

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 Fourth 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 fourth quarter (April 1, 2018 – June 30, 2018), as well as for the previous three quarters. Additional performance details can be found on the summary sheets for each KPI. Please note that Informational KPIs are non-performance driven.

Fourth Quarter KPI Performance:

- 18 On-Target (Green)
- 1 At-Risk (Yellow)
- 19 Pending refresh
- 3 Data not available
- 6 Informational
- 1 Closed session item

Thresholds have been established for all non-Informational KPIs; they afford us the ability to assess performance, and identify whether these KPIs are On-Target, At-Risk, or Off-Target.

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

| Reliable Steward of Funds | Q1 Status | Q2 Status | Q3 Status | Q4 Status | Date (Upcoming Refresh) | Page Number |
|--|-----------|-----------|-----------|-----------|-------------------------|-------------|
| GASB 68 reports completed timely | N/A | N/A | N/A | N/A | Informational | 6 |
| Produce CAFR with no material weaknesses | N/A | N/A | N/A | N/A | Informational | 7 |
| % forecast to actual expenses (annually) | ** | * | * | * | December 2018 | 8 |
| Maintain appropriate reserve levels | ● | * | * | ● | May 2019 | 9 |
| Stay within risk boundaries for Total Fund | ● | ● | ● | ● | September 2018 | 10 |
| % of moderate and elevated risk Target Operating Model (TOM) functions | ▲ | * | * | ▲ | December 2018 | 5 |
| Strategic asset allocation ranges (if outside approved ranges) | ● | ● | ● | ● | September 2018 | 11 |
| Liquidity coverage ratios accuracy | ● | ● | ● | ● | September 2018 | 12 |
| Cash forecasting accuracy | ● | ● | ● | ● | September 2018 | 13 |
| Generate liabilities and rates for pension funding | ● | * | * | * | September 2018 | 14 |
| Generate liabilities for Long-Term Care program | ● | ▲ | ● | * | February 2019 | 15 |

| Customer Satisfaction Driven Organization | Q1 Status | Q2 Status | Q3 Status | Q4 Status | Date (Upcoming Refresh) | Page Number |
|---|-----------|-----------|-----------|-----------|-------------------------|-------------|
| Customer satisfaction | ● | ● | ● | ● | September 2018 | 16 |
| Benefit payment accuracy | ** | ● | ● | ● | September 2018 | 17 |
| Benefit payment timeliness | ● | ● | ● | ● | September 2018 | 18 |
| Health plan scorecard of 90% or better | ● | * | * | ● | June 2019 | 19 |

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

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

| Open & Transparent Communication | Q1 Status | Q2 Status | Q3 Status | Q4 Status | Date (Upcoming Refresh) | Page Number |
|--|-----------|-----------|-----------|-----------|-------------------------|-------------|
| % of employer participation in CalPERS events | * | * | * | * | October 2018 | 20 |
| Member education satisfaction | ● | ● | ● | ● | September 2018 | 21 |
| Employer education satisfaction | ● | ● | ● | ● | September 2018 | 22 |
| Member rating on Stakeholder Perception Survey | * | * | ● | * | February 2019 | 23 |
| Employer rating on Stakeholder Perception Survey | * | * | ■ | * | February 2019 | 24 |
| Stakeholder rating on Stakeholder Perception Survey | * | * | ● | * | February 2019 | 25 |
| % of community reach | * | * | * | ● | July 2019 | 26 |
| Member, employer & stakeholder rating on Perception Survey | * | * | ■ | * | February 2019 | 27 |

| Efficient & Effective Organization | Q1 Status | Q2 Status | Q3 Status | Q4 Status | Date (Upcoming Refresh) | Page Number |
|--|-----------|-----------|-----------|-----------|-------------------------|-------------|
| IT capability (CEM) | ● | * | ● | * | July 2019 | 28 |
| Project portfolio health | * | ● | ● | ● | September 2018 | 29 |
| Probability of high employer contribution rates | ■ | * | * | * | August 2018 | 31 |
| Probability of PERF falling below 50% funded over the next 30 years | ● | * | * | * | August 2018 | 33 |
| Probability of sharp single-year increase in employer contribution rates | ● | * | * | * | August 2018 | 35 |
| Timely resolution of public agency reviews | □ | ** | ** | ** | September 2018 | 37 |
| Form 700 completed timely | * | * | * | ● | May 2019 | 38 |
| Cyber security risk rating | N/A | N/A | N/A | N/A | Closed session | 39 |
| Ensure evacuation readiness | ** | ** | ** | ** | July 2019 | 40 |

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

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

| | | | | | | |
|---|-----|-----|-----|-----|----------------|----|
| Business continuity readiness | N/A | N/A | N/A | N/A | Informational | 42 |
| Employers current on CalPERS pension obligations | * | ● | ● | ● | September 2018 | 43 |
| Lean adoption | * | ● | ● | ● | September 2018 | 44 |
| Contract/procurement requirements compliance | * | * | * | * | October 2018 | 45 |
| Contract & procurement agreement service level compliance | * | * | * | * | October 2018 | 47 |

| Supportive & Engaged Leadership | Q1 Status | Q2 Status | Q3 Status | Q4 Status | Date (Upcoming Refresh) | Page Number |
|--|-----------|-----------|-----------|-----------|-------------------------|-------------|
| Team member assessment of Leadership | □ | * | * | * | December 2018 | 49 |
| Health of Enterprise Performance Reporting (EPR) Framework | ** | ** | ** | ** | FY 2018-19 | 50 |
| Operational sustainability report | N/A | N/A | N/A | N/A | Informational | 51 |

| Team Member Engagement | Q1 Status | Q2 Status | Q3 Status | Q4 Status | Date (Upcoming Refresh) | Page Number |
|--|-----------|-----------|-----------|-----------|-------------------------|-------------|
| Average time to hire for hard-to-recruit positions | ** | * | * | * | September 2018 | 52 |
| Recognition and wellness perceptions | ** | * | * | * | December 2018 | 53 |
| Turnover | N/A | N/A | N/A | N/A | Informational | 54 |
| Team members' perception of training and development | ** | * | * | * | December 2018 | 55 |
| Our Promise and annual food drive | N/A | N/A | N/A | N/A | Informational | 56 |
| 100% of all ideas responded to within 120 days | ** | ** | ● | ● | July 2018 | 57 |
| 80% of all viable ideas implemented as scheduled | ** | ** | ● | ● | July 2018 | 58 |
| Response rate of employee engagement survey | ** | * | * | * | December 2018 | 59 |

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 6/30/18)

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 June 2018, the Investment Office is at risk with the following TOM levels; Moderate: 45.8%, and Elevated: 8.3%, for combined total of 54.1%. As compared to the baseline of 58.3%, INVO is trending in a positive direction.

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 6/30/18)

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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 December.

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. ACTO is on target to have the reports ready in December.

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 6/30/2018, based on demographic experience during the 2016-17 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 6/30/18)

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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 6/30/18)

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Operational Outcome Measure: Reliable Steward of Funds

Owner: Marlene Timberlake D'Adamo

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

KPI Description:

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

Baseline:

The 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 6/30/18)

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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:

This KPI is On-Target - all reserves and targets were met.

Refresh Frequency: Annually, May

Reporting Range: Annually, May

Thresholds:

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

Status:



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Operational Outcome Measure: Reliable Steward of Funds

Owner: 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: Forecast active tracking error of 0.5% is within guidelines of 1.5%. Large share of the tracking error could be attributed to private asset classes (private equity and real assets)

Refresh Frequency: Quarterly

Reporting Range: FY 2017-2018

Thresholds:

- 0% to 1.41%
- ▲ 1.42% – 1.49%
- Greater than 1.50%

Status:



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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 Weight | Policy Range Relative to Target |
|-------------------------|---------------|---------------------------------|
| Growth | | |
| Public Equity | 50% | +/-7% |
| Private Equity | 8% | +/-4% |
| Income | 28% | +/-6% |
| Real Assets | 13% | +/-5% |
| Inflation Assets | 0% | +3% /-0% |
| Liquidity | 1% | +3% /-6% |
| Total Fund | 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:

As of June 30, 2018, the current asset allocation ranges remain within approved targets.

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 6/30/18)

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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:


As of June 2018, this KPI is On-Target with the variances 18.51% for the reporting period.


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 6/30/18)

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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:


As of June 2018, the status is On-Target due to the actual variances for defined benefit funds being 8.81%. All defined benefit pension plan fund forecasts had variances that were less than 10%.


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 6/30/18)

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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. Our office is working to complete all plans by deliverable date.

Refresh Frequency: Annually, September

Reporting Range: Actual experience for an entire fiscal year 2016-17. 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 6/30/18)

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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 (LTC) 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 LTC 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 Actuarial team was ready to present the LTC valuation in February to adopt the 5.25% discount rate. However, the report could not be finalized until the change to the discount rate was adopted by the Board. The Board approved the change to the discount rate change in February. Subsequently, the LTC report date was moved back to the April Board meeting.

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:

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Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

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

KPI Description:

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

Baseline:

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 reflects a score of 92 percent for the FY 2017-18 Q4. This demonstrates sustained high customer satisfaction rates with our benefit payment processes.


Refresh Frequency: Quarterly

Reporting Range: April 1 - June 30, 2018

Thresholds:

 80% or above

 70-79%

 69% or below

Status:



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Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

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

KPI Description:

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

Baseline:

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 98 percent for the fourth quarter of 2017-18. This performance reflects an increase of one percentage point from the previous quarter, demonstrating sustained high level of accuracy during the benefit payment process.

Refresh Frequency: Quarterly

Reporting Range: April 1-June 30, 2018

Thresholds:

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

Status:



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Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

| | |
|---------------------------------|--|
| Core Process | Provide and Administer Retirement Benefits |
| Key Performance Indicator (KPI) | Benefit payment 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:

We achieved high performance in Benefit Payment Timeliness with a score of 95 percent for the fourth 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: April 1 - June 30, 2018

Thresholds:

 87% or above

 79-87%

 Below 79%

Status:



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Operational Outcome Measure: Customer Satisfaction Driven Organization

Owner: Donna Lum

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

KPI Description:

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

Baseline:

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

Target:

90%

KPI Narrative Status:


Results for January 2017- December 2017 are 96.73%

This KPI is driven by CalPERS team satisfaction with their health plan account management team for the prior 12 months.

Refresh Frequency: Annually, June

Reporting Range: January - December

Thresholds:

 90% or above

 85%-89%

 Less than 85%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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 6/30/18)

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) | 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:

Results for this KPI attest to high member satisfaction with our educational offerings with a score of 94 percent for the fourth quarter of 2017-18.


Refresh Frequency: Quarterly

Reporting Range: April 1 - June 30, 2018

Thresholds:

 80% or above

 70-79%

 Below 70%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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) | 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:

We performed well in this KPI with a score of 96 percent for the fourth quarter of 2017-18. This amounts to a three-percentage point increase from the previous quarter and reflects consistently high satisfaction with our Employer Response Dialogues and employer education offerings.

Refresh Frequency: Quarterly

Reporting Range: April 1 – June 30, 2018

Thresholds:

 80% or above

 70-79%

 Below 70%

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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 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:

Performance data will be available in February 2019.

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 6/30/18)

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 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:

Performance data will be available in February 2019.

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 6/30/18)

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 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:

Performance data will be available in February 2019.

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 6/30/18)

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.

Factors

- Visits to Public Website
- Total Social Media Followers
- CalPERS News and Ambassador Newsletter Email Subscriptions

Baseline:

234,863 Total Visitors, Followers & Subscribers (as of July 1, 2017)

Target:

274,559 Total Visitors, Followers & Subscribers (as of June 30, 2022)

- Total Increase (over 5 years): 39,696
- Annual Increase: 7,939

KPI Narrative Status:

Total New Users in FY 2017-18: 24,420.

Refresh Frequency: Annually, July

Reporting Range: Fiscal Year 2017-18

Thresholds:

- 7,939 and above
- ▲ 7,000 – 7,938
- Below 7,000

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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:

Performance data will be available in February 2019.

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 6/30/18)

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:

Performance data will be available in July 2019.

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 6/30/18)

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 6/30/2018 is 100%. The score is calculated using the project size and overall health score. There are six (6) projects in the portfolio, three (3) of which were completed in June.

The full portfolio summary is included as supporting documentation.

Refresh Frequency: Quarterly

Reporting Range: April 1, 2018 to June 30, 2018

Thresholds:







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

Status:



Information Technology Projects Dashboard

Report Date: 7/2/18

| Project Name | Status | Start Date | End Date | Total Budget | Total Expenditures | Overall Health |
|---|-----------|------------|------------|--------------|--------------------|---|
| my CalPERS Functional Optimization | Completed | 10/1/2014 | 6/30/2018 | \$73,845,000 | \$73,845,000 |  |
| Actuarial Valuation System Redesign and Enhancement (AVSRE) | Active | 3/6/2015 | 11/30/2018 | \$13,709,125 | \$4,639,585 |  |
| Windows 10 Upgrade | Completed | 8/24/2016 | 5/9/2018 | \$211,119 | \$211,119 |  |
| CalPERS Education Center (CEC) Redesign | Active | 6/24/2015 | 10/1/2018 | \$2,196,727 | \$2,098,434 |  |
| Identity Lifecycle Implementation | Completed | 7/1/2017 | 6/28/2018 | \$954,720 | \$947,724 |  |
| Backup, Restoration, and Disaster Recovery (BR/DR) Implementation | Active | 8/1/2016 | 11/30/2018 | \$7,000,000 | \$174,330 |  |

2017-22 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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) | 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 6/30/18)

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 6/30/18)

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) | 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 6/30/18)

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 6/30/18)

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) | 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 6/30/18)

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 6/30/18)

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:

Performance data will be available September 2018. 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 6/30/18)

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:

Enterprise Compliance is responsible for the completion of Annual Statement of Economic Interests (Form 700s) for CalPERS Board members, employees, and third parties. The Annual filings are due in April of each year.


In 2017, there were a total of 1046 annual filers, of which 1038 filed by the April 2, 2018 due date, or 99.24%. Enterprise Compliance continues to enhance communication and outreach to ensure Form 700 Statements are filed timely.


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 6/30/18)

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 |

| | |
|--|---|
| <p>KPI 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>KPI Narrative Status: Information to be provided in closed session.</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 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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) | 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.

Refresh Frequency: Annually, July

Reporting Range: Fiscal Year 2017-18

Thresholds: Under development



Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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:

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

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

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 6/30/18)

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 6/30/18)

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:

99% of employers are current on their CalPERS obligations as of June 30, 2018.

Refresh Frequency: Quarterly

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

Thresholds:



85-100% of employers current



60-84% of employers current



59% of employers current

Status:



2017-22 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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 four 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 four upcoming Green Belt projects.

Target:

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

KPI Narrative Status:

As of June 2018, about 35 percent of CalPERS leadership have participated in Lean White Belt training and all four RRPD green belt candidates completed Green Belt Training and a Lean improvement project.

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 6/30/18)

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:

- 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

*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

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 6/30/18)

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:

enterprise (while having 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 in 2018
- Audit finding well be available after audits are performed
- Continue working with the embedded OSSD compliance team to track and record contract compliance issues

2017-22 Operational Measures | Key Performance Indicator Summary (as of 6/30/18)

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 monthly and this document will be used to determine On-Target status.

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 6/30/18)

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: 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 6/30/18)

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: Ted Eliopoulos

| | |
|---------------------------------|--------------------------------------|
| 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 6/30/18)

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: Ted Eliopoulos

| | |
|---------------------------------|--|
| 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 4: Of the 37 Strategic Measures, 32 are On-Target or in a pending refresh, data not available, or under development status, two are At-Risk, two are Off-Target, and one is reported in closed session.
- For Quarter 4: Of the 37 Business Plan Initiatives, 34 are On-Target, one is At-Risk, one is Off-Target, and one is reported in closed session.
- For Quarter 4: Of the 48 Key Performance Indicators, 46 are On-Target or in a pending refresh, data not available, or under development status, one is At-Risk, 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 6/30/18)

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: Ted Eliopoulos

| | |
|---------------------------------|--|
| 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 6/30/18)

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) | 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 6/30/18)

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) | 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 6/30/18)

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) | 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 6/30/18)

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) | 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 6/30/18)

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) | 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. Also, our CEO, Marcie Frost, served as vice chair of the statewide Our Promise Leadership Team.</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 6/30/18)

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 June 30, 2018.

Refresh Frequency: Quarterly, month following end of preceding quarter

Reporting Range: April -June 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 6/30/18)

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 June 30, 2018.

Refresh Frequency: Quarterly, month following end of preceding quarter

Reporting Range: April-July 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 6/30/18)

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) | 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:

