

Draft Strategic Measures

Strategic Measures will demonstrate progress in meeting our Goals and Objectives. This is a compilation of measurements that have been identified as potential Strategic Measures for the draft 2022-27 Strategic Plan. This information currently exists as a part of our Enterprise Performance Management system that is currently shared with the Board and the public and will be refined as we move into the new 5-year plan. The Strategic Measures have been separated by Goal for easy reference.



MEMBER EXPERIENCE

Ensure member satisfaction through accuracy, responsiveness, and respect

Strategic Measure Summary

Measure Title: Benefit Payment Accuracy

Executive Owner: Anthony Suine

Strategic Goal: Member Experience

Strategic Objective: Deliver accurate benefits to our members and their beneficiaries

Associated Initiatives: Estimate comparison project

Status: On-Target

Numeric Status: 98%

Description: Collecting data and measuring performance on the accuracy of the benefit payments we issue ensures our customers receive the benefits they have earned and aids in long term stability for the fund.

Baseline: FY 2017-18, Quarter 2: 98%

Target: Issue 98% of identified benefit payments within accuracy expectations

Refresh Frequency: Quarterly

Reporting Range: 10/01/2021 – 12/31/2021

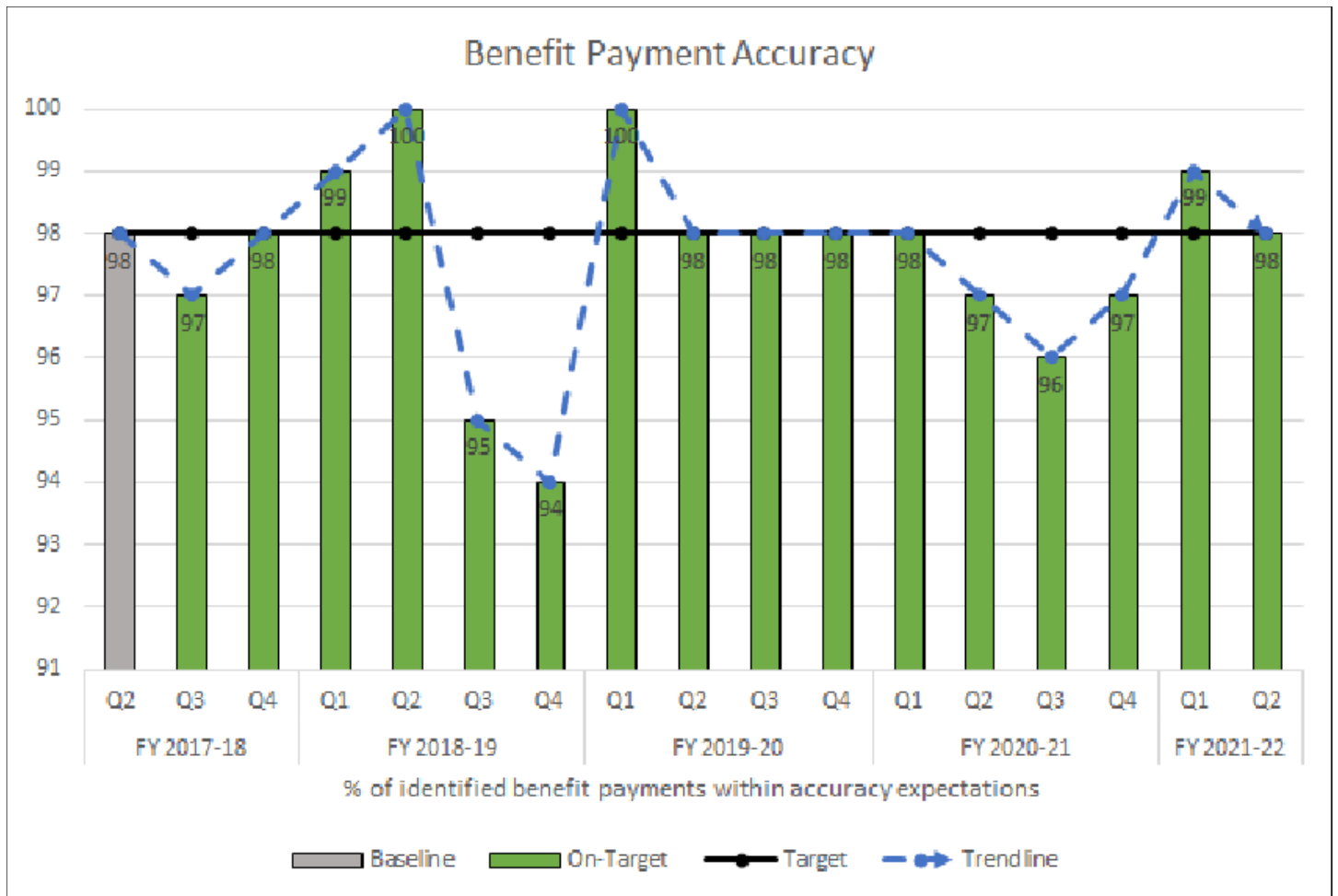
Thresholds:

On-Target:	90% or above
At-Risk:	83% - 89%
Off-Target:	Below 83%

Status Narrative:

This KPI is on target for the reporting period.

Performance Trend Chart:



Strategic Measure Summary

Measure Title: Benefit Payment Timeliness

Executive Owner: Anthony Suine

Strategic Goal: Member Experience

Strategic Objective: Ensure that our members and their beneficiaries receive benefit payments on time

Associated Initiatives: To be determined

Status: On-Target

Numeric Status: 95%

Description: The key performance indicator for benefit payment timeliness measures one of our most critical priorities: ensuring that customers receive benefit payments on time. In FY 2017-18, 95% of identified benefit payments were made within our established service levels, reflecting our absolute commitment to issuing timely payments to our customers.

Baseline: FY 2017-18, Quarter 1: 95%

Target: Issue 95% of benefit payments within service level timeframes

Refresh Frequency: Quarterly

Reporting Range: 10/01/2021 – 12/31/2021

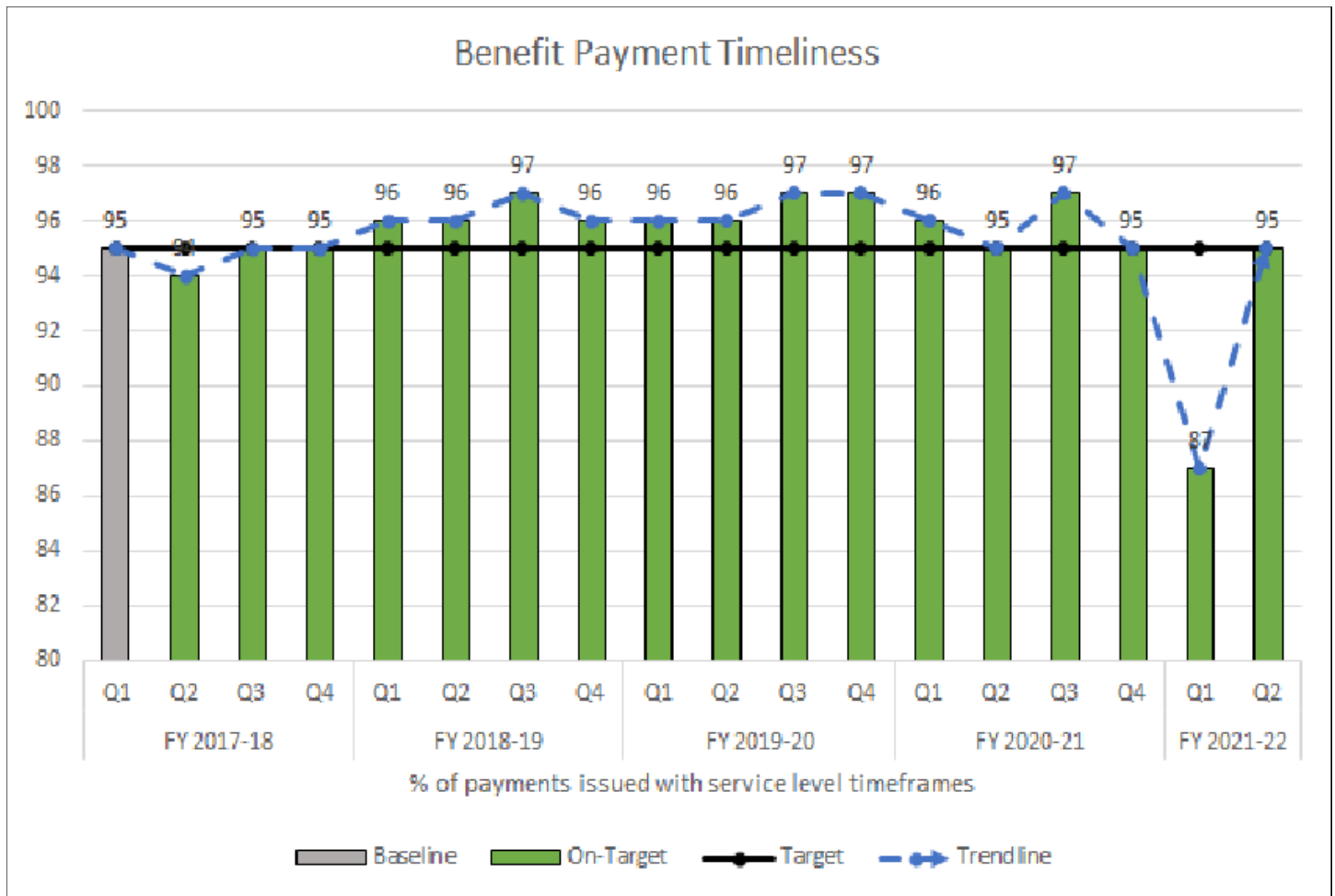
Thresholds:

On-Target:	87% or above
At-Risk:	79% - 86%
Off-Target:	Below 79%

Status Narrative:

This KPI is on target for this reporting period.

Performance Trend Chart:



Strategic Measure Summary

Measure title: Customer Satisfaction

Executive Owner: Anthony Suine

Strategic Goal: Member Experience

Strategic Objective: Enhance services, communication and education tools for our members

Associated Initiatives: Customer service projects; Hybrid education model; Publication enhancements; Benefit enhancements

Status: On-Target

Numeric Status: 91%

Description: To ensure we are listening to our customers and taking action on their feedback, we collect customer satisfaction surveys for many of our business processes. This key performance indicator measures the overall customer satisfaction rate with CalPERS ability to perform its most core function to provide and administer retirement benefits.

Baseline: FY 2017-18, Quarter 1: 86%

Target: Achieve an overall satisfaction rate of 90%, reflecting a positive customer experience across core processes

Refresh Frequency: Quarterly

Reporting Range: 10/01/2021 – 12/31/2021

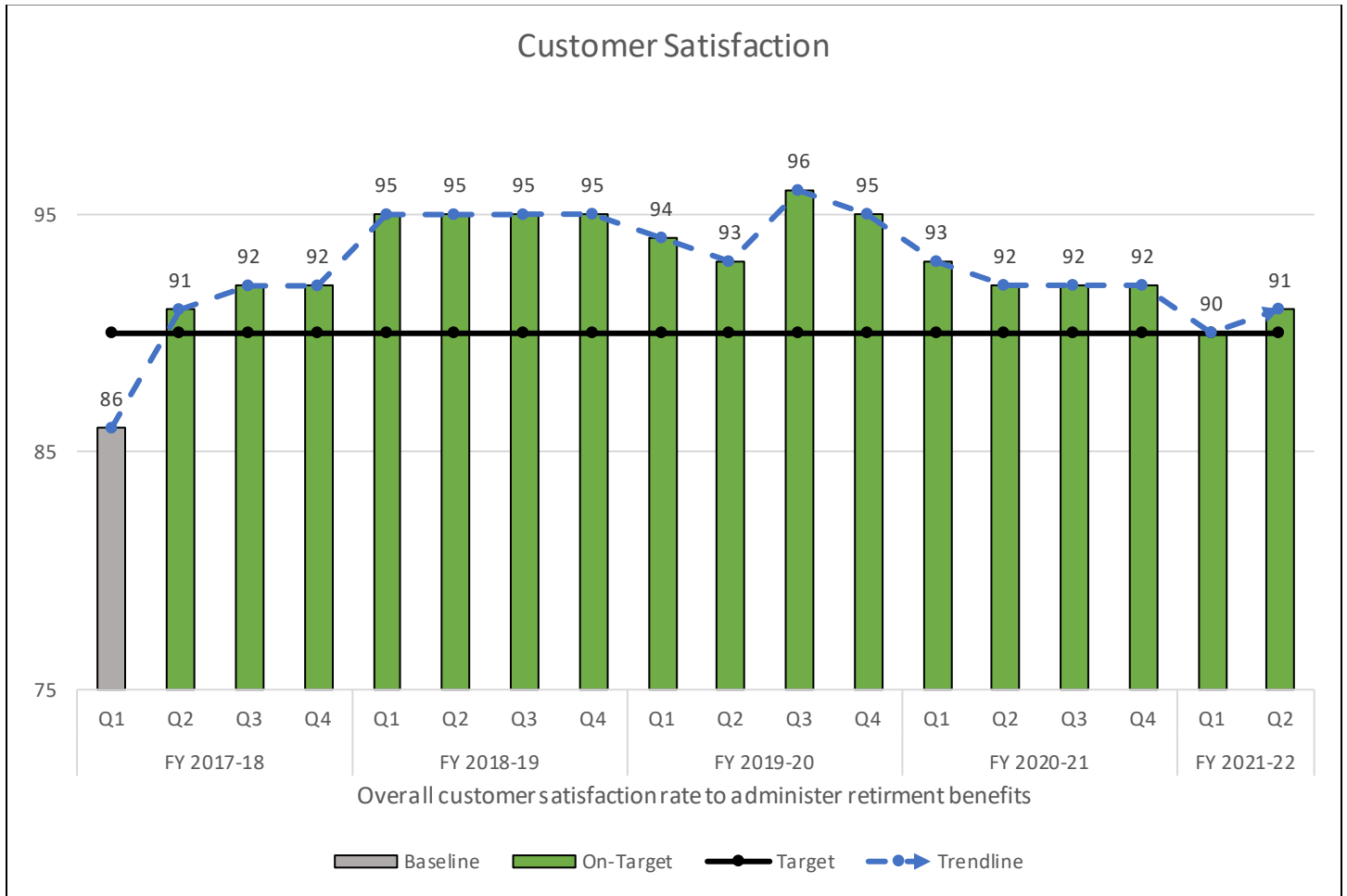
Thresholds:

On-Target:	80% or above
At-Risk:	70% - 79%
Off-Target:	69% or below

Status Narrative:

This KPI is on target for this reporting period

Performance Trend Chart:





PENSION SUSTAINABILITY

Strengthen the long-term sustainability
of the pension fund

Strategic Measure Summary

Measure Title: Funded Status

Executive Owner: Michael Cohen

Strategic Goal: Pension Sustainability

Strategic Objective: Balance the costs of future pension payments with the expected future investment risks and returns through the Asset Liability Management process

Associated Initiatives: Alignment of Asset Liability Management

Status: Pending Refresh

Numeric Status: 70.5% (as of August 2021)

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

As part of the CalPERS ALM cycle, the Board will examine the current funded status of the system and make decisions in alignment with the goal of strengthening the long-term sustainability of the pension fund. CalPERS is also focused on reducing complexity and system costs which will contribute positively to the Funded Status of the PERF. Annually the Actuarial Office provides the Funded Status of the previous fiscal year and Projected Funded Status of the current fiscal year. The inputs for this metric are influenced by five main factors:

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

The funded status is based on a 7.0% discount rate.

Baseline: PERF 67.9% (as of 6/30/17)

Target: Long-term (beyond the current strategic plan) funded status of 100%

Refresh Frequency: Annually, August

Reporting Range: 07/01/2019 – 06/30/2020

Thresholds:

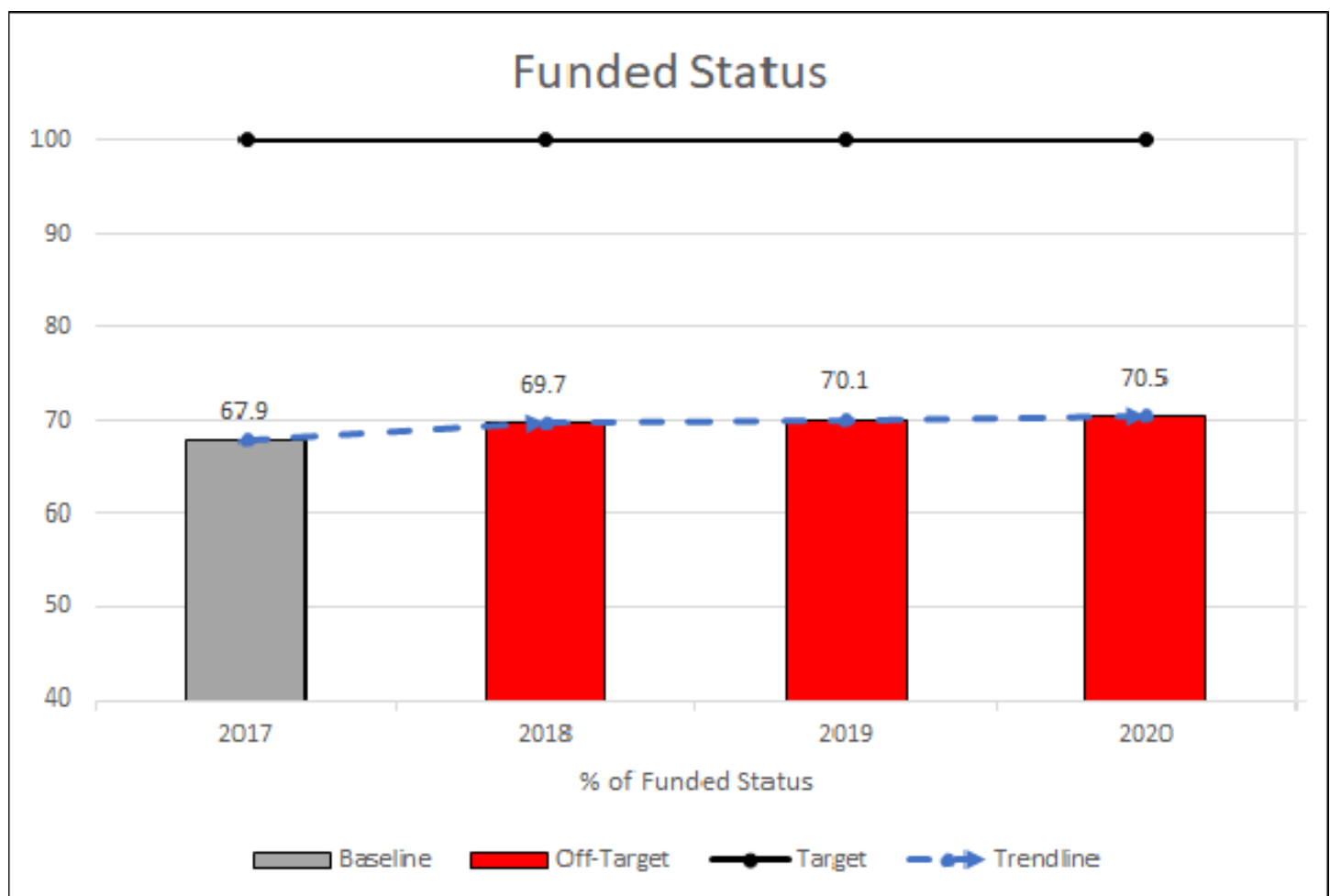
On-Target:	>100% Funded Status
At-Risk:	80% to 100% Funded Status
Off-Target:	<80% Funded Status

Status Narrative:

The PERF earned an overall investment return of 4.7% for FY 2019-20, which was less than the assumed return of 7.0% for the year. When combined with modest demographic losses for the year, this led to an overall funded status of 70.5% at June 30, 2020.

Off-Target Root Cause: As of June 30, 2020, the funded status was 70.5%, which was up from last year's 70.1%. Even with the increase in funded status, the measure was still off-target. CalPERS has developed a strategy to achieve a fully funded plan over several decades. Therefore, while this measure remains off-target in absolute numbers, it should be viewed in conjunction with the Projected Funded Status Measure to monitor progress toward reaching 100% funding. The status of this initiative is expected to be off-target for an extended period.

Next Steps: As part of the CalPERS ALM cycle, the Board will examine the current funded status of the system and make decisions in alignment with the goal of strengthening the long-term sustainability of the pension fund.

Performance Trend Chart:

Strategic Measure Summary

Measure Title:	Total Expected Fund Volatility						
Executive Owner:	Dan Bienvenue						
Strategic Goal:	Pension Sustainability						
Strategic Objective:	Mitigate the risk of significant investment loss while balancing contribution levels and volatility						
Associated Initiatives:	Alignment of Asset Liability Management; Total portfolio design; Total portfolio resources						
Status:	Pending Refresh (in September 2022)						
Numeric Status:	10.7% (as of 07/01/21)						
Description:	The expected probability the PERF has a negative return for the next fiscal year. Reported as of fiscal year-end, the metric incorporates: <ul style="list-style-type: none"> ○ Most recently Board approved Capital Market Assumptions (CMAs) ○ Forecasted volatility 						
Baseline:	Current Barra volatility estimate for PERF is 7.6%, as of 6/30/18						
Target:	Current total expected fund volatility is 8% or less, as of 7/1/18						
Refresh Frequency:	Annually, September						
Reporting Range:	07/01/20 – 06/30/21						
Thresholds:	<table> <tr> <td>On-Target:</td> <td>Equal to or less than the target</td> </tr> <tr> <td>At-Risk:</td> <td>1-50 basis points excess of target</td> </tr> <tr> <td>Off-Target:</td> <td>51 basis points or more excess of target</td> </tr> </table>	On-Target:	Equal to or less than the target	At-Risk:	1-50 basis points excess of target	Off-Target:	51 basis points or more excess of target
On-Target:	Equal to or less than the target						
At-Risk:	1-50 basis points excess of target						
Off-Target:	51 basis points or more excess of target						

Status Narrative:

As of July 1, 2021, this measure was Off-Target compared to the target of 8%.

Current forecast volatility of 10.7% vs. 11.5% in prior year:

- 0.8% volatility decrease over prior year is indicative of the plan's expected short-term return dispersion given the current market environment.
- Growth assets, especially public equities, remain the primary drivers of total volatility.
- This measure was off-target due in large part to changes to the risk model to align its calibration with PERF long-term investment horizon.

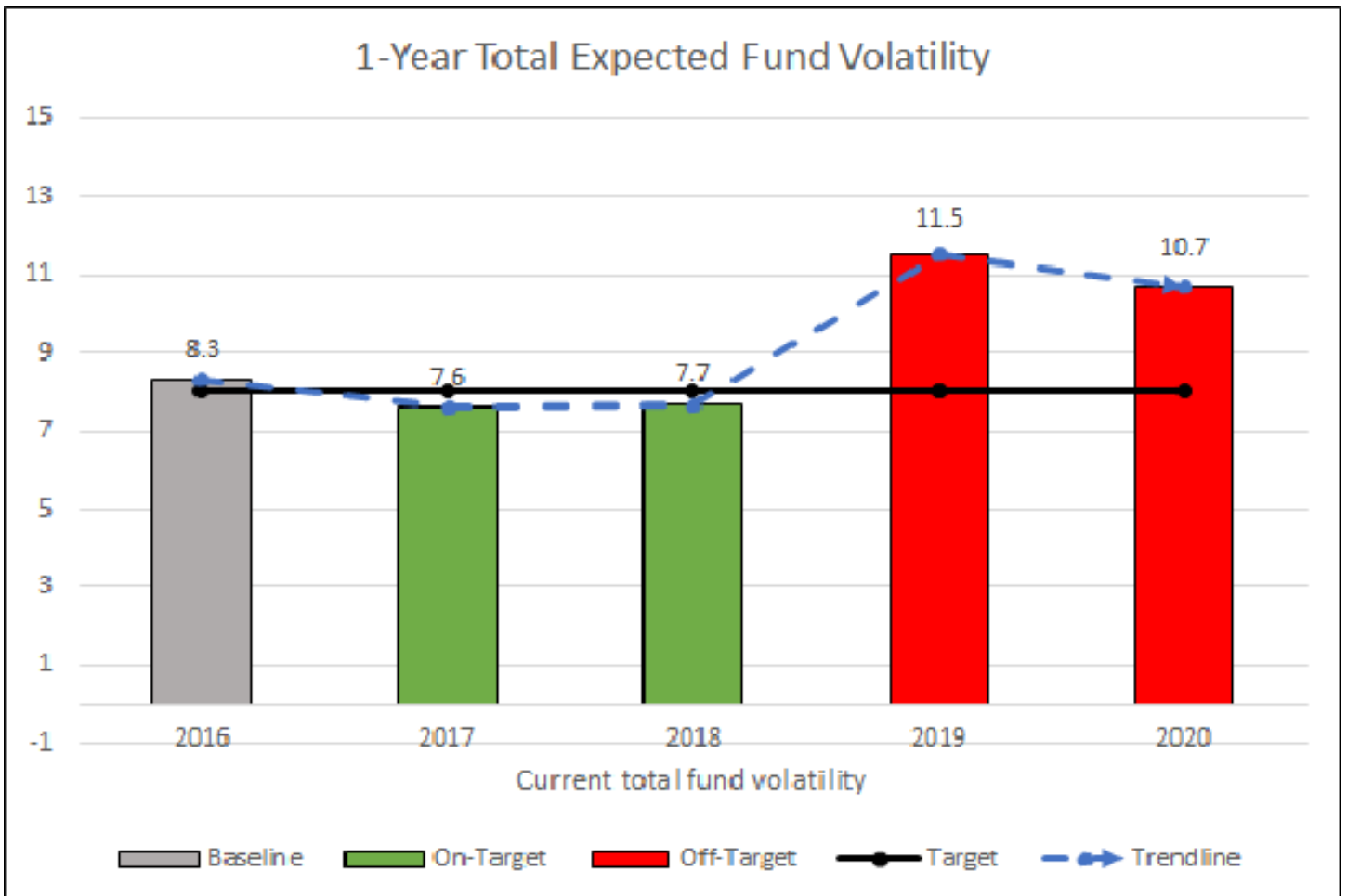
We are continuing review of investment capabilities to capitalize on strengths and reduce active risks that historically have not contributed positively to total fund outcome.

Next Steps:

- Maintaining a "Total Fund" approach and remaining focused on core competencies.

- Continuing review of investment capabilities to capitalize on strengths and reduce active risks that historically have not contributed positively to total fund outcome.

Performance Trend Chart:



Strategic Measure Summary

Measure Title:	Annualized (5-Year) Excess Investment Returns Relative to Total Fund Policy Benchmark						
Executive Owner:	Dan Bienvenue						
Strategic Goal:	Pension Sustainability						
Strategic Objective:	Deliver risk-adjusted investment returns to meet or exceed the expected rate of return						
Associated Initiatives:	Total fund investment strategy; Total fund investment decision-making process						
Status:	Pending Refresh (in September 2022)						
Numeric Status:	5-Year annualized PERF excess return of -13 basis points as of 6/30/2021						
Description:	Reported on a fiscal year-end basis, the metric will measure the effectiveness of the Investment Office in meeting the objective of achieving investment performance relative to relevant targets.						
Baseline:	The Total Fund policy benchmark will be recalculated on a rolling 5-year period.						
Target:	Meet or exceed the Total Fund policy benchmark.						
Refresh Frequency:	Annually, September						
Reporting Range:	FY 2016-17 through FY 2020-21						
Thresholds:	<table> <tr> <td>On-Target:</td> <td>Exceed Total Fund Policy Benchmark</td> </tr> <tr> <td>At-Risk:</td> <td>Meet or Trail Total Fund Policy Benchmark by up to 10 basis points</td> </tr> <tr> <td>Off-Target:</td> <td>Trail Total Fund Policy Benchmark by 10 basis points or more</td> </tr> </table>	On-Target:	Exceed Total Fund Policy Benchmark	At-Risk:	Meet or Trail Total Fund Policy Benchmark by up to 10 basis points	Off-Target:	Trail Total Fund Policy Benchmark by 10 basis points or more
On-Target:	Exceed Total Fund Policy Benchmark						
At-Risk:	Meet or Trail Total Fund Policy Benchmark by up to 10 basis points						
Off-Target:	Trail Total Fund Policy Benchmark by 10 basis points or more						

Status Narrative:

As of June 2021, this measure was reported as Off-Target.

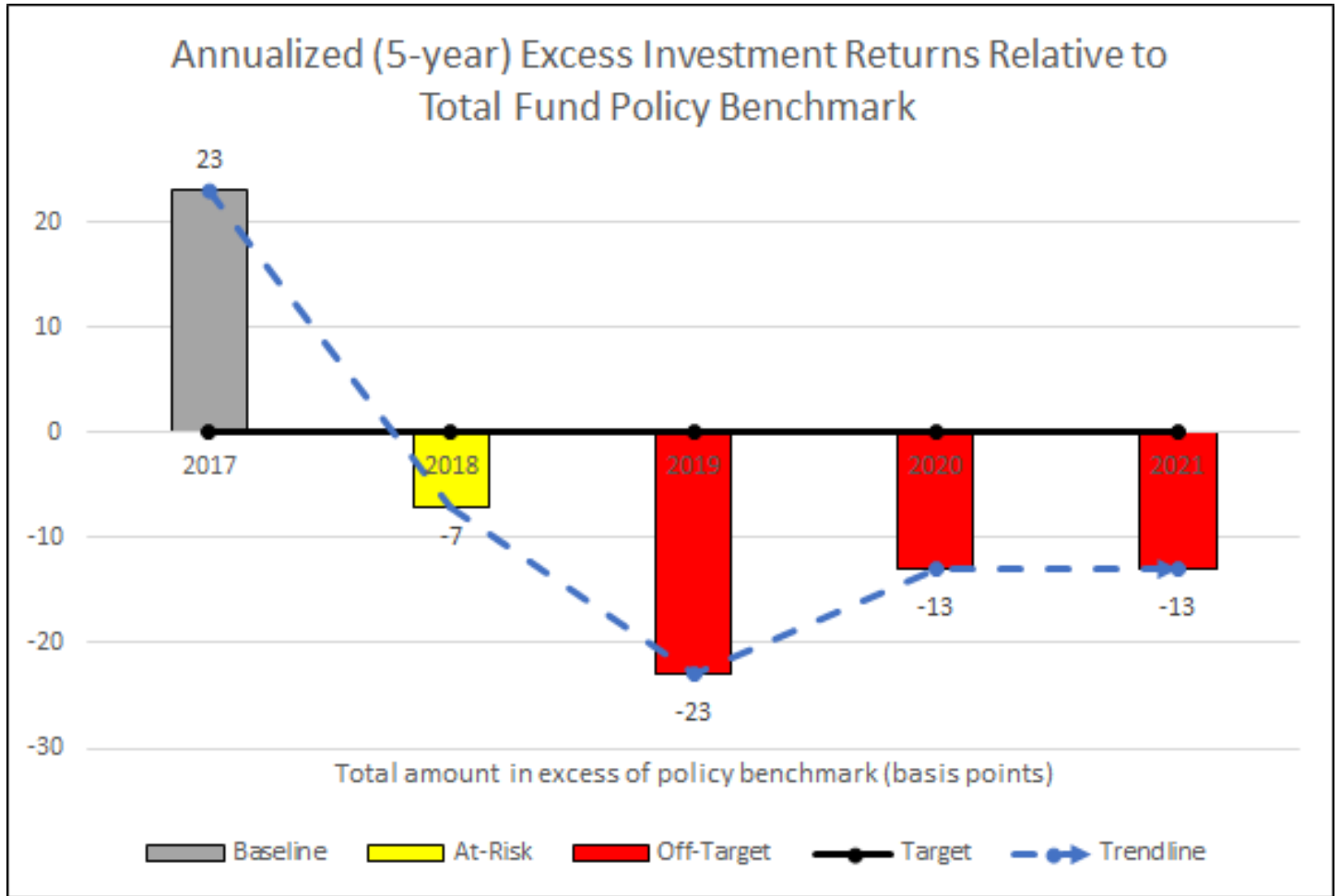
The PERF generated a 5-year annualized Total Net Return of 10.35% and underperformed the policy benchmark by 13 basis points.

The primary driver of the metric being off-target was Private Equity. Although Private Equity had the greatest 5-year annualized return, it underperformed its benchmark by more than 2%.

Next Steps:

- Continuing to maintain a “Total Fund” approach.
- Continue to consistently commit capital to Private Equity.
- Increase co-investment opportunities.

Performance Trend Chart:





EXCEPTIONAL HEALTH CARE

Ensure our members have access to equitable, high-quality, affordable health care

Strategic Measure Summary

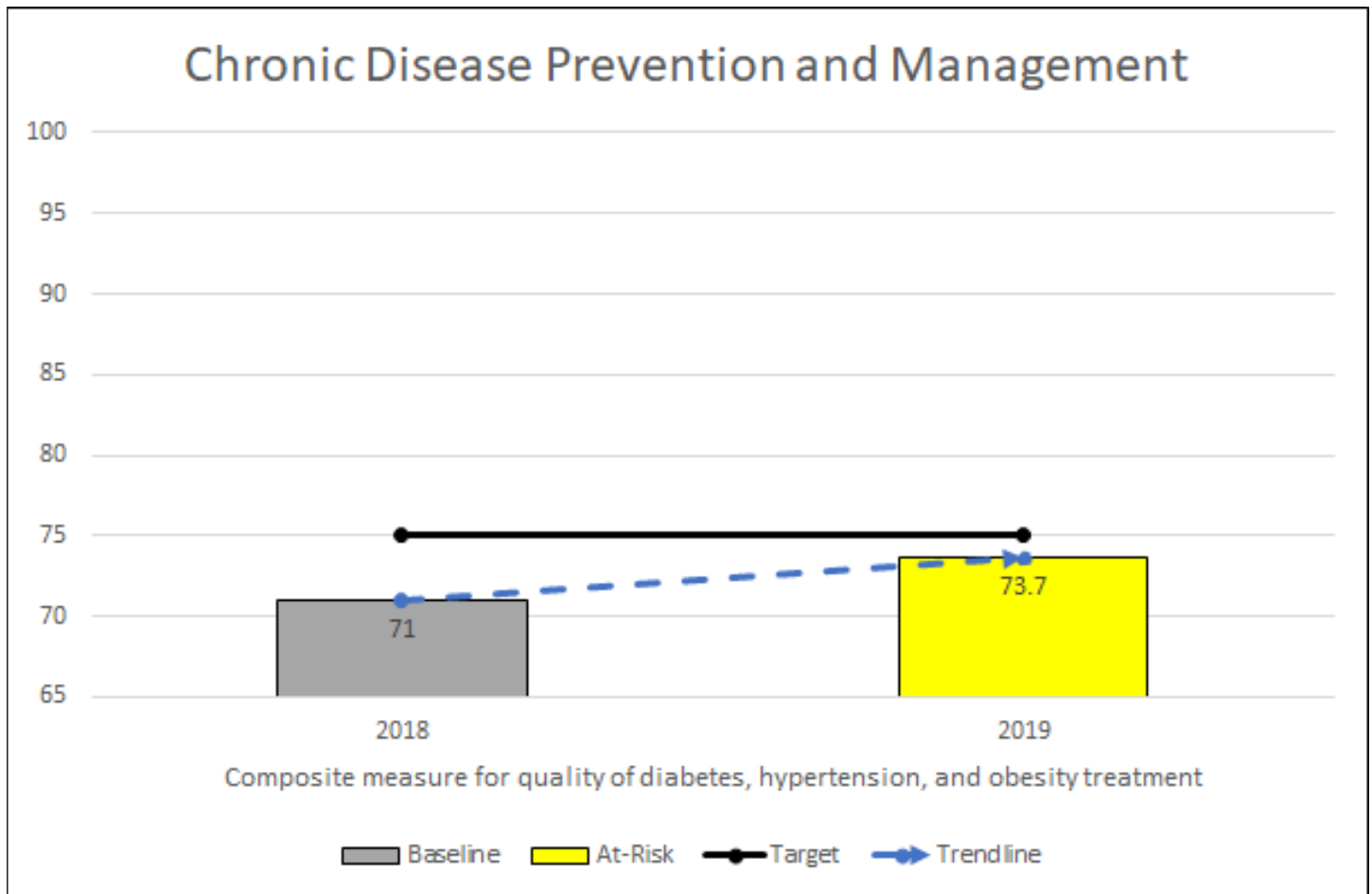
Measure Title:	Chronic Disease Prevention and Management	
Executive Owner:	Donald Moulds	
Strategic Goal:	Exceptional Health Care	
Strategic Objective:	Ensure our members receive high-quality health care	
Associated Initiatives:	Improve health data quality and application; Align health contract measures with CA major purposes; Promote and improve health equity	
Status:	Pending Refresh (in July 2022)	
Numeric Status:	73.7% (covering experience in 2019)	
Description:	<p>More than half of all Californians suffer from one or more chronic diseases and the rate continues to increase. Accompanying this increase are associated direct costs such as hospitalization, medical care and treatment supplies, and indirect costs, such as disability and lost time from work.</p> <p>Diabetes, high-blood pressure, and obesity are the three highest prevalence chronic diseases among CalPERS health care members. This composite measure evaluates the quality of diabetes, hypertension, and obesity treatment and prevention reported by our CalPERS health plans. The measure utilizes the following three Healthcare Effectiveness Data and Information (HEDIS) measures reported by our health plans to create the composite result:</p> <ul style="list-style-type: none"> • Diabetes Care: Hemoglobin A1C management • Hypertension: Controlling High Blood Pressure • Obesity counseling 	
Baseline:	71% (covering experience in 2018)	
Target:	75%	
Refresh Frequency:	Annually, July	
Reporting Range:	January 2019 – December 2019	
Thresholds:	On-Target:	75% or above
	At-Risk:	50 – 74.9%
	Off-Target:	Below 50%

Status Narrative:

As of July 2021, this Strategic Measure reported at 73.7%, which was an improvement from the previous year of 71%, however, it was below the 75% target and was At-Risk. This measure is a composite measure that includes measurement of three NCQA HEDIS measures: diabetes care, blood pressure control, and obesity management. While the health plans performed well on obesity management and blood pressure control, there was room for

improvement in diabetes care. In addition, several of the health plans have reported these measures using administrative data rather than a combination of administrative data and Electronic Health Record (EHR) data. This use of administrative data creates a data quality issue that may cause the rates to not be a true reflection of Health Plan performance. To address these issues, CalPERS has updated their contract requirements. Starting in 2022, Health Plans will be required to report their clinical performance measures in a standardized manner through the Integrated Health Care Association (IHA). This will improve the quality of the data reported. In addition, the Health Plans will be required to provide a quality improvement plan for every clinical quality measure that falls below the NCQA standard. This requirement will help to ensure that the Health Plans will engage in continuous clinical quality improvement and address gaps in clinical quality.

Performance Trend Chart:



Strategic Measure Summary

Measure Title:	Behavioral Health Prevention and Treatment
Executive Owner:	Donald Moulds
Strategic Goal:	Exceptional Health Care
Strategic Objective:	Ensure our members receive high-quality health care
Associated Initiatives:	Improve health data quality and application; Align health contract measures with CA major purchasers; Promote and improve health equity
Status:	Under Development
Numeric Status:	N/A
Description:	<p>Mental health disorders are among the most common health conditions Californians face serious mental illness that makes it difficult to carry out major life activities; and one in 13 children has an emotional disturbance that limits participation in daily activities. In 2018, \$349 million was spent on mental health disorders for Basic health plan members; the most common mental health condition was depression.</p> <p>This composite measure evaluates the quality of behavioral health prevention and treatment delivered to CalPERS health care members. It utilizes the following three Healthcare Effectiveness Data and Information Set (HEDIS) measures reported by our health plans to create a composite result:</p> <ul style="list-style-type: none"> • Depression management • Mental health acute care follow-up • Substance use treatment and engagement
Baseline:	To be determined
Target:	75%
Refresh Frequency:	To be determined
Reporting Range:	To be determined
Thresholds:	To be determined

Status Narrative:

As of July 2020, this is a new strategic measure and the data to develop the baseline and thresholds will be completed by March 2022. The Health Policy and Benefits Branch (HPBB) is continuing to develop our partnerships with other large health care purchasers to strategically align this measure to effectively evaluate behavioral health prevention and treatment for CalPERS' health care members. Performance data and the performance trend chart will be available when this measure is fully built out.

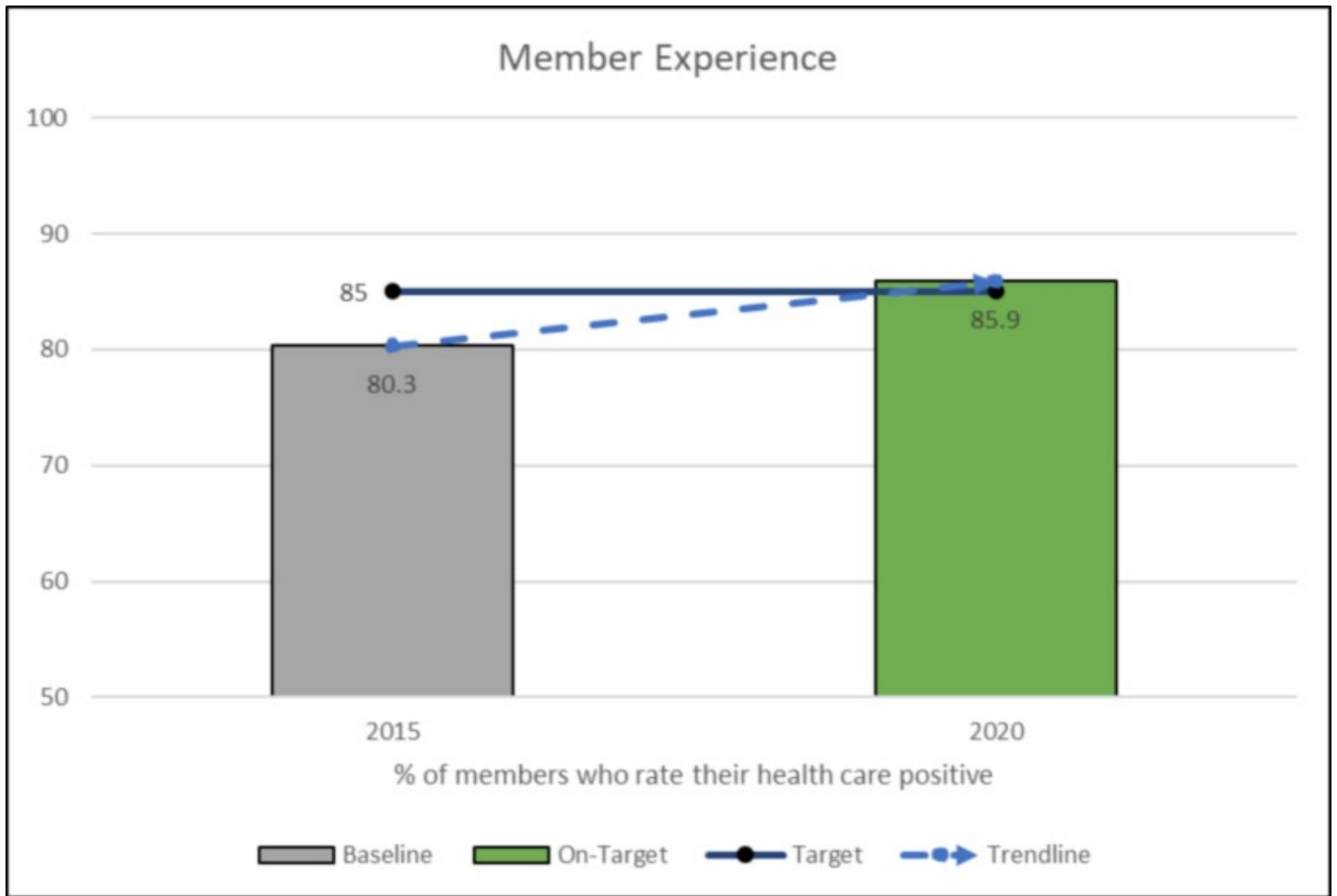
Strategic Measure Summary

Measure Title:	Health Care Member Experience	
Executive Owner:	Donald Moulds	
Strategic Goal:	Exceptional Health Care	
Strategic Objective:	Ensure our members have access to care when and where they need it	
Associated Initiatives:	Improve behavioral health access & quality; Clinical quality improvement programs	
Status:	Pending Refresh (in June 2022)	
Numeric Status:	85.9% (covering experience in 2020)	
Description:	<p>Percentage of CalPERS health care members who answered eight or higher on a zero to 10 scale, with 10 being the best health care possible, to the Health Plan Member Survey (HPMS) question, “Using any number from 0 to 10, where 0 is the worst health care possible and 10 is the best health care possible, what number would you use to rate all your health care in the last 12 months?”</p> <p>This metric represents the percentage of CalPERS health care members who rated their health care as positive. A higher percentage is considered good. Factors that can influence this measure include enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners</p>	
Baseline:	80.3% (covering experience in 2015)	
Target:	85%	
Refresh Frequency:	Annually, June	
Reporting Range:	January 2020 – December 2020	
Thresholds:	On-Target:	82% or above
	At-Risk:	80 – 81.9%
	Off-Target:	Below 80%

Status Narrative:

As of June 2021, this Strategic Measure reported at 85.9% and was On-Target. This item was previously reported as the “Rating of Health Care” Key Performance Indicator (KPI). The target and thresholds for this new Strategic Measure have been recalibrated to align with industry standard measurements from the National Committee for Quality Assurance (NCQA).

Performance Trend Chart:



Strategic Measure Summary

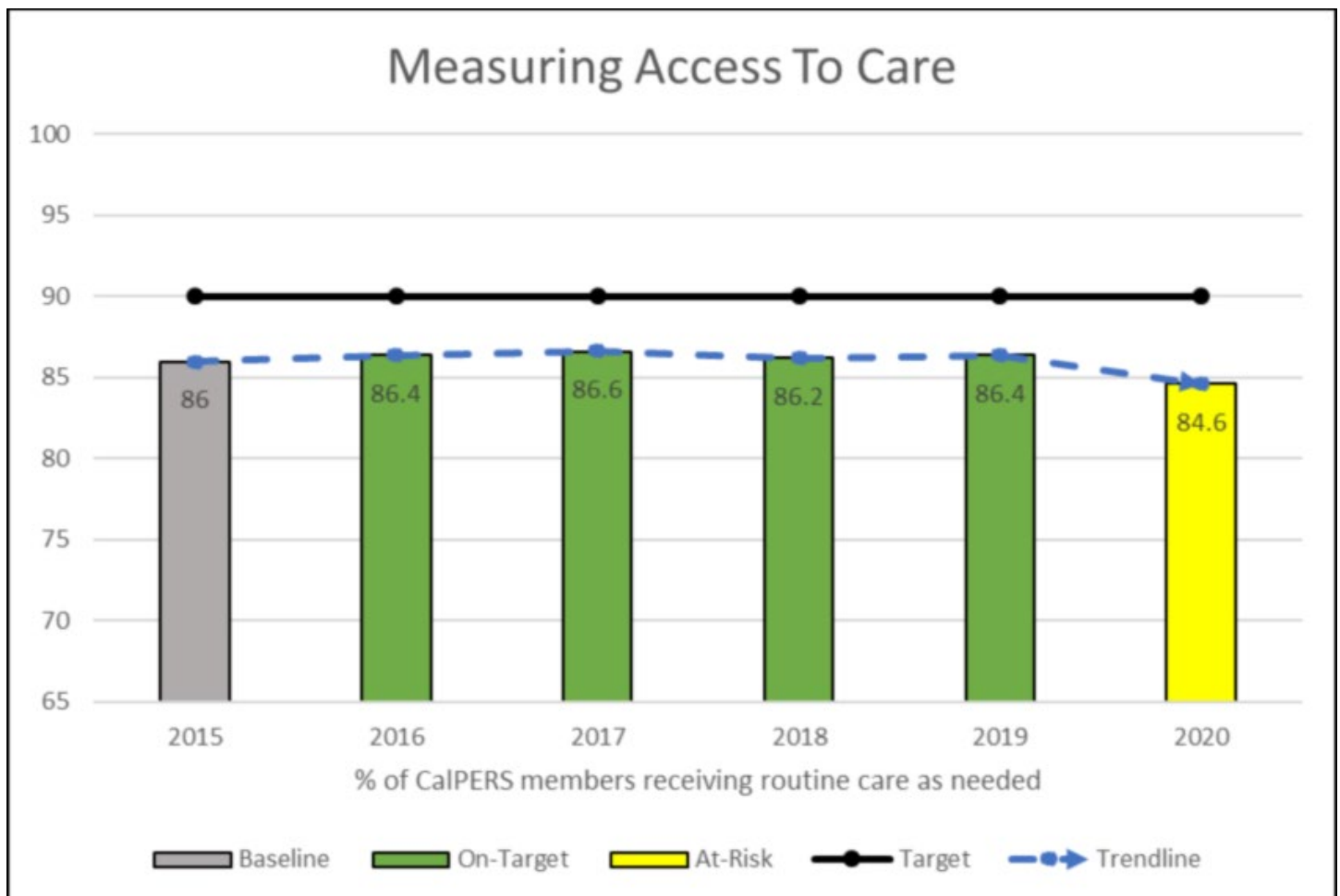
Measure Title:	Access to Care
Executive Owner:	Donald Moulds
Strategic Goal:	Exceptional Health Care
Strategic Objective:	Ensure our members have access to care when and where they need it
Associated Initiatives:	Improve behavioral health access & quality; Expand high-quality telehealth access
Status:	Pending Refresh (in June 2022)
Numeric Status:	84.6% (covering experience in 2020)
Description:	<p>Percentage of CalPERS health care members who answered “Usually” or “Always” to the Health Plan Member Survey (HPMS) question, “In the last 12 months, how often did you get an appointment for a check-up or routine care at a doctors’ office or clinic as soon as you needed?”</p> <p>This measure provides the percentage of CalPERS health care members responding that they received routine care as soon as they needed it in the last 12 months. This metric represents the perception of CalPERS members’ access to care when needed. A higher percentage is considered good. Factors that can influence this measure include enforcement of contractual requirements and collaborative efforts with CalPERS health plan partners.</p> <p>Measure trend:</p> <ul style="list-style-type: none"> • 86.4% (covering experience in 2016) • 86.6% (covering experience in 2017) • 86.2% (covering experience in 2018) • 86.4% (covering experience in 2019) • 84.6% (covering experience in 2020)
Baseline:	86.0% (covering experience in 2015)
Target:	90%
Refresh Frequency:	Annually, June
Reporting Range:	January 2020 – December 2020
Thresholds:	<p>On-Target: 85% or above</p> <p>At-Risk: 80 – 84.9%</p> <p>Off-Target: Below 80%</p>

Status Narrative:

As of June 2021, this Strategic Measure reported at 84.6% and was At-Risk. The measure target range is 85% to 90% and over the past five years, the measure has been on target. In 2020, the COVID-19 pandemic caused significant uncertainty throughout the health care system. In-person checkup or routine care in a doctor’s office or clinic declined due to quarantine protocols, social distancing, and a need to keep the public safe. During the

pandemic, telehealth visits were zero co-pay for all CalPERS members. CalPERS continues to work with our health plans to provide our members with timely telehealth appointments, mental health services, and prescription medication delivery.

Performance Trend Chart:

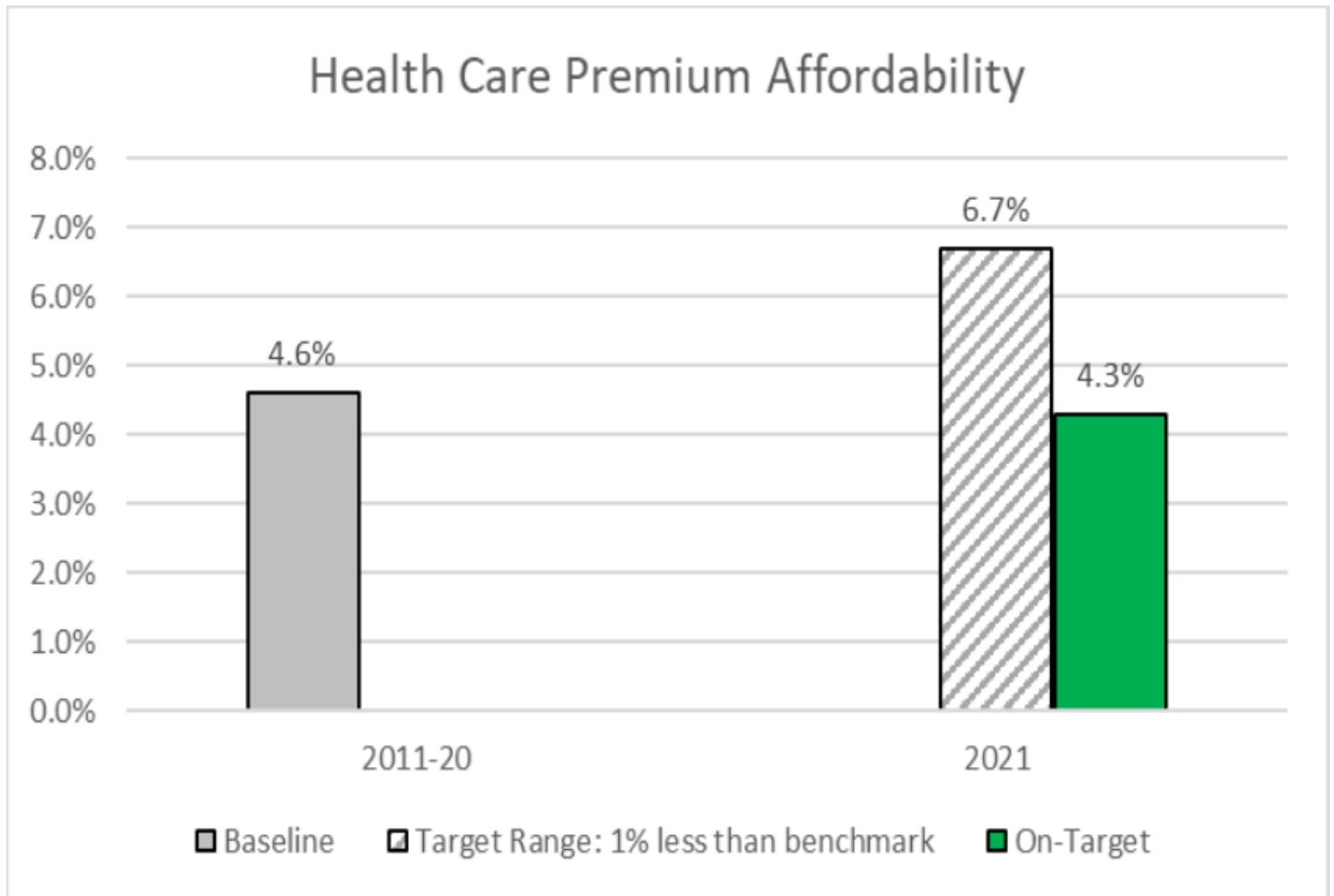


Strategic Measure Summary

Measure Title:	Health Care Affordability
Executive Owner:	Donald Moulds
Strategic Goal:	Exceptional Health Care
Strategic Objective:	Ensure the care we provide is affordable
Associated Initiatives:	Increase health care competition; Pharmaceutical strategies
Status:	Pending Refresh (in June 2022)
Numeric Status:	4.3% (for 2021)
Description:	<p>This measure evaluates the year-over-year change in total premium costs for the CalPERS Health Benefits Program against a benchmark trend developed by an external consulting firm or firms.</p> <p>Factors that can influence trends include member utilization, unit costs, new technologies, cost-shifting from public payers and leveraging of member cost sharing. Innovations and efficiencies such as promoting efficient hospital plan networks, value-based purchasing and integrated health models help mitigate medical trend increases.</p> <p>The target and thresholds are updated on an annual basis and are dependent upon data reported by insurance companies as well as changing conditions in the health care market place.</p>
Baseline:	4.6% (based on CalPERS' average annual premium increases from 2011-2020)
Target:	One percent less than the benchmark developed by the external consulting firm(s).
Refresh Frequency:	Annually, June
Reporting Range:	January 2021 – December 2021
Thresholds:	<p>On-Target: 1% less than the benchmark</p> <p>At-Risk: Between 0% and 1% less than the benchmark</p> <p>Off-Target: Greater than the benchmark</p>
Status Narrative:	

The national benchmark trend for 2021 health premiums was 7.7%. CalPERS achieved an overall premium increase of 4.3% for 2021 health premiums which is 3.4% less than the national benchmark. Therefore, this Strategic Measure was On-Target as of the fourth quarter.

Performance Trend Chart:





STAKEHOLDER ENGAGEMENT

Promote collaboration, support, and transparency

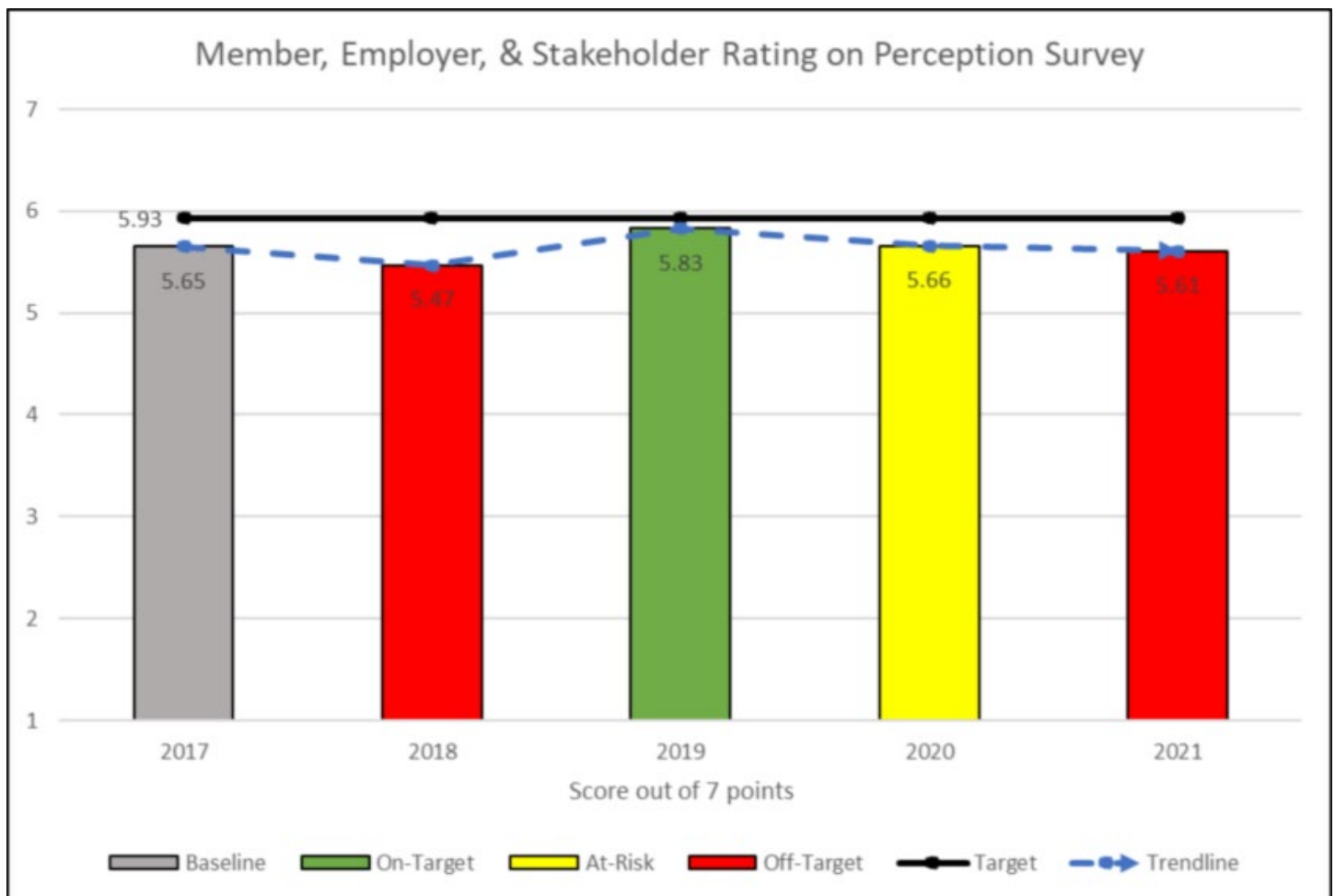
Strategic Measure Summary

Measure Title:	Stakeholder Perception Survey – Overall Rating
Executive Owner:	Brad Pacheco
Strategic Goal:	Stakeholder Engagement
Strategic Objective:	Educate and engage stakeholders on system impacts including policy and program changes, risks, and mitigations
Associated Initiatives:	Expand stakeholder education on risks and mitigation; Facilitate stakeholder dialogue on policy and program changes
Status:	Pending Refresh (in June 2022)
Numeric Status:	5.61 (as of March 2021)
Description:	<p>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:</p> <ul style="list-style-type: none"> Strongly Agree: 7 Agree: 6 Somewhat Agree: 5 Neither Agree nor Disagree: 4 Somewhat Disagree: 3 Disagree: 2 Strongly Disagree: 1 <p>The combined average score from all of these segments offers the clearest insight into the overall brand reputation of CalPERS.</p>
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 05/2017.
Target:	Increase score by 5% (0.28) to 5.93 in five years, with an average increase of 0.056 points per year
Refresh Frequency:	Annually, June
Reporting Range:	4/2020 – 3/2021
Thresholds:	<p>On-Target: Score meets or exceeds target yearly increase of 0.056 from the baseline figure each year</p> <p>At-Risk: Score remains the same or increases by less than 0.056 from the baseline figure each year</p> <p>Off-Target: Score decreases from the baseline figure</p>

Status Narrative:

This KPI declined from last year, dropping from 5.66 to 5.61 and was Off-Target. It was difficult to isolate the primary reason for this sentiment, but it is most likely related to CalPERS costs. We will work to incrementally raise scores by continuing a diligent and disciplined engagement, outreach, and communication plan with all stakeholders, particularly the employers. We also plan to continue to communicate early and often with stakeholders; emphasize that we have one consistent message for all stakeholder; explain the rationale for decisions, especially unpopular ones; and demonstrate and highlight our work as an agent for change and innovation in the area of health care costs, access, and quality

Performance Trend Chart:



Strategic Measure Summary

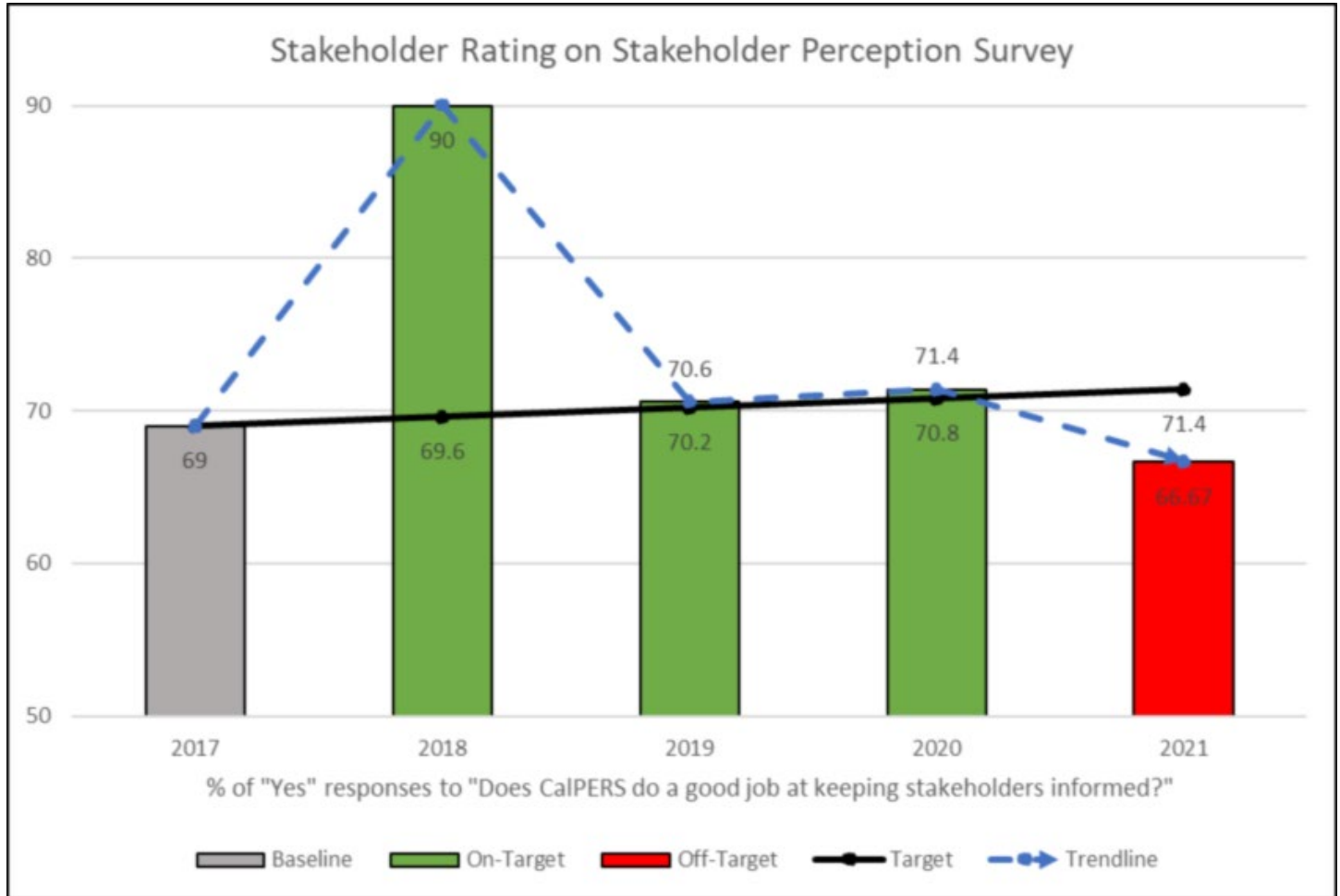
KPI Title:	Stakeholder Perception Survey - Stakeholder Rating
Executive Owner:	Brad Pacheco
Strategic Goal:	Stakeholder Engagement
Strategic Objective:	Educate and engage stakeholders on system impacts including policy and program changes, risks and mitigations
Associated initiatives:	Expand Stakeholder education on risks and mitigation; Facilitate Stakeholder dialogue on policy and program changes
Status:	Pending Refresh (in June 2022)
Numeric Status:	66.67% (as of March 2021)
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.
Refresh Frequency:	Annually, June
Reporting Range:	4/2019 – 3/2020
Thresholds:	<p>On-Target: Score meets or exceed target increase of 0.6% from the baseline figure each year</p> <p>At-Risk: Score remains the same or increases by less than 0.6% from the baseline figure each year</p> <p>Off-Target: Score decreases from the baseline figure</p>

Status Narrative:

This KPI was Off-Target for the year and reflected the lowest score in the past 4 years. One factor that may have impacted this score is that the entire cohort consists of just 75 people – and only 35 replied to the survey. With

such a small population, even a small dip in the rating of one question can create a large downturn in final rating and cause quite a bit of volatility year to year. The steps to help improve scores are to continue to improve early and frequent communications with stakeholders; demonstrate and amplify our work as an agent for change in the area of health care costs; and enlist stakeholders as allies.

Performance Trend Chart:



Strategic Measure Summary

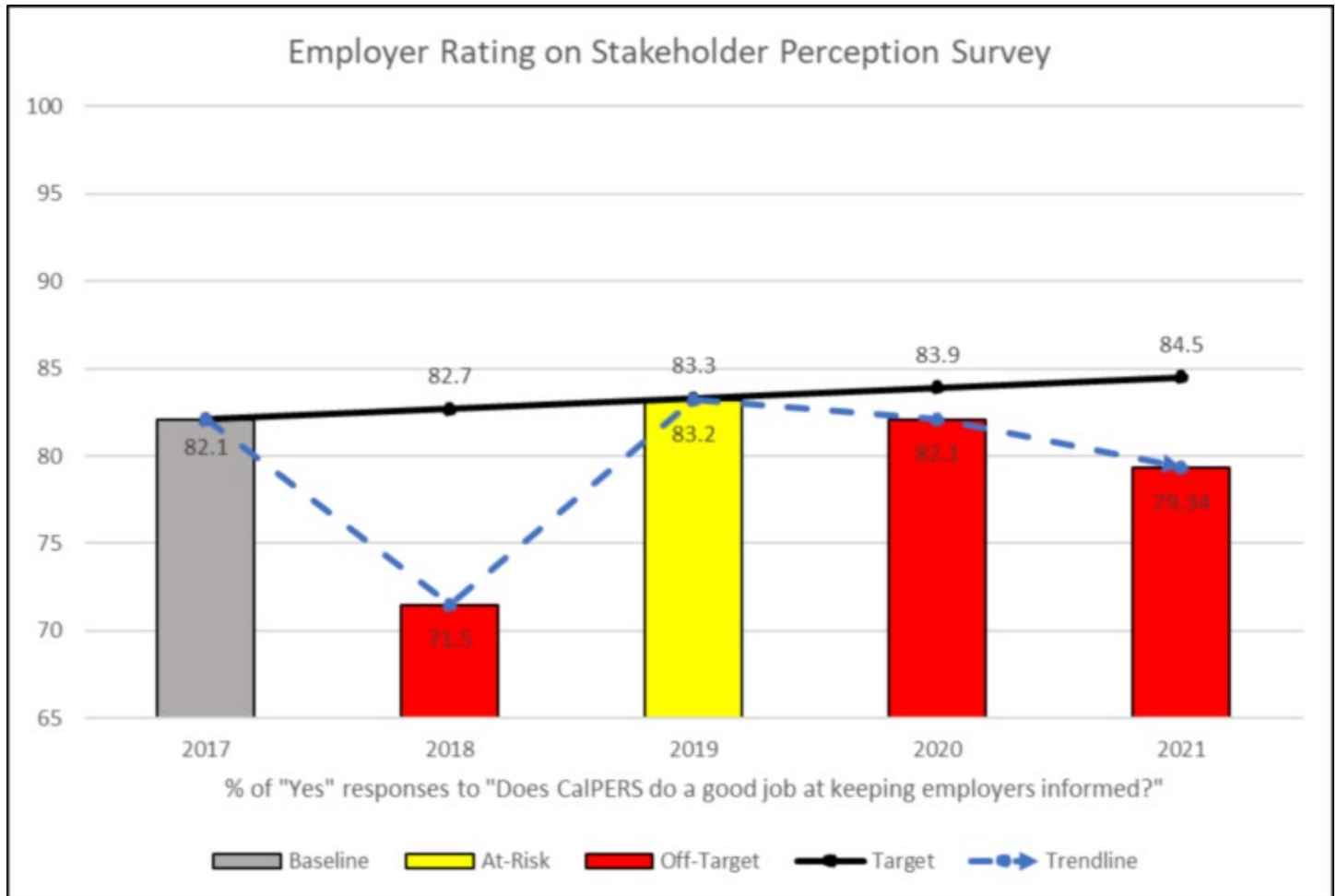
KPI Title:	Stakeholder Perception Survey - Employer Rating
Executive Owner:	Brad Pacheco
Strategic Goal:	Stakeholder Engagement
Strategic Objective:	Educate and engage stakeholders on system impacts including policy and program changes, risks, and mitigations
Associated initiatives:	Expand stakeholder education on risks and mitigation; Facilitate Stakeholder dialogue policy and program changes
Status:	Pending Refresh (in June 2022)
Numeric Status:	79.34% (as of March 2021)
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 bulleting, circular letters, and outreach meetings.
Baseline:	The baseline for this measure is 82.1% of members answering “yes” to the question “Does CalPERS do a good job keeping employers informed?” The baseline was established from the score in the survey administered in January 2017, with results reporting 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.
Refresh Frequency:	Annually, June
Reporting Range:	4/2020 – 3/2021
Thresholds:	<p>On-Target: Score meets or exceed target increase of 0.6% from the baseline figure each year</p> <p>At-Risk: Score remains the same or increases by less than 0.6% from the baseline figure each year</p> <p>Off-Target: Score decreases from the baseline figure</p>

Status Narrative:

The primary reasons for the Off-Target status for this KPI was concern with increasing employer contribution costs; perception that we have a different message to employers than to members on investment risk and

employers' ability to pay; perception that CalPERS is too inflexible in making determinations on independent contractors; steady increases health care costs to members and employers year over year. Our plan to address these concerns are to continue to improve engagement with employers through email, circular letters, outreach, conferences, briefings, and webinars.

Performance Trend Chart:



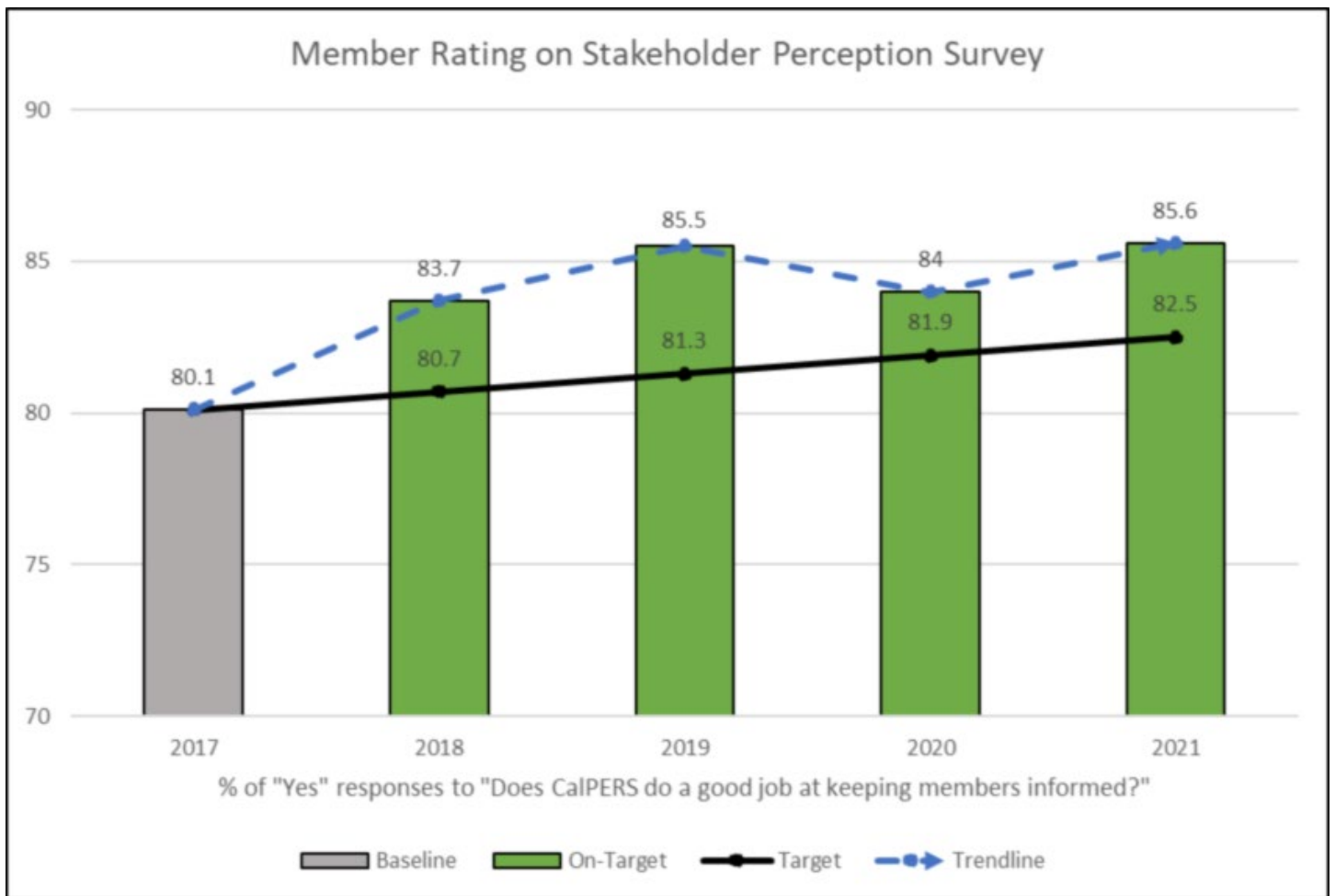
Strategic Measure Summary

KPI Title:	Stakeholder Perception Survey - Member Rating
Executive Owner:	Brad Pacheco
Strategic Goal:	Stakeholder Engagement
Strategic Objective:	Educate and engage stakeholders on system impacts including policy and program changes, risks, and mitigations
Associated initiatives:	Expand stakeholder education on risks and mitigation; Facilitate Stakeholder dialogue on policy and program changes
Status:	Pending Refresh (in June 2022)
Numeric Status:	85.6% (as of April 2021)
Description:	The Stakeholder Perception Survey is administered every year to a randomized sampling of active and retired members from the public agency, State, and school employers that make up the System. The KPI is based on responses to the question “Does CalPERS do a good job of keeping members informed?” This question provides the clearest insight into our members’ perception of CalPERS’ efforts towards communicating proactively with our members, and reflects on our operational outcome measure of open and transparent communication.
Baseline:	The baseline for this measure is 80.1% of members answering “yes” to the question “Does CalPERS do a good job keeping members informed?” The baseline was established from the score in the survey administered in January 2017, with results reported to the Board in May 2017.
Target:	Increase score by 3 percentage points from baseline of 80.1% to 83.1% 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.
Refresh Frequency:	Annually, June
Reporting Range:	4/2020 – 3/2021
Thresholds:	<p>On-Target: Score meets or exceed target increase of 0.6% from the baseline figure each year</p> <p>At-Risk: Score remains the same or increases by less than 0.6% from the baseline figure each year</p> <p>Off-Target: Score decreases from the baseline figure</p>

Status Narrative:

The scores from members improved from last year (up from 84%), exceeding the score from two years ago, making it the highest ever score in a single year in the history of our survey

Performance Trend Chart:



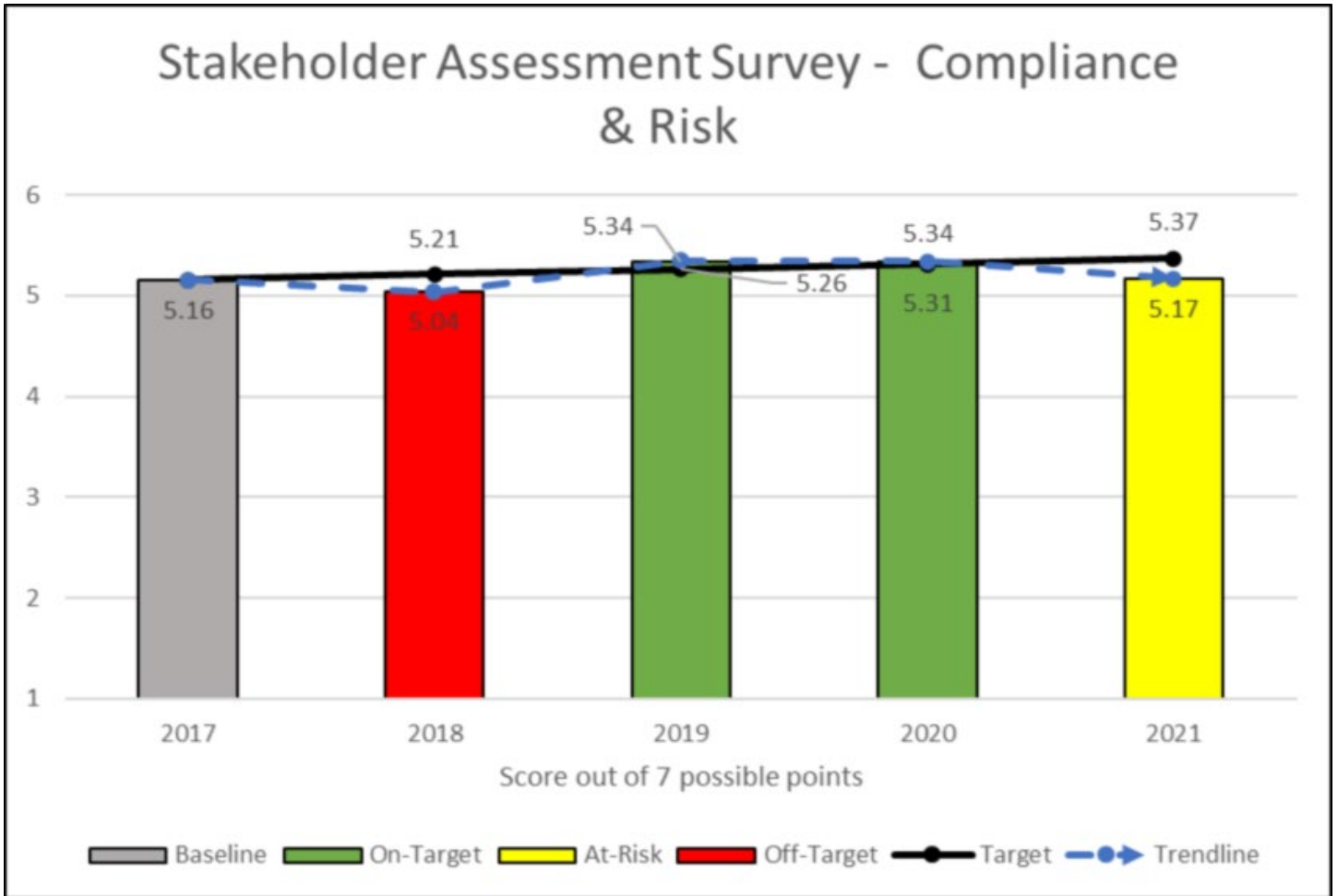
Strategic Measure Summary

Measure Title:	Stakeholder Perception Survey – Compliance and Risk						
Executive Owner:	Brad Pacheco						
Strategic Goal:	Stakeholder Engagement						
Strategic Objective:	Educate and engage stakeholders on system impacts including policy and program changes, risks, and mitigations						
Associated Initiatives:	Expand stakeholder education on system risks and mitigation; Facilitate stakeholder dialogue on policy and program changes						
Status:	Pending Refresh (in June 2022)						
Numeric Status:	5.17 (as of March 2021)						
Description:	The measure scores the overall stakeholder perception of CalPERS' success in implementing functions and programs that support compliance and risk. Data is gathered through the annual Stakeholder Perception Survey in response to the statement: "CalPERS has effective functions and programs to address compliance and risk." The target will be met through continued stakeholder engagement and the consistent demonstration of our commitment to a culture of compliance and risk as an organization and as a system.						
Baseline:	5.16 out of 7 possible points						
Target:	Five-year goal: achieve a score of 5.43 out of 7 points; a 5% increase from the baseline. Annual increases of 1% (0.05 points)						
Refresh Frequency:	Annually, June						
Reporting Range:	4/2020 – 3/2021						
Thresholds:	<table> <tr> <td>On-Target:</td> <td>Annual increase of 0.05 or more points from the baseline figure each year</td> </tr> <tr> <td>At-Risk:</td> <td>Annual increase of 0.0 – 0.04 points from the baseline figure each year</td> </tr> <tr> <td>Off-Target:</td> <td>Decrease from the baseline figure</td> </tr> </table>	On-Target:	Annual increase of 0.05 or more points from the baseline figure each year	At-Risk:	Annual increase of 0.0 – 0.04 points from the baseline figure each year	Off-Target:	Decrease from the baseline figure
On-Target:	Annual increase of 0.05 or more points from the baseline figure each year						
At-Risk:	Annual increase of 0.0 – 0.04 points from the baseline figure each year						
Off-Target:	Decrease from the baseline figure						

Status Narrative:

This Strategic Measure did not meet the target of 5.36 for the current reporting period and was At-Risk. The score dipped to its lowest mark in 3 years. It was difficult to pinpoint the primary reason of this Strategic Measure's decline. One possible contributing factor may be related to Form 700 and trading violations. This was resolved by instituting mandatory training and providing more access to compliance team members.

Performance Trend Chart:



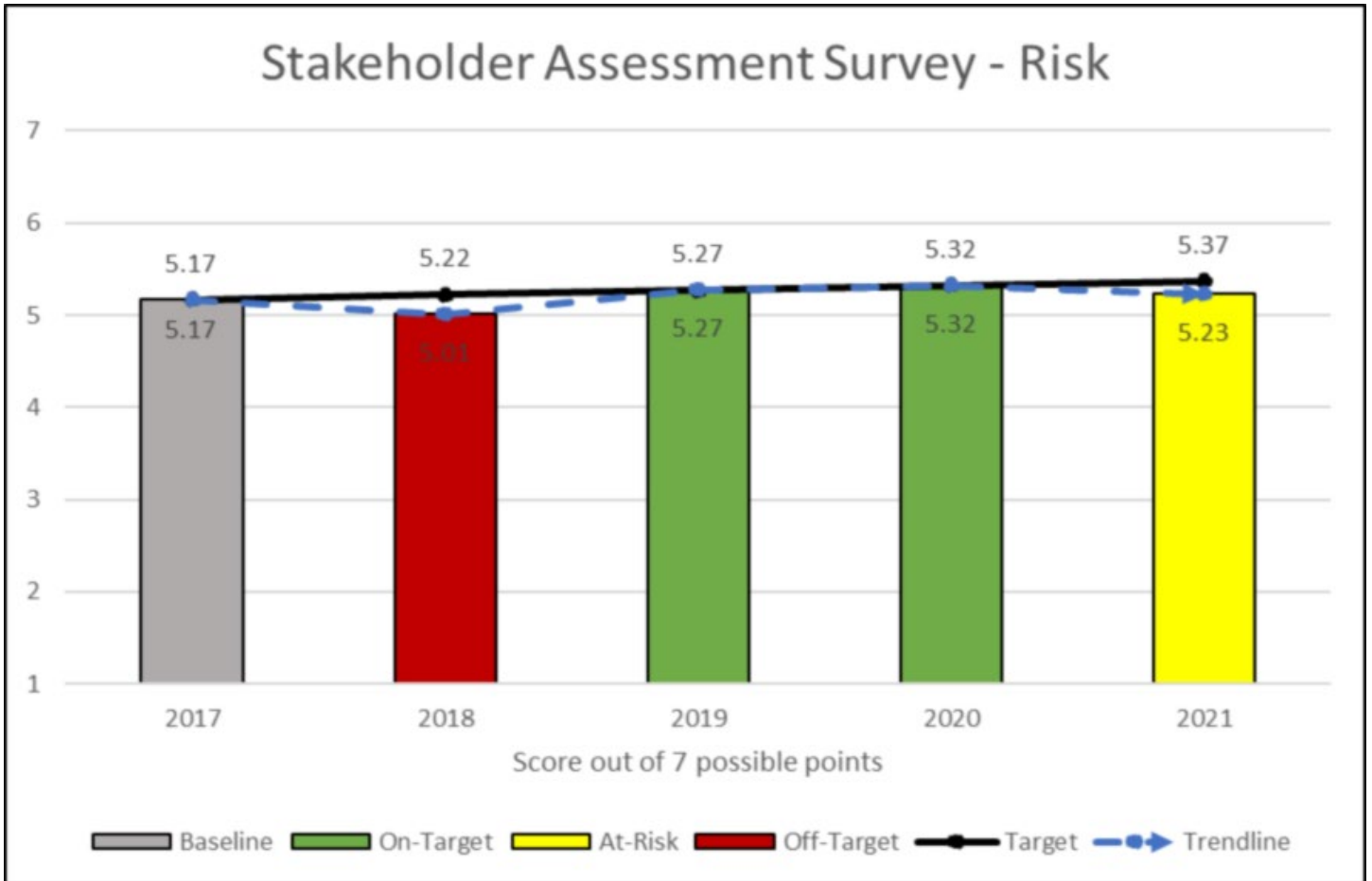
Strategic Measure Summary

Measure Title:	Stakeholder Perception Survey – Risk						
Executive Owner:	Brad Pacheco						
Strategic Goal:	Stakeholder Engagement						
Strategic Objective:	Educate and engage stakeholders on system impacts including policy and program changes, risks, and mitigations						
Associated Initiatives:	Expand stakeholder education on system risks and mitigation; Facilitate stakeholder dialogue on policy and program changes						
Status:	Pending Refresh (in June 2022)						
Numeric Status:	5.23 (as of March 2021)						
Description:	The measure scores the overall stakeholder perception of CalPERS' success in explaining and mitigating risks to the System. Data is gathered through the annual Stakeholder Perception Survey in response to the statement "I understand the risks inherent in the System and I am confident CalPERS is taking steps to reduce the risks." The target will be met through continued stakeholder engagement, proactive communications with our various member/employer/retiree populations, and through focused efforts to share our risks and risk mitigation strategies.						
Baseline:	5.17 out of 7 possible points						
Target:	Five-year goal: achieve a score of 5.43 out of 7 points; a 5% increase from the baseline. Annual increases of 1% (0.05 points)						
Refresh Frequency:	Annually, June						
Reporting Range:	4/2020 – 3/2021						
Thresholds:	<table> <tr> <td>On-Target:</td> <td>Annual increase of 0.05 or more points from the baseline figure each year</td> </tr> <tr> <td>At-Risk:</td> <td>Annual increase of 0.0 – 0.04 points from the baseline figure each year</td> </tr> <tr> <td>Off-Target:</td> <td>Decrease from the baseline figure</td> </tr> </table>	On-Target:	Annual increase of 0.05 or more points from the baseline figure each year	At-Risk:	Annual increase of 0.0 – 0.04 points from the baseline figure each year	Off-Target:	Decrease from the baseline figure
On-Target:	Annual increase of 0.05 or more points from the baseline figure each year						
At-Risk:	Annual increase of 0.0 – 0.04 points from the baseline figure each year						
Off-Target:	Decrease from the baseline figure						

Status Narrative:

This measure declined from last year's mark of 5.32 by 0.9 points, to 5.23. This puts it At-Risk in the last reporting period. This group has expressed concerns with a core precept of defined benefit plans when investment returns and the originally projected contributions from employers and employees are not sufficient to pay benefits, employers are required to make up the difference by increasing their contributions. The solutions we offer them are various approaches to pre-funding these costs or, in extreme circumstances, explore options to slightly delay costs through restructured repayment plans.

Performance Trend Chart:



Strategic Measure Summary

Measure Title: Effectiveness of Outreach Tools for the CalPERS Website

Executive Owner: Brad Pacheco

Strategic Goal: Stakeholder Engagement

Strategic Objective: Enhance services, communication & education tools for our partners

Associated Initiatives: Communication tool enhancements

Status: Pending Refresh (in June 2022)

Numeric Status: 404,639 (for FY 2020-21)

Description: This 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 07/01/17)

Target: 274,559 Total Visitors, Followers & Subscribers (by 06/30/22)

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

Refresh Frequency: Annually, June

Reporting Range: FY 2020-21

Thresholds:

On-Target:	7,939 and above
At-Risk:	7,000 – 7,938
Off-Target:	Below 7,000

Status Narrative:

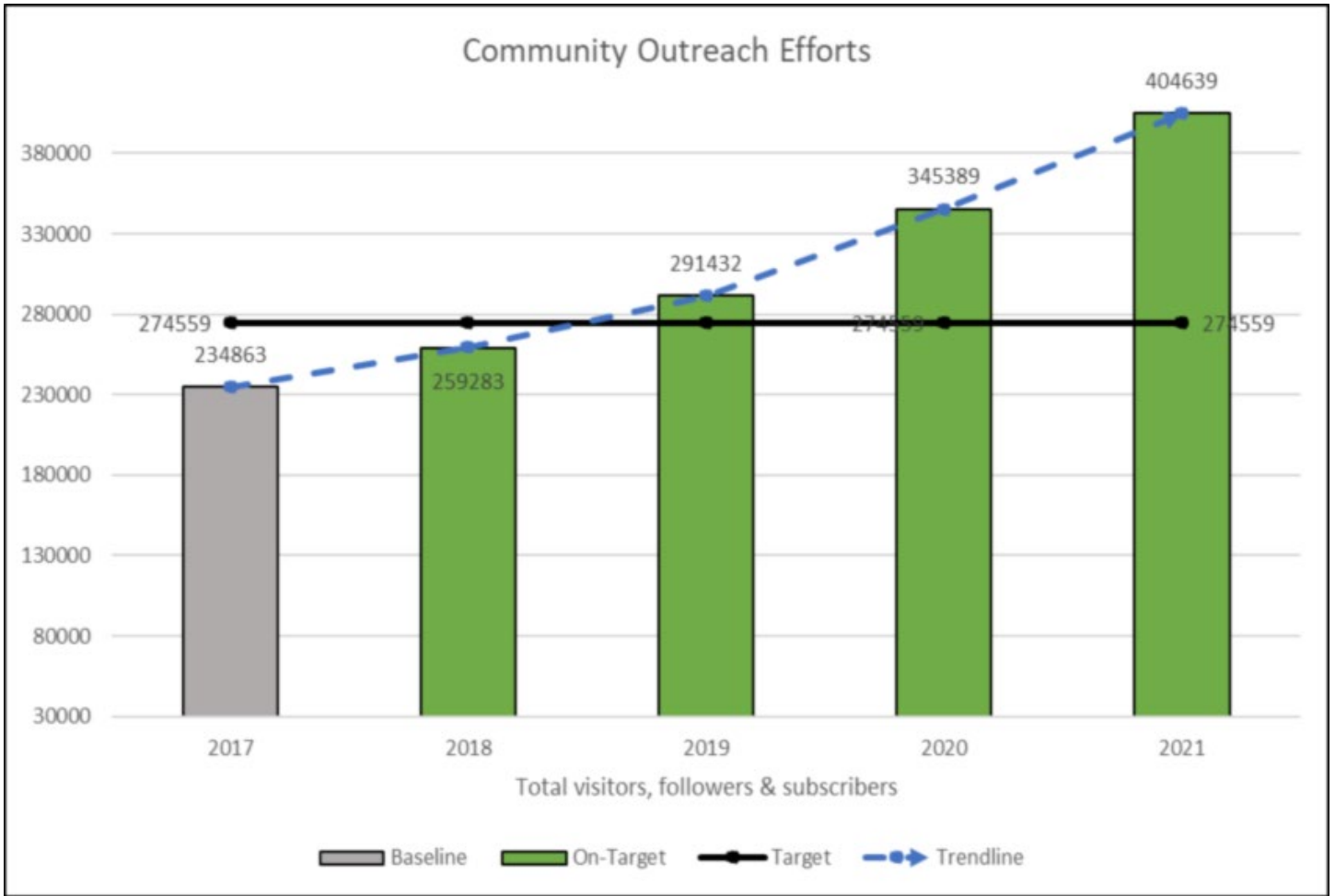
As of June 30, 2021, there were 404,639 **Total Visitors, Followers & Subscribers**.

The **annual increase** was 59,250 users (July 1, 2020 – June 30, 2021).

The **total increase** was 155,356 users (July 1, 2017 - June 30, 2021).

This KPI is **On-Target**. Updated performance data will be available in June 2022.

Performance Trend Chart:





ORGANIZATIONAL EXCELLENCE

Cultivate a risk-intelligent and innovative culture through our team and processes

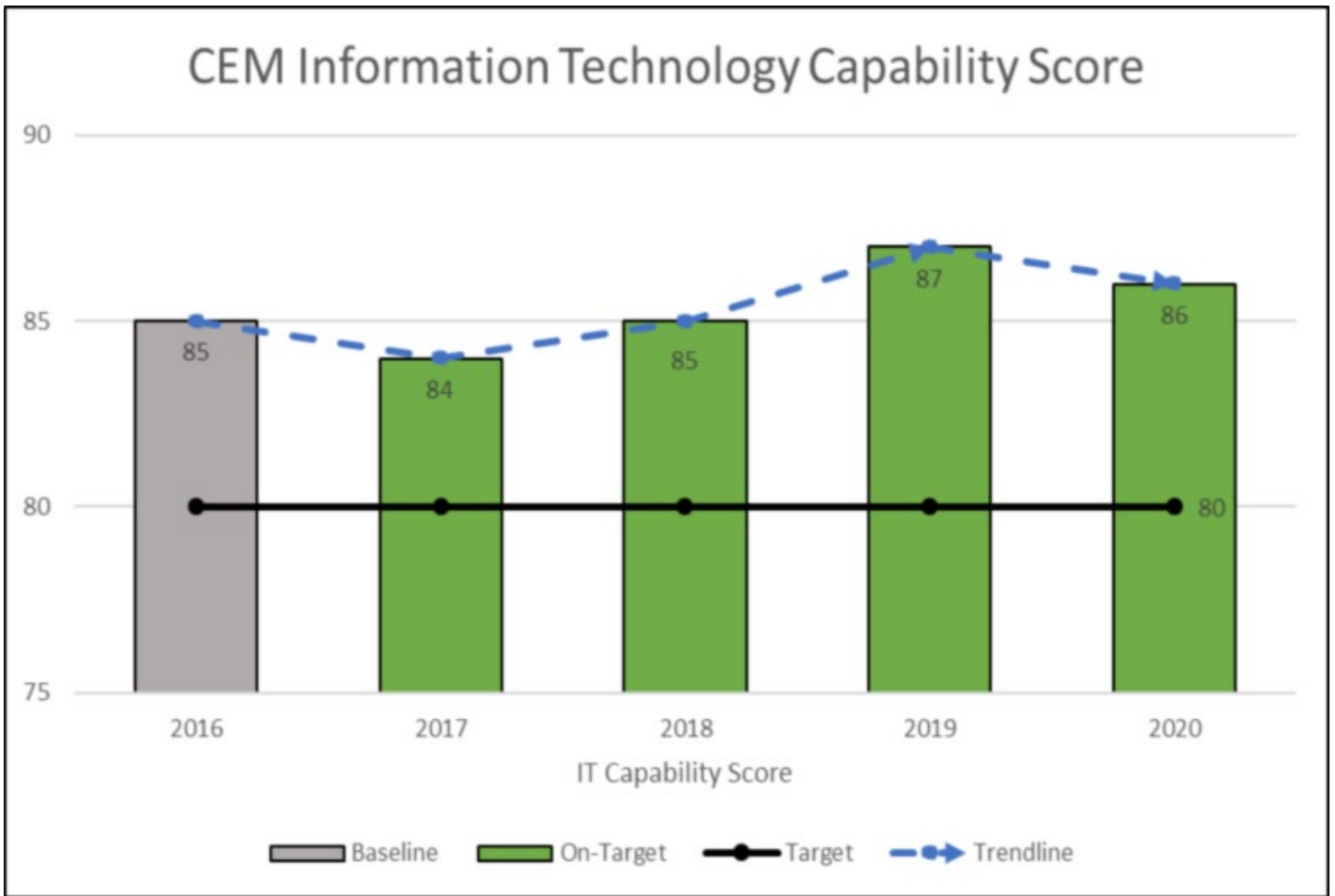
Strategic Measure Summary

Measure Title:	CEM Benchmarking Information Technology Capability Score
Executive Owner:	Doug Hoffner
Strategic Goal:	Organizational Excellence
Strategic Objective:	Improve processes, operations, and advance technologies to gain efficiencies
Associated Initiatives:	To be determined
Status:	Pending Refresh (in June 2022)
Numeric Status:	86 (for FY 2019-20)
Description:	This measures the overall contribution of the value IT provides to business capability. Drivers of this metric include website and contact center access to member data, as well as data accuracy and completeness.
Baseline:	The baseline is the FY 2015-16 CEM IT Capability Score of 85 points.
Target:	CalPERS target is to stay within the range of 80-90 points.
Refresh Frequency:	Annually, June
Reporting Range:	07/01/19 – 06/30/20
Thresholds:	On-Target: 80 points or above At-Risk: 75 to 79 points Off-Target: Less than 75 points

Status Narrative:

CalPERS' CEM IT capability score was 86 out of 100, which was above the peer average. This measure was On-Target for the current reporting period.

Performance Trend Chart:



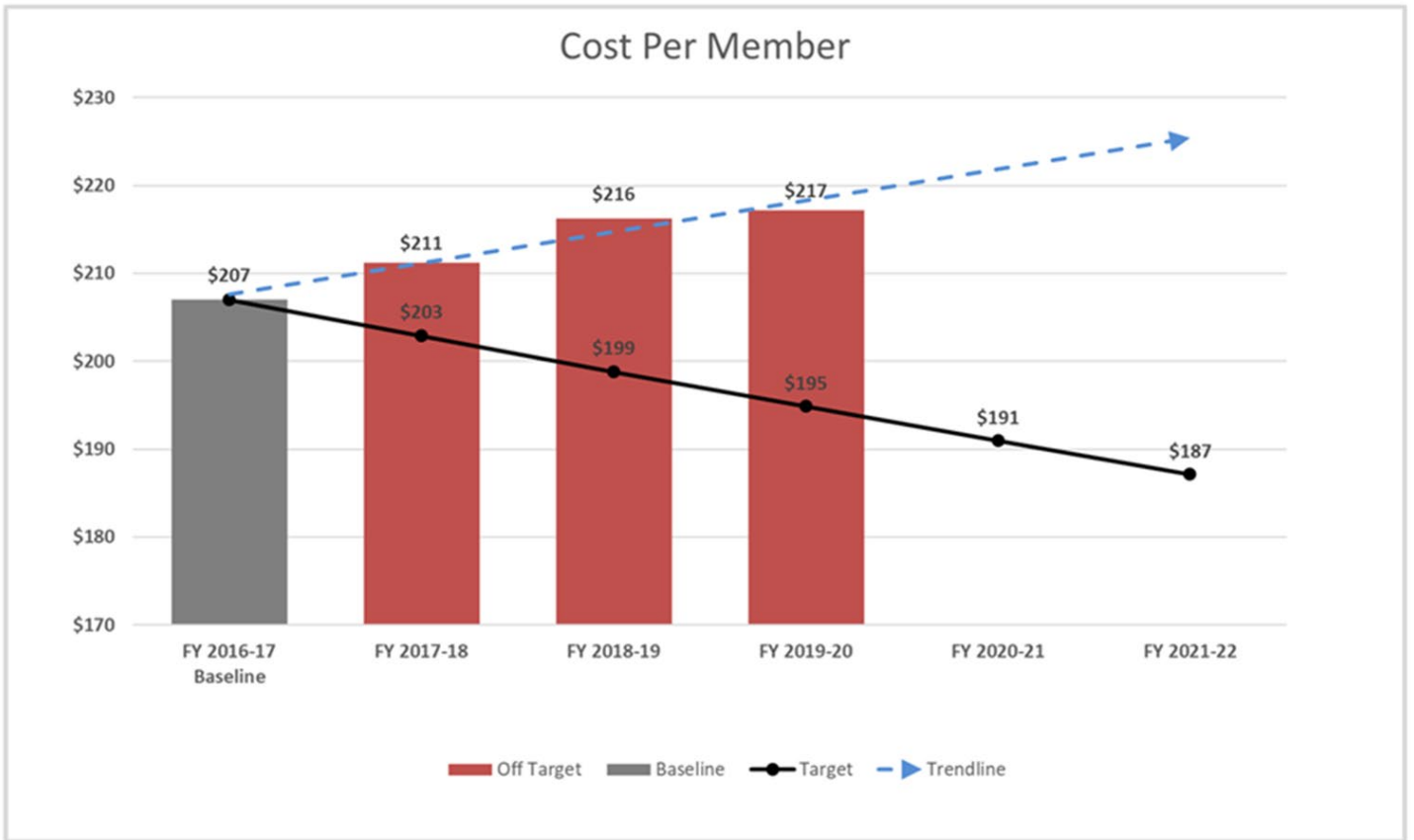
Strategic Measure Summary

Measure Title:	CEM Benchmarking Cost per Member						
Executive Owner:	Doug Hoffner						
Strategic Goal:	Organizational Excellence						
Strategic Objective:	Improve processes, operations, and advance technologies to gain efficiencies						
Associated Initiatives:	To be determined						
Status:	Pending Refresh (in June 2022)						
Numeric Status:	\$217/member (as of June 30, 2021)						
Description:	From the annual CEM Pension Administration Benchmarking Survey, reduce cost per member, exclusively to pension administration, and does not include health and investment.						
Baseline:	\$207 cost per member for FY 2016-17						
Target:	Reduce by 2% annually						
Refresh Frequency:	Annually, June						
Reporting Range:	07/01/2019–06/30/2020						
Thresholds:	<table> <tr> <td>On-Target:</td> <td>Reduced by 2.0% annually</td> </tr> <tr> <td>At-Risk:</td> <td>Reduced by 1.5– 1.99% annually</td> </tr> <tr> <td>Off-Target:</td> <td>Reduced by less than 1.5% annually</td> </tr> </table>	On-Target:	Reduced by 2.0% annually	At-Risk:	Reduced by 1.5– 1.99% annually	Off-Target:	Reduced by less than 1.5% annually
On-Target:	Reduced by 2.0% annually						
At-Risk:	Reduced by 1.5– 1.99% annually						
Off-Target:	Reduced by less than 1.5% annually						

Status Narrative:

Total Pension Administration Costs were \$217 per active and retired members. This measure was Off-Target. Between 2017 and 2020, pension administration costs per active member and annuitant increased 4.8%, from \$207 to \$217. The increase is primarily driven by collectively-bargained salary and benefit increases.

Performance Trend Chart:



Footnote: The 2018-19 per member cost reflects an adjustment submitted to CEM that reversed a Retired Annuitant enrollment fee. The previously-reported per member cost was \$209.

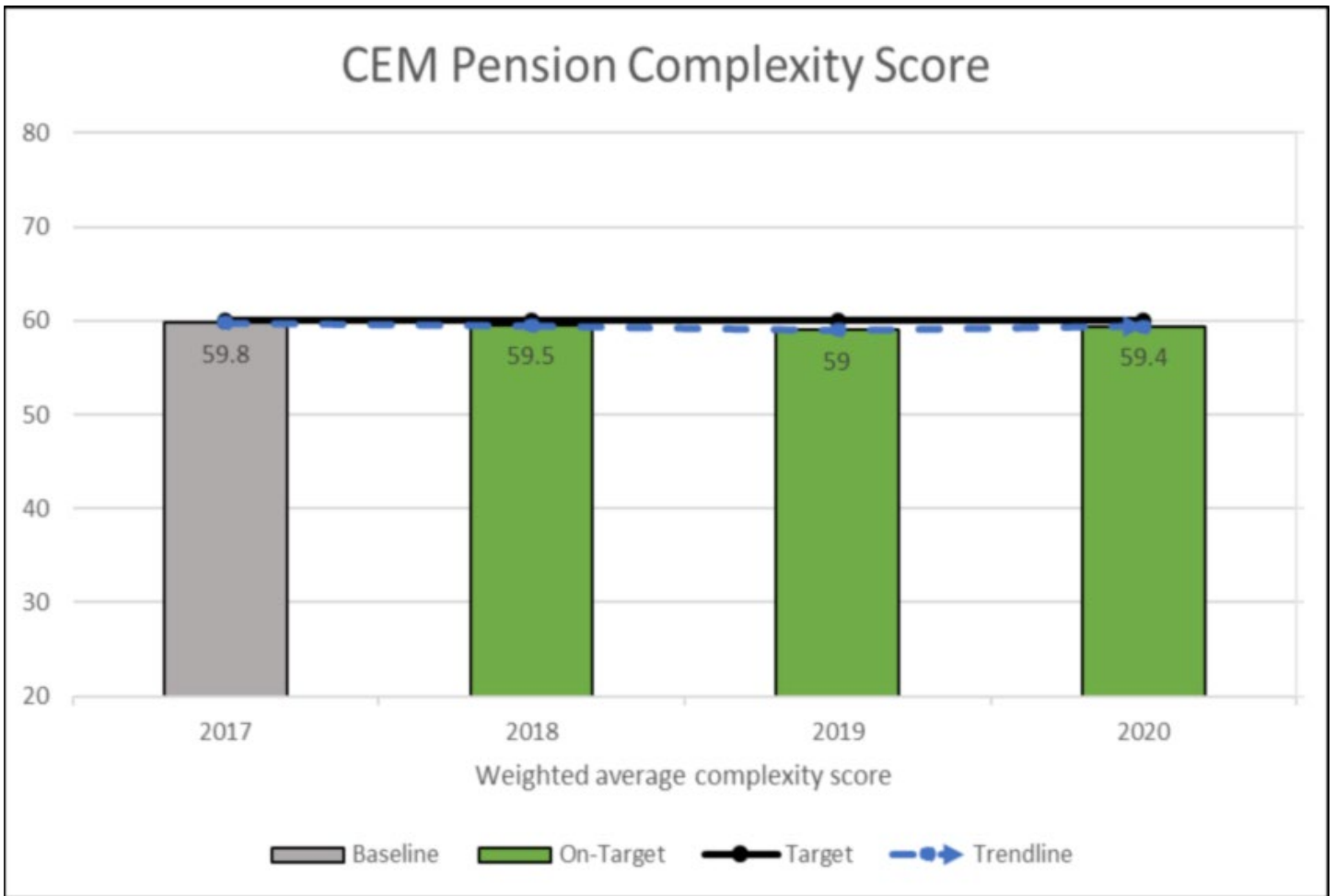
Strategic Measure Summary

Measure Title:	CEM Benchmarking Complexity Score	
Executive Owner:	Doug Hoffner	
Strategic Goal:	Organizational Excellence	
Strategic Objective:	Improve processes, operations, and advance technologies to gain efficiencies	
Associated Initiatives:	To be determined	
Status:	Pending Refresh (in June 2022)	
Numeric Status:	59.4 (as of June 2021)	
Description:	The total Cost Effectiveness Measurement (CEM) complexity score represents the weighted average of CEM's complexity measure by cause, from the annual CEM Pension Administration Benchmarking Survey.	
Baseline:	Weighted average complexity score 59.8 points (Fiscal Year 2016-17)	
Target:	Maintain weighted average complexity score between 58 – 62 points	
Refresh Frequency:	Annually, June	
Reporting Range:	07/01/19 – 06/30/2020	
Thresholds:	On-Target:	Complexity score 58 – 62 points
	At-Risk:	Complexity score <58 points
	Off-Target:	Complexity score >62 points

Status Narrative:

CalPERS has the highest plan complexity within CEM's Global database. The total complexity score has decreased from 61.2 in 2016 to 59.4 in 2020. This measure was On-Target for the current reporting period..

Performance Trend Chart:



Strategic Measure Summary

Measure Title:	5-Year Net Value Added						
Executive Owner:	Dan Bienvenue						
Strategic Goal:	Organizational Excellence						
Strategic Objective:	Improve processes, operations, and advance technologies to gain efficiencies						
Associated Initiatives:	Total fund investment decision making process						
Status:	Pending Refresh (in September 2022)						
Numeric Status:	Did not exceed the US Peer median (for 2018-19)						
Description:	5-year net value added relative to an appropriate peer universe median return adjusted for composition of asset allocation and after expenses. Each year, INVO participates in a Cost Effectiveness Measurement Benchmarking (CEM) survey which independently analyzes costs against a customized peer group.						
Baseline:	5-year net value-added relative to an appropriate United States' (US) peer universe median return, adjusted for composition of asset allocation and after expenses. The baseline will be readjusted based on the new aggregate 5-year period.						
Target:	Exceed the median US peer on investment cost and returns						
Refresh Frequency:	Annually, September						
Reporting Range:	Current 5 Year Period: FY 2014-15 through FY 2018-19						
Thresholds:	<table> <tr> <td>On-Target:</td> <td>Exceed the US Peer median</td> </tr> <tr> <td>At-Risk:</td> <td>Meet the US Peer median</td> </tr> <tr> <td>Off-Target:</td> <td>Fall below the US Peer median</td> </tr> </table>	On-Target:	Exceed the US Peer median	At-Risk:	Meet the US Peer median	Off-Target:	Fall below the US Peer median
On-Target:	Exceed the US Peer median						
At-Risk:	Meet the US Peer median						
Off-Target:	Fall below the US Peer median						

Status Narrative:

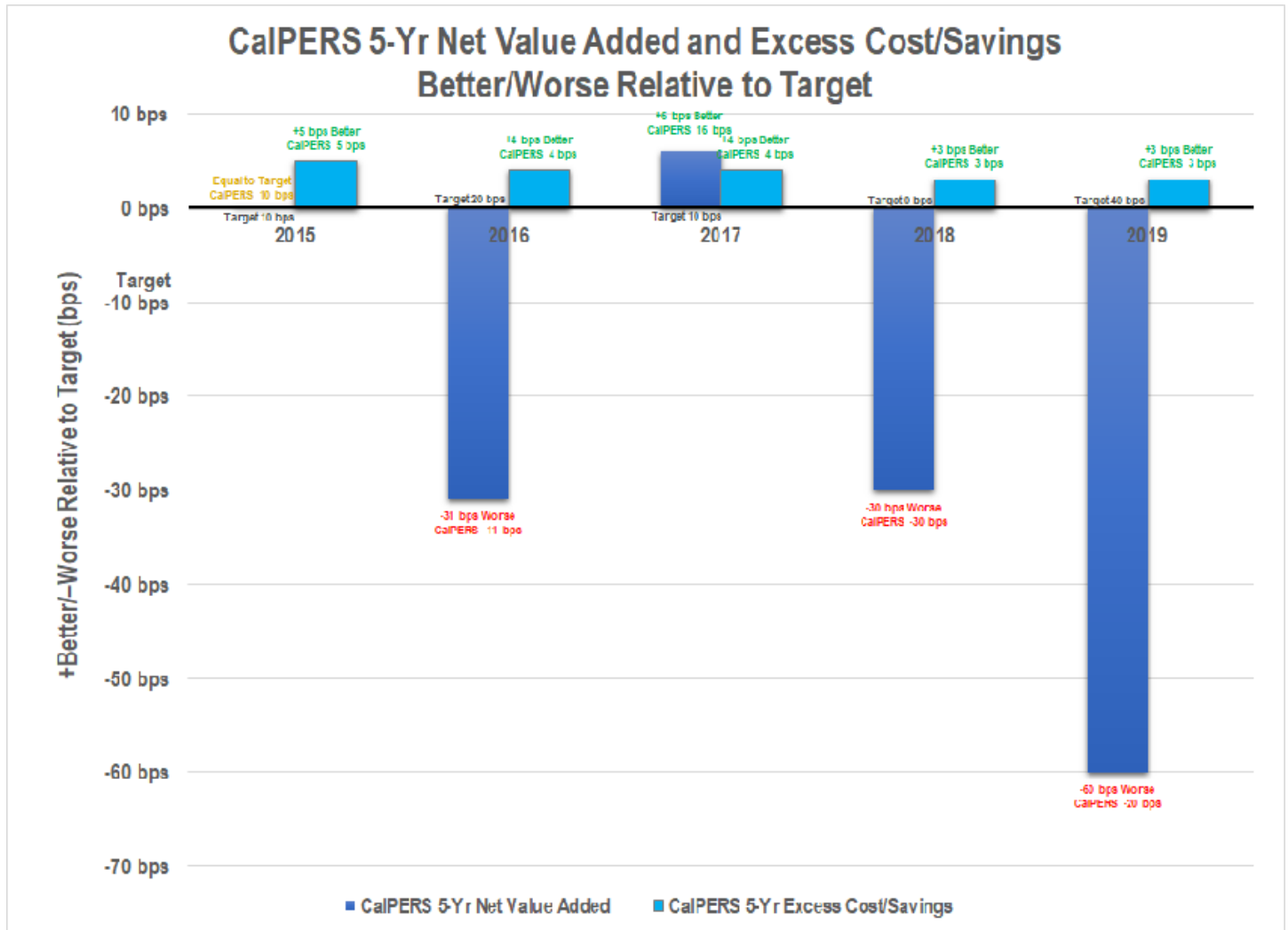
As of June 2021, this measure was Off-Target.

This measure is the analysis of the Investment Office's cost drivers and cost structure versus US peers. Net value added is the component of total return from active management. The most recent data available indicated CalPERS did not exceed the US Peer median on its 5-year 2019 Net value added results, however CalPERS did have cost savings of 3bps versus the US Peer universe. CalPERS 5-year Net value added was -0.2% while the US Peer median was 0.4%.

Although the 5-year Net value added fell below the U.S. median, the CalPERS 5-year net total return of 7.1% was above the peer median of 6.5%.

CalPERS continues to be low cost compared to the US peer universe and its global custom peer group. As of the most recent 5-year survey period, CalPERS continued to be in the low-cost quadrant.

Performance Trend Chart:



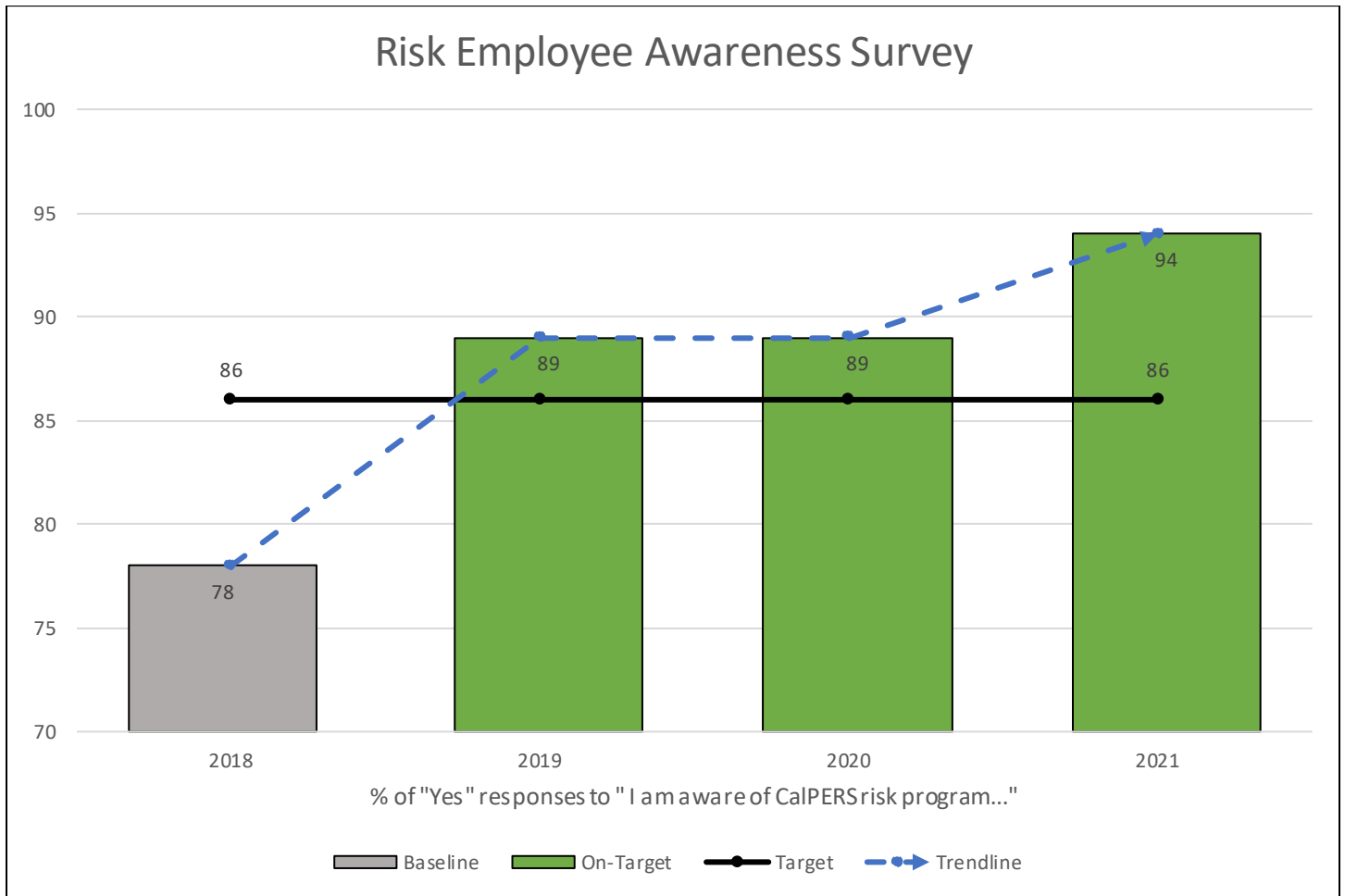
Strategic Measure Summary

Measure Title:	Employee Risk Awareness						
Executive Owner:	Kevin Fein						
Strategic Goal:	Organizational Excellence						
Strategic Objective:	Cultivate compliance and risk functions throughout the enterprise						
Associated Initiatives:	Cultivate enterprise risk management effectiveness						
Status:	Pending Refresh (in February 2022)						
Numeric Status:	94% (for FY 2020-21)						
Description:	The metric is the percentage of CalPERS employees, including team members, managers, and executives, that respond “Yes” to the question: “I am aware of CalPERS risk program. I incorporate risk functions into my daily work.” on the annual employee survey.						
Baseline:	Based on the 2018 CalPERS Compliance & Risk Annual survey, 78% of respondents answered “Yes” to the question, “I am aware of CalPERS risk program. I incorporate risk functions into my daily work.”						
Target:	Incrementally increase the baseline by 2% annually (8% from 2019-2022), with a target of 86%.						
Refresh Frequency:	Annually, February						
Reporting Range:	FY 2020-21						
Thresholds:	<table> <tr> <td>On-Target:</td> <td>Annual increase of $\geq 2\%$</td> </tr> <tr> <td>At-Risk:</td> <td>Annual increase of 0.1% - 1.9%</td> </tr> <tr> <td>Off-Target:</td> <td>No annual increase</td> </tr> </table>	On-Target:	Annual increase of $\geq 2\%$	At-Risk:	Annual increase of 0.1% - 1.9%	Off-Target:	No annual increase
On-Target:	Annual increase of $\geq 2\%$						
At-Risk:	Annual increase of 0.1% - 1.9%						
Off-Target:	No annual increase						

Status Narrative:

As of February 2021, the Compliance & Risk Annual Employee survey reported out 94%, which exceeded the 2022 target of 86% for the fourth consecutive year.

Performance Trend Chart:



Strategic Measure Summary

Measure Title:	Employee Compliance Awareness
Executive Owner:	Kevin Fein
Strategic Goal:	Organizational Excellence
Strategic Objective:	Cultivate compliance and risk functions throughout the enterprise
Associated Initiatives:	Increase enterprise-wide compliance awareness
Status:	Pending Refresh (in February 2022)
Numeric Status:	94% (as of February 2021)
Description:	Annual Employee survey example question: "I am aware of CalPERS' compliance program. I incorporate compliance functions into my daily work." The survey results reflected the efforts of the Enterprise Compliance team to promote compliance awareness through our comprehensive communication and training plan.
Baseline:	Based on the 2018 CalPERS Compliance & Risk Annual survey, 87% of respondents answered "Yes" to the question, "I am aware of CalPERS' compliance program. I incorporate compliance functions into my daily work."
Target:	Maintain 90% or greater positive response rate to the compliance survey question through June 2022.
Refresh Frequency:	Annually, February
Reporting Range:	07/01/2020–06/30/2021
Thresholds:	On-Target: 90-100% At-Risk: 80-89% Off-Target: ≤ 79%

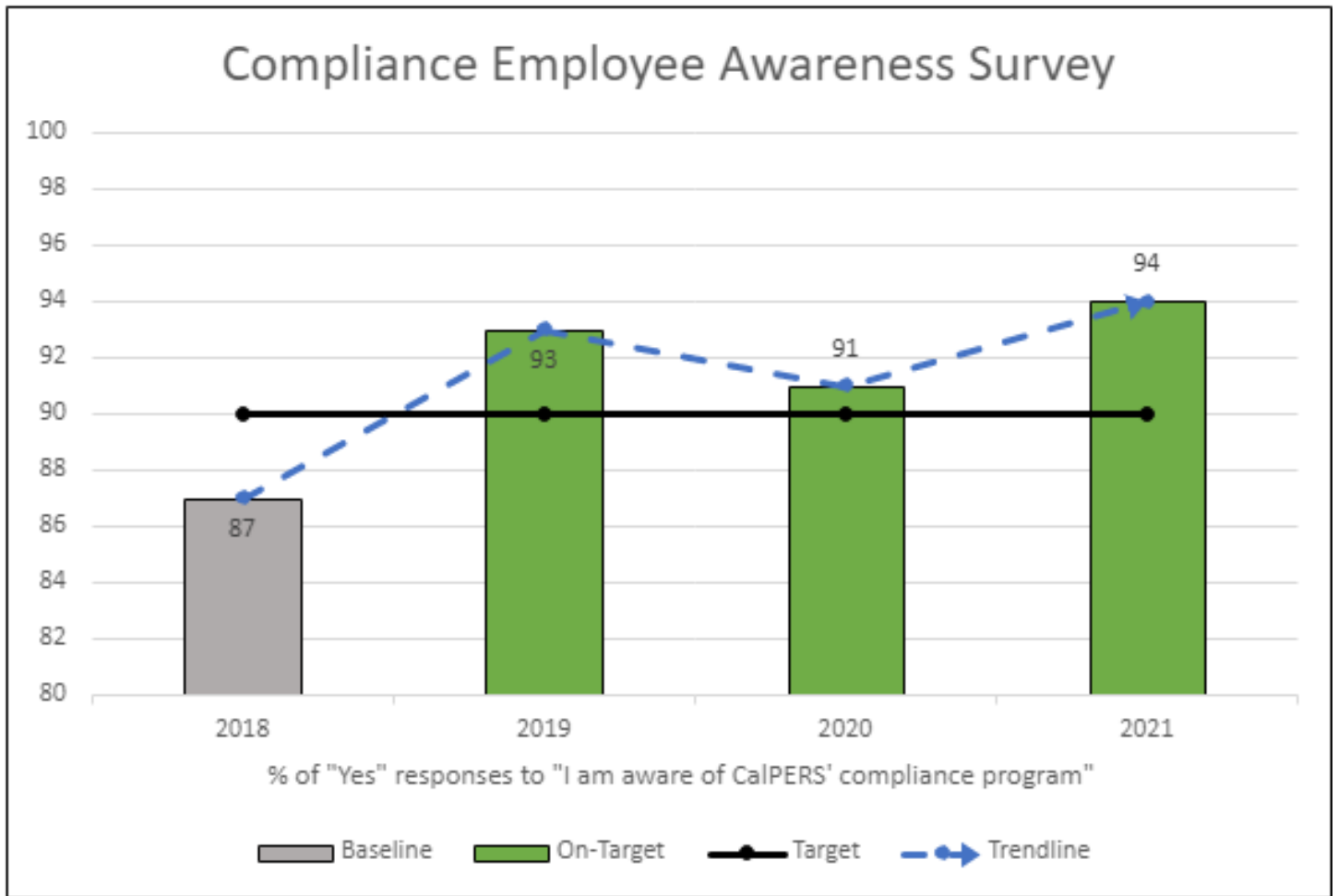
Status Narrative:

The positive response rate of the survey increased by 3% and remained above our targeted rate of 90% for the third consecutive year.

The survey results reflected the efforts of the Enterprise Compliance team to promote compliance awareness through our comprehensive communication and training plan. Major efforts contributing enterprise-wide awareness of CalPERS' compliance program included regular training sessions for Form 700 and Personal Trading regulations, and Targeted Annual Compliance Training sessions for all team members.

Additionally, CalPERS compliance and risk liaisons continued to provide support and communications for compliance functions within the enterprise's largest branches. Enterprise Compliance will use the results of the survey to build the FY 2021-22 Communications and Training Plan.

Performance Trend Chart:



Strategic Measure Summary

Measure Title: Information Security Assessment Score (Closed Session)

Executive Owner: Matt Jacobs

Strategic Goal: Organizational Excellence

Strategic Objective: Cultivate compliance and risk functions throughout the enterprise

Associated Initiatives: Information Security Strategy

Status: Information provided in closed session

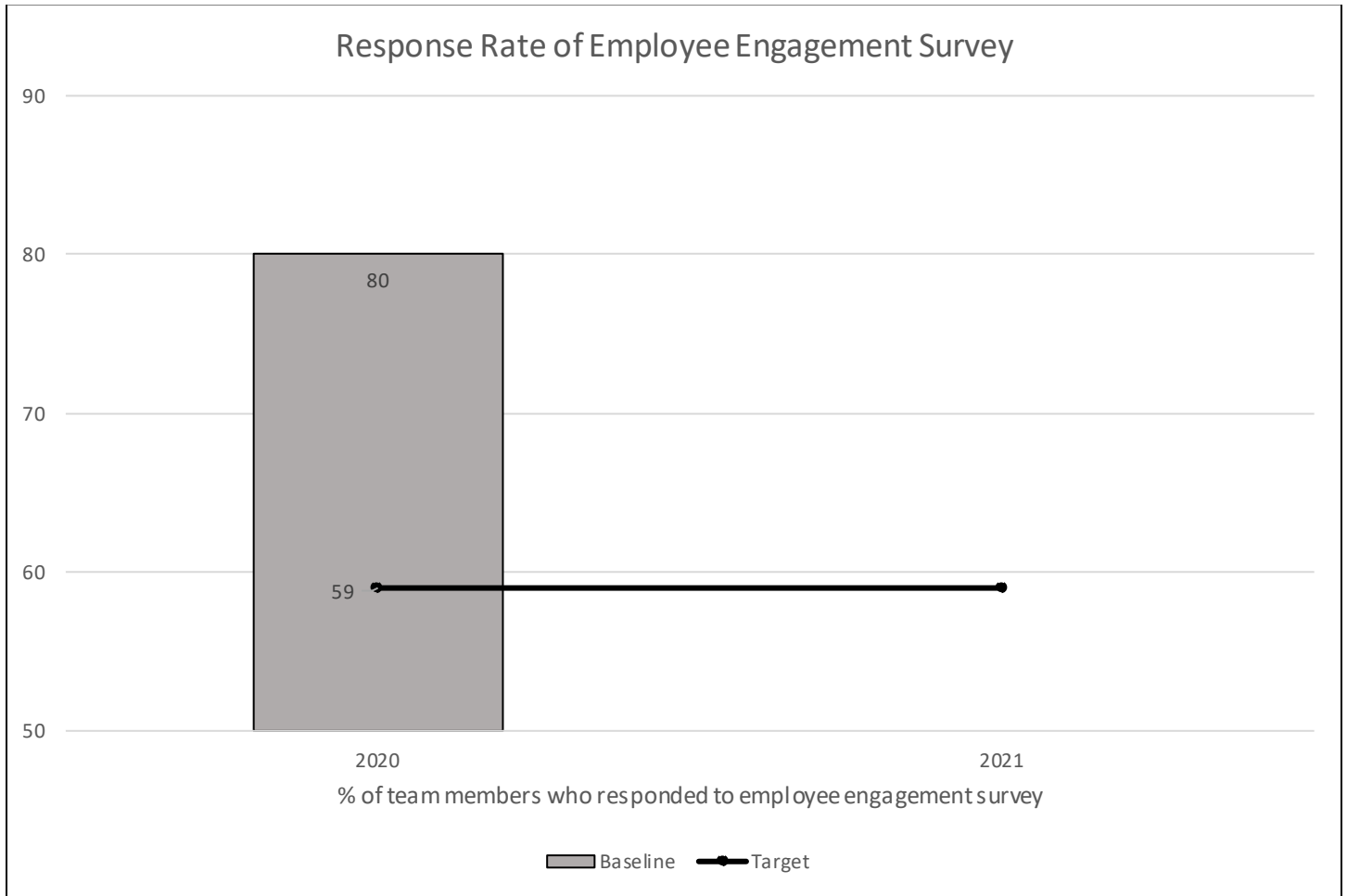
Strategic Measure Summary

KPI Title:	Response Rate of Employee Engagement Survey						
Executive Owner:	Doug Hoffner						
Strategic Goal:	Organizational Excellence						
Strategic Objective:	Enhance team member engagement and employment experience						
Associated Initiatives:	Implement engagement survey action items						
Status:	Off-Target						
Numeric Status:	N/A						
Description:	The annual Employee Engagement survey will help us ensure that we continue to foster a culture where engaging behaviors are part of our daily interactions and practices.						
Baseline:	70% response rate of employees responded to the survey as of 10/2017.						
Target:	70% or higher positive survey score represents high performance						
Refresh Frequency:	Annually, December						
Reporting Range:	November 2019 - October 2020						
Thresholds:	<table> <tr> <td>On-Target:</td> <td>Above 59% represents high performance</td> </tr> <tr> <td>At-Risk:</td> <td>40 – 59% represents average performance</td> </tr> <tr> <td>Off-Target:</td> <td>Under 40% represents low performance</td> </tr> </table>	On-Target:	Above 59% represents high performance	At-Risk:	40 – 59% represents average performance	Off-Target:	Under 40% represents low performance
On-Target:	Above 59% represents high performance						
At-Risk:	40 – 59% represents average performance						
Off-Target:	Under 40% represents low performance						

Status Narrative:

This KPI is Off-Target because the annual Employee Engagement survey was paused in 2021 to allow the CalPERS team time to transition back to an office-centric work schedule before gathering engagement data.

Performance Trend Chart:



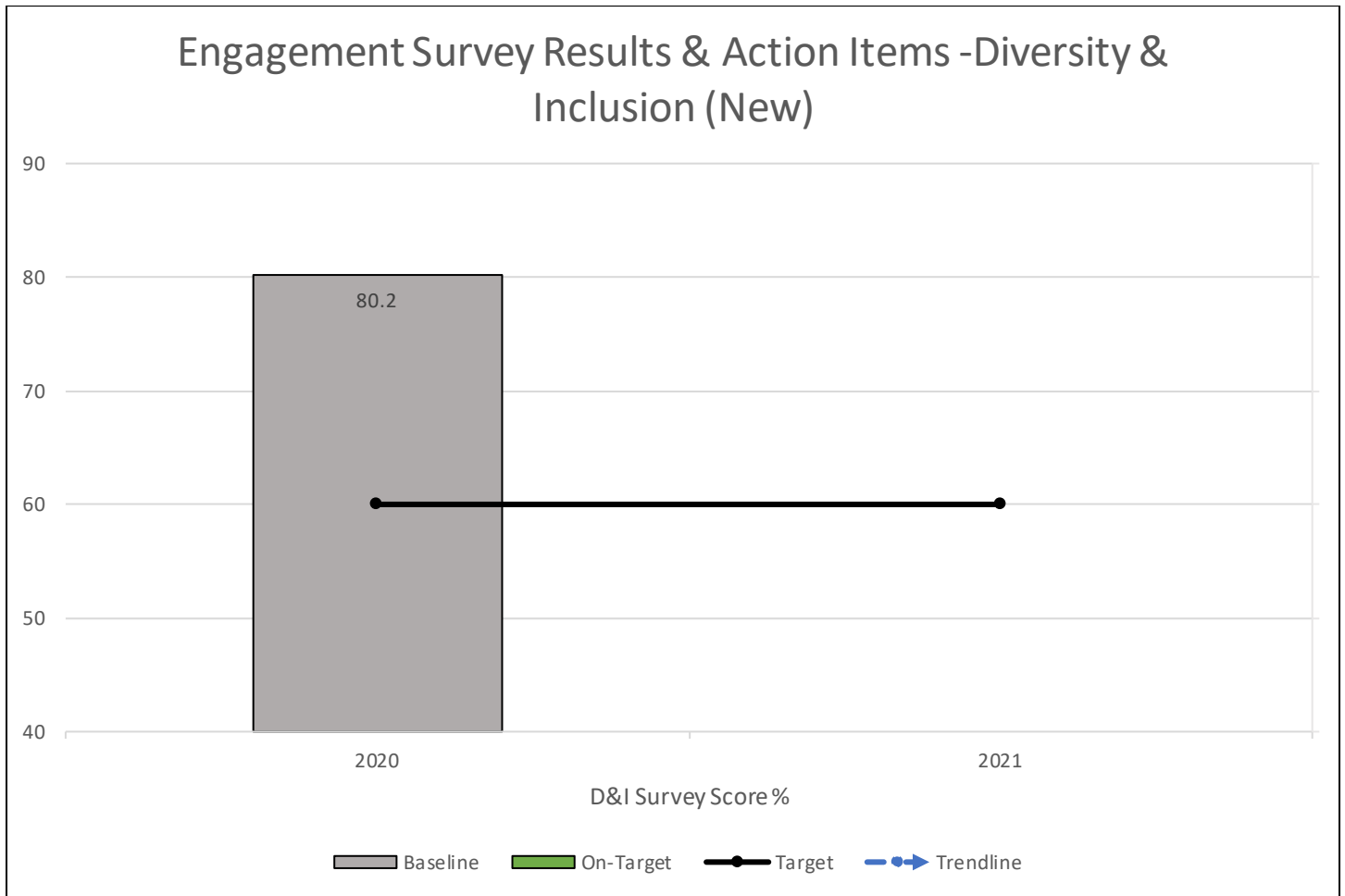
Strategic Measure Summary

Measure Title:	D E & I Engagement Survey Results
Executive Owner:	Marlene Timberlake D'Adamo
Strategic Goal:	Organizational Excellence
Strategic Objective:	Cultivate Diversity; Equity & Inclusion through culture; Talent; Investments; Health equity and supplier diversity
Associated Initiatives:	DE&I engagement survey; DE&I framework; CalPERS culture assessment; Employee resource groups; Education and communication
Status:	Off-Target
Numeric Status:	N/A
Description:	<p>This measure focuses on our efforts to help foster a culture of inclusion that welcomes diversity of thought, experience, and background. We have learned that diversity within an inclusive working environment enhances the relevance of our work, increases productivity, and improves the value of services we provide. The annual Employee Engagement Survey has several specific questions aimed at gauging the success of our diversity and inclusion (D&I) efforts.</p> <p>A survey score above 59% represents a high-performing organization.</p>
Baseline:	80.2% (2020) D&I Driver Employee Engagement Survey results.
Target:	High performing status of >59%
Refresh Frequency:	Annually, December
Reporting Range:	November 2019 – October 2020
Thresholds:	<p>On-Target: Above 59% represents high performance</p> <p>At-Risk: 40-59% represents average performance</p> <p>Off-Target: Under 40% represents low performance</p>

Status Narrative:

This measure is Off-Target because the annual Employee Engagement survey was paused in 2021 to allow the CalPERS team time to transition back to an office-centric work schedule before gathering engagement data.

Performance Trend Chart:



Engagement Survey Results & Action Items -Diversity & Inclusion

