresholds:

- 1.35 % to 1.41%
- ▲ 1.42% – 1.49%
- Greater than 1.50%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D’Adamo

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:

In FY 2017-18, the Investment Office embarked upon a project to refresh the TOM, with the goal of a simplified structure, framework, and reduced complexity. In December 2017, Investment Office staff presented the Investment Committee with a new TOM Dashboard which has refined and consolidated functions and sub-functions better aligned with industry standard operating models while reflecting specific focus on engagement activities emphasized at CalPERS.

As a result, the new baseline is the December 2017 TOM Levels: Moderate: 45.8% Elevated: 12.5%, for combined total of 58.3%

Target:

Less than 50%

KPI Narrative Status: As of December 2017 the Investment Office is on track with the following TOM levels; Moderate: 45.8%, Elevated: 12.5%, for combined total of 58.3 %. Updated performance data will be available in June 2018.

Refresh Frequency: Semi-Annually (Q2, Q4)

Reporting Range: FY 2017-2018

Thresholds:

- 40 – 50% Combined Total
- ▲ 51 – 74% Combined Total
- Greater than 75%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

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	19%	20%	+/- 5%
Fixed Income			
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 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 Narrative Status: On track, with asset classes remaining within approved interim targets and ranges, per the March 31, 2018 CIO report, as presented at the May Investment Committee.

Refresh Frequency: Monthly

Reporting Range: FY 2017-18

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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

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 Narrative Status:

14.78% as of March 2018.

Refresh Frequency: Quarterly

Reporting Range: Provide by the 10th 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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

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 Narrative Status:

6.35% as of March 2018.

Refresh Frequency: Quarterly

Reporting Range: By the 5th 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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

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 Narrative Status:

Performance data will be available in September 2018. 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: Annually, September

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:

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

Core Process	Projecting Liabilities
Key Performance Indicator (KPI)	Generate liabilities for long-term care program

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 February Board meeting each year.

KPI Narrative Status:

CalPERS adopted revised Capital Market Assumptions in June 2017. Because of these new assumptions, the Actuarial Office reviewed the LTC discount rate assumption and determined that it should be reduced to 5.25%. The discount rate discussion was presented at the February Board meeting and a discount rate of 5.25% was adopted. The Actuarial team was ready to present the LTC valuation in February but the LTC report was moved back to the April Board meeting to incorporate the discount rate change.

Refresh Frequency: Annually, February

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

Thresholds:

- Deliverable for February Board
- ▲ Deliverable for April Board
- Deliverable after April Board

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: 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:

FY 2017-18, Quarter 1: 86%

Target:

Achieve an overall satisfaction rate of 90 percent, reflecting a positive customer experience across core processes.

KPI Narrative Status:

This KPI performed well with a score of 92 percent for the third quarter of 2017-18. This performance reflects an increase of one percentage point from the previous quarter, demonstrating sustained high customer satisfaction rates with our benefit payment processes.

Refresh Frequency: Quarterly

Reporting Range: January 1-March 31, 2018

Thresholds:

- 80% or above
- ▲ 70-79%
- 69% or below

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: 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:

98 percent (FY 2017-18, Quarter 2)

Target:

Issue 98 percent of identified benefit payments within accuracy expectations.

KPI Narrative Status: This KPI performed well with a score of 97 percent for the third quarter of 2017-18.

Refresh Frequency: Quarterly

Reporting Range: January 1-March 31, 2018

Thresholds:

- 90% or above
- ▲ 83%-89%
- Below 83%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: 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:

FY 2017-18, Quarter 1: 95%

Target:

Issue 95% of benefit payments within service level timeframes

KPI Narrative Status:

This KPI performed well with a score of 95 percent for the third quarter of 2017-18. Survivor benefits payment timeliness improved significantly due to mitigations implemented to address the sustained workload increase for these payments.

Refresh Frequency: Quarterly

Reporting Range: January 1- March 31, 2018

Thresholds:

 87% or above

 79-87%

 Below 79%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: 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 Narrative Status:

Performance data will be available June 2018.

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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 Narrative 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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 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:

FY 2017-18, Quarter 1: 95%

Target:

Achieve an overall satisfaction rate of 90%, reflecting a positive customer experience across multiple educational offerings.

KPI Narrative Status: This KPI performed with a score of 96 percent for the third quarter of 2017-18. This performance reflects an increase of two percentage points from the previous quarter and includes satisfaction data from CalPERS Benefits Education Events held as well as ongoing educational offerings.

Refresh Frequency: Quarterly

Reporting Range: January 1- March 31, 2018

Thresholds:

- 80% or above
- ▲ 70-79%
- Below 70%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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%

Target:

Achieve an overall satisfaction rate of 90%, reflecting a positive customer experience across multiple educational offerings.

KPI Narrative Status: This KPI performed well with a score of 94 percent for the third quarter of 2017-18, reflecting stable performance over the past two quarters for our Employer Response Dialogues and employer educational offerings.

Refresh Frequency: Quarterly

Reporting Range: January 1-March 31, 2018

Thresholds:

- 80% or above
- ▲ 70-79%
- Below 70%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 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. For 2018, the target is 80.7%.

KPI Narrative Status:

The score increased from 80.7% to 83.7%, placing us in the Green Zone for this measure.

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: February 2017 to February 2018

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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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

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 (as of 3/31/18)

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 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 Narrative Status:

The score increased from 69% to 90% of stakeholders signaling that CalPERS does good job of keeping stakeholders informed. The Office of Stakeholder Relations purposefully strives to inform our stakeholder leaders of pending or developing policy issues early and often. We have added a series of CEO-led conference calls to our already robust framework of engagement opportunities, and we have honored every request by these stakeholders to speak at their events. This high score from our stakeholder community reflects their approval for our proactive work in this space.

Refresh Frequency: Annually, February

Reporting Range: January-December 2017

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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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

It should however be noted that participation from the stakeholder in this survey was low: just 10 out of 75 submitted responses. While still meaningful, the results that informed this metric should be taken with something of a grain of salt.

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 (as of 3/31/18)

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: 165,689 Average Monthly Visits for FY 2016-17

Increase by 5%: 8,284

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

Ambassador Newsletter

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


Increase by 5%: 162


(Total for News and Ambassador: Baseline - 28,873; Increase by 5% - 1,444)


Refresh Frequency: Annually, July

Reporting Range: Fiscal Year 2016-17

Thresholds:

 5% and above

 4%-4.9%

 Below 4%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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

Target:

(Total for News and Ambassador: Baseline - 28,873; Increase by 5% - 1,444).

KPI Narrative Status:

Performance data will be available in July 2018.

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

Post Q2, public website visits and social media followers metrics have been achieved. Email Subscriptions metrics are both over 2.5%.

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 (as of 3/31/18)

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	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 Narrative Status:

The score for fiscal year 2016-17 was 84. This score is above peer median of 82 and has remained relatively consistent the past four years.

Refresh Frequency: Annually, July

Reporting Range: July 2016- June 2017

Thresholds:

 80 or above

 75 to 79

 Less than 75

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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	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 Narrative Status:

The portfolio health score for Board Reportable Projects for the period ending 3/31/2018 is 74%. The score is calculated using the project size and overall health score. There are six (6) projects in the portfolio; two projects, Backup Restoration and Disaster Recovery (BRDR) and CalPERS Education Center (CEC) Redesign, with a health status of yellow.

The full portfolio summary is included as supporting documentation.

Refresh Frequency: Quarterly

Reporting Range: January 1, 2018 – March 31, 2018

Thresholds:

- 70% or above
- ▲ 54% to 69%
- Less than 54%

Status:



Information Technology Projects Dashboard

Project Name	Status	Start Date	End Date	Total Budget	Total Expenditures	Overall Health
Backup, Restoration, and Disaster Recovery (BRDR)	Active	8/1/2016	6/29/2018	\$7,000,000	\$138,180	●
Actuarial Valuation System Redesign and Enhancement (AVSRE)	Active	3/6/2015	11/30/2018	\$13,709,125	\$4,349,409	●
Identity Lifecycle Implementation	Active	7/1/2017	6/30/2018	\$954,720	\$700,586	●
Windows 10 Upgrade	Active	8/24/2016	5/10/2018	\$211,119	\$211,119	●
my CalPERS Functional Optimization	Active	10/1/2014	6/30/2018	\$73,845,000	\$70,715,415	●
CalPERS Education Center (CEC) Redesign	Active	6/24/2015	10/1/2018	\$2,196,727	\$832,463	●

Data as of: 4/2/18

Information Technology Services Branch | Backup, Restoration, and Disaster Recovery (BRDR)

Project Description
 This project was initiated to facilitate the procurement and implementation of Systems and Data Backup and Restore and Systems and Data Disaster Recovery (BR/DR) services.

Business Benefits
 The delivery and maintenance of a BR/DR solution that allows CalPERS 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.

Start Date: 8/1/16	End Date: 6/29/18	Budget: \$7,000,000	Total Expended: \$138,180
------------------------------	-----------------------------	-------------------------------	-------------------------------------

Overall Health Status: ▲ Warning	Percent Complete: 50%
---	------------------------------

Status Explanation:
 DXC ES was selected as the vendor to provide a BR/DR solution. The vendor is onsite and has begun discovery activities to better understand CalPERS systems and operations. Once discovery activities have completed, we will collaborate to finalize a project schedule that will be used as a roadmap for solution implementation.

Critical Risks/Mitigation:
 A solution may not be in place by the time that the existing contract expires on June 30, 2018. This is dependent on the agreed to implementation schedule. There may be a need to extend the existing solution beyond the expiration date. As a contingency, a board request has been prepared to allow for an extension. The provider has agreed to partial years by quarter.

Critical Issues/Strategy:
 Selection of a new BR/DR solution provider was behind schedule which negatively impacted the intended implementation start date. Now that a vendor has been selected, the intention is to complete, simultaneously, as many tasks as possible so that implementation is finished as soon as possible.

Major Accomplishments:
 A contract has been signed with DXC ES for a BR/DR solution.

Chief Information Officer Report | Finance and Administration Committee 1/1/18 to 3/31/18

Information Technology Services Branch | CalPERS Education Center (CEC) Redesign

Project Description
 The project will completely redesign the MyCalPERS sub application used by the Customer Service and Outreach Division (CSOD) - Customer Contact Center (including Regional Offices).

Business Benefits
 This project will provide: integration with existing systems, customized evaluations and reports, a more user-friendly registration process, reduce manual workarounds, customized education, multiple service delivery channels, and consistency of educational information.

Start Date: 6/24/15	End Date: 10/1/18	Budget: \$2,196,727	Total Expended: \$832,463
-------------------------------	-----------------------------	-------------------------------	-------------------------------------

Overall Health Status: ▲ Warning	Percent Complete: 75%
---	------------------------------

Status Explanation:
 The project has identified additional scope related to new Accessibility Guidelines. A strategy has been implemented to address the accessibility guidelines prior to the June 2018 production launch.

Critical Risks/Mitigation:
 None.

Critical Issues/Strategy:
 The project team will take corrective action in order to comply with the Accessibility Guidelines by April 30, 2018. Any additional delays to the CEC June 2018 launch date will impact participants ability to register for the August CalPERS Benefit Education Event (CBEE).

Major Accomplishments:
 Developed the data structures to store information for the Events and Appointments Group. This will allow the Customer Service and Outreach Division (CSOD) to create statistical reports to measure effectiveness based on Events and Appointment data. It will also assist in identifying educational staffing needs and provide input into future CSOD initiative planning.

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 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 Narrative Status:

Performance data will be available in August 2018. 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

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:

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 Narrative Status continued:

probability to increase, because a future loss would cause a larger increase in the employer contribution rate. Eventually though, in any given 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 Unfunded Actuarial Liability. 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 (as of 3/31/18)

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 Narrative Status:

Performance data will be available in August 2018. 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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 Narrative 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 Unfunded Actuarial Liability. 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 (as of 3/31/18)

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 employer 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 Narrative Status:

Performance data will be available in August 2018. 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

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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 Narrative Status continued: assumptions. Unfunded liabilities from these events are amortized over 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 (as of 3/31/18)

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:

Baseline will be established July 2018 (Public agency reviews released after 7/1/17)

Target: 80% of Employer Review Observations closed within 12 months

KPI Narrative Status: This KPI is in development to measure the timeliness of public agency review finding resolution. When a final Public Agency Review audit report is issued, the appropriate program areas have up to 12 months to assist the agency into gaining compliance with Public Employees' Retirement Law (PERL) and its contract with CalPERS. This measure supports the Audit Compliance & Resolution Process established in 2017 to hold employers accountable to resolving findings in a timely manner. Data collection for this KPI will begin with the first audit cycle of 2018-19, which is anticipated for release in September 2018.

Refresh Frequency: Quarterly

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

Thresholds:

- 70% and above
- ▲ 60-69%
- 59% and below

Status:

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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:

The KPI measures the performance of the Core Process by setting standards for performance (baseline and target).

Timely submission of Statement of Economic Interests (Form 700) by Board members and employees.

The KPI measure influences the Operational Outcome Measure by prompting changes to processes and procedures that promote and increase compliance.

Baseline:

98% (for the 2016 calendar year)

Target:

100%

KPI Narrative Status:

Performance data will be available in May 2018. ECOM 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 1040 annual filers, of which 1007 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. Furthermore, ECOM’s reporting range is for the prior calendar year (2017), not current calendar year (2018); therefore the status is reflective of filers who have filed timely based on the end of the filing season April 2, 2018.

Refresh Frequency: Annually, May

Reporting Range: January – December 2017

Thresholds:

- 90% to 100%
- ▲ 75% to 89%
- 75% and below

Status:

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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)	Cyber security risk rating REPORTED IN CLOSED SESSION

KPI Description:

Information to be provided in closed session.

Baseline:

Information to be provided in closed session.

Target:

Information to be provided in closed session.

KPI Narrative Status:

Information to be provided in closed session.

Refresh Frequency: Information to be provided in closed session

Reporting Range: Information to be provided in closed session

Thresholds: Information to be provided in closed session

Status: Information to be provided in closed session

2017-22 Operational Measures | Key Performance Indicator Summary (as of 12/31/17)

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:

Our 2016 baseline is 88.25% based on the:

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

For the 2017-18 year we are currently at 100% of our target.

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 Narrative Status:

We began collecting data to determine our threshold in the 16/17 fiscal year. We will have enough performance data available in July 2019 to develop the threshold. CalPERS Headquarters conducted a planned enterprise-wide offsite evacuation drill on Monday, October 16, 2017 at 2:30pm:

Refresh Frequency: Annually, July

Reporting Range: Fiscal Year 2017-18

Thresholds: Under development



Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 12/31/17)

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

- 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)

As of April 2018, Our FWT participation is at 87%, exceeding our target of 85%. We have met our 85% target for ERT, and continue to hold Biannual FWT training, Annual ERT training, quarterly mock drills, and at least quarterly communications regarding emergency evacuation assistance. We are working to increase our marketing and education around FWT, ERT, and emergency evacuation assistance for those with special assistance needs for greater team member engagement and participation.

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 Narrative Status:

98% of employers are current on their CalPERS obligations as of March 31, 2018.

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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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)	Business Continuity Readiness INFORMATIONAL KPI

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:

Not applicable as KPI is Informational

Target:

Not applicable as KPI is Informational

KPI Narrative 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: Fiscal Year 2016-17

Thresholds: Not applicable as KPI is Informational

Status: Not applicable as KPI is Informational

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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)	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 Narrative Status:

As of March 2018, all four RRPD green belt candidates completed Green Belt training, all 4 projects initiated a Lean improvement, and RRPD is on target to receive certification by June 2018. For Lean White Belt training participation as data will not be available until June 2018.

Refresh Frequency:

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

Reporting Range: Four RRPD green belt candidates completed Green Belt training in October 2017.

Thresholds:

- Approx. 15% increase in participation per quarter or 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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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	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 Narrative Status:

Performance data will be available in October 2018. 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

Refresh Frequency: Annually, October

Reporting Range: Fiscal Year 2017-18

Thresholds:

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

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 Narrative Status continued:

a positive impact on service level 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 will 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 (as of 3/31/18)

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	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 Narrative Status:

Performance data will be available in October 2018.

Mitigation measures will continue to develop over FY 17/18. Our effort includes 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

Refresh Frequency: Annually, October

Reporting Range: Fiscal Year 2017-18

Thresholds:

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

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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 Narrative Status continued:

monthly and this document will be used to determine on track status. Additionally, policies and procedures are being developed to clearly 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 (as of 3/31/18)

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: 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:

High performing range of greater than 59%

KPI Narrative Status:

Performance data will be available in December 2018

Refresh Frequency: Annually, December

Reporting Range: October-September

Thresholds:

- Above 59% represents high performance
- ▲ 40-59% represents average performance
- Under 40% represents low performance

Status:

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: 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 (On-Target).

KPI Narrative Status:

- For Quarter 3: Of the 37 Strategic Measures, 34 are On-Target, pending data refresh, or under development, two are Off-Target, and one is reported in Closed Session.
- For Quarter 3: Of the 37 Business Plan Initiatives, 36 are On-Target, and one is reported in Closed Session.
- For Quarter 3: Of the 48 Key Performance Indicators, 45 are On-Target, pending data refresh, or under development, two are Off-Target, and one is reported in Closed Session.

Refresh Frequency: Quarterly, End of quarter

Reporting Range: Fiscal Year 2019-20, Q1

Thresholds:

- 85%+
- ▲ 80-84.9%
- Below 80%

Status:

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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: Supportive & Engaged Leadership

Owner: Doug Hoffner

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

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 Narrative Status:

Informational data will be available in July 2018. Monthly deliverables for each initiative set-forth above were met and the Sustainability Roadmap, administered by DGS was completed in December 2017.

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 (as of 3/31/18)

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)	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 positions was 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. Current baseline is 74% with the average time to hire being 97 days. A new baseline will be established in September 2018 when the updated list of hard-to-recruit positions is being used.

Target:

70% of Hard-to-Recruit Positions filled within 120 days of recruitment initiation. The target and thresholds may be adjusted after the new baseline is established in September 2018.

KPI Narrative Status:

Performance data will be available in September 2018. HRSD is collaborating with business partners to fully 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.


Refresh Frequency:


Annually, September

Reporting Range: July 1, 2017 – December 31, 2017

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

 70% at 120 Days

 55% to 69% at 120 Days

 54% and below at 120 Days

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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)	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:

High performing range of greater than 59%

KPI Narrative Status:

Performance data will be available in December 2018.

Refresh Frequency: Annually, December

Reporting Range: October-September

Thresholds:

- Above 59% represents high performance
- ▲ 40-59% represents average performance
- Under 40% represents low performance

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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)	Turnover INFORMATIONAL KPI

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 Narrative Status:

For the 2016-17 FY, the external turnover rate for CalPERS is 10.4%

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 (as of 3/31/18)

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)	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:

High performing range of greater than 59%

KPI Narrative Status:

Performance data will be available in December 2018.

Refresh Frequency: Annually, December

Reporting Range: October-September

Thresholds:

- Above 59% represents high performance
- ▲ 40-59% represents average performance
- Under 40% represents low performance

Status:

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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)	Our Promise and Annual Food Drive INFORMATIONAL KPI

<p>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.</p> <p>Baseline: Not applicable as KPI is Informational</p> <p>Target: Not applicable as KPI is Informational</p> <p>KPI Narrative Status: We successfully streamlined the fall Our Promise events while still maintaining an active campaign. Though the overall amount raised was down from the previous year, participation was high, and the amount raised for our first-ever silent auction easily surpassed the chili cook-off, which it replaced.</p>	<p>Refresh Frequency: Annually, January</p> <p>Reporting Range: 2017 fundraising efforts</p> <p>Thresholds: Not applicable as KPI is Informational</p> <p>Status: Not applicable as KPI is Informational</p>
--	--

2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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)	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:

100% as of 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 Narrative Status:

100% as of March 31, 2018.

Refresh Frequency: Quarterly, month following end of preceding 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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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:

100% as of November 2017.

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 Narrative Status:

100% as of March 31, 2018.

Refresh Frequency: Quarterly, month following end of preceding 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:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 3/31/18)

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:

High performing range of greater than or equal to 70%

KPI Narrative Status:

Performance data will be available in December 2018.

Refresh Frequency: Annually, December

Reporting Range: October-September

Thresholds:

- ≥ 70% and above represents high performance
- ▲ 60-69% represents average performance
- ≤ 59% represents low performance

Status:
