

## EPM Third Quarter Report: Strategic Measures Summary Dashboard












The CalPERS 2017-22 Strategic Plan encompasses 27 Strategic Measures (Measures) that enable us to track our progress towards achieving our strategic goals and objectives. The Strategic Measures Summary Dashboard provides a brief synopsis of how all 27 Measures are performing for the third quarter (January 1, 2022-March 31, 2022). Additional performance details can be found on the summary sheets for each Measure.









### Third Quarter Measure Performance:

- 1 Off-Target
- 1 On-Target
- 22 Pending Refresh
- 2 Under Development
- 1 Closed Session item

The Strategic Measures Summary Dashboard also provides trend analysis data that captures performance from year four (FY 2020-21).




































## Enterprise Performance Reporting – Third Quarter Report CalPERS 2021-22 Strategic Measures

Fund Sustainability	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Funded status		*	*		 *** Q1 Q2 Q3 Q4	8
Projected funded status		*	*		 *** Q1 Q2 Q3 Q4	10
1-year total expected fund volatility		*	*		 *** Q1 Q2 Q3 Q4	12
Annualized (5-year) excess investment returns relative to total fund policy benchmark		*	*		 *** Q1 Q2 Q3 Q4	14
Stakeholder assessment survey – risk	*	*	*		***  Q1 Q2 Q3 Q4	17
Investment managers policies and procedures for environmental, social and governance (ESG) factor integration		*	*		 *** Q1 Q2 Q3 Q4	19

High Quality Affordable Health Care	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Chronic disease prevention & management		*	*		* * * * Q1 Q2 Q3 Q4	21
Behavioral health quality					 Q1 Q2 Q3 Q4	23
Measuring access to care	*	*	*		* * *  Q1 Q2 Q3 Q4	24
Member experience	*	*	*		* * *  Q1 Q2 Q3 Q4	26
Health care premium affordability	*	*	*		 Q1 Q2 Q3 Q4	28

Reduce Complexity	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Cost effectiveness measurement (CEM) pension complexity score	*	*	*		*** ● Q1 Q2 Q3 Q4	30
CEM – information technology capability score	*	*	*		*** ● Q1 Q2 Q3 Q4	32
CEM – cost per member	*	*	*		*** ■ Q1 Q2 Q3 Q4	34
Overhead operational cost	■	*	*		■*** Q1 Q2 Q3 Q4	36
5-year net value added	■	*	*		■*** Q1 Q2 Q3 Q4	38

Risk Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Stakeholder assessment survey – compliance and risk	*	*	*		***▲ Q1 Q2 Q3 Q4	40
Risk employee awareness survey	*	*	■		**●* Q1 Q2 Q3 Q4	7
Risk program maturity assessment	*	*	*		***■ Q1 Q2 Q3 Q4	43
Compliance employee awareness survey	*	*	●		**●* Q1 Q2 Q3 Q4	45
Compliance program maturity assessment	*	*	*		***● Q1 Q2 Q3 Q4	47
Composite security health score within range	Closed Session	Closed Session	Closed Session		Closed Session	49

Talent Management	Q1 Status	Q2 Status	Q3 Status	Q4 Status	Trend Analysis (FY 2020-21)	Page Number
Effectiveness of outreach activities					    Q1 Q2 Q3 Q4	50
Engagement survey results and action items – diversity & inclusion					    Q1 Q2 Q3 Q4	52
Engagement survey results and action items – performance management					    Q1 Q2 Q3 Q4	54
Engagement survey results and action items – clarity of direction					    Q1 Q2 Q3 Q4	56
Proficiency in CalPERS leadership competencies					    Q1 Q2 Q3 Q4	58

## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Risk Employee Awareness Survey

**Executive Owner:** Kevin Fein

**Strategic Goal:** Risk Management

**Strategic Objective:** Enhance compliance and risk functions throughout the enterprise

**Associated Initiatives:** Supported by Core Workload

**Status:** Off-Target

**Numeric Status:** 94% (for FY 2021-22)

**Description:** Annual Employee survey example question: "I am aware of CalPERS risk program. I incorporate risk functions into my daily work."

Each division has education and communication components intended to increase team member and leadership awareness and understanding of CalPERS' expectations and their personal responsibilities under the risk functions on an annual basis. The metric is the percentage of CalPERS employees, including team members, managers, and executives, that respond "Yes" to the question: "I am aware of CalPERS risk program. I incorporate risk functions into my daily work." on the annual employee survey.

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

**Target:** Incrementally increase the baseline by 2% annually (8% from 2019-2022), with a target of 86%.

**Refresh Frequency:** Annually, February

**Reporting Range:** FY 2021-22

**Thresholds:**

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 2022, the Compliance & Risk Annual Employee survey reported out 94%. This year's percentage didn't increase at the annual on-target rate of  $\geq 2\%$  this year, but the percentage still exceeded the final 2022 target of 86% established in 2018 by 8%.

## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Funded Status

**Executive Owner:** Michael Cohen

**Strategic Goal:** Fund Sustainability

**Strategic Objective:** Fund the system through an integrated view of pension assets and liabilities

**Associated Initiatives:** Alignment of Asset Liability Management

**Status:** Pending Refresh (in August 2022)

**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 99.9% Funded Status
Off-Target:	<80% Funded Status



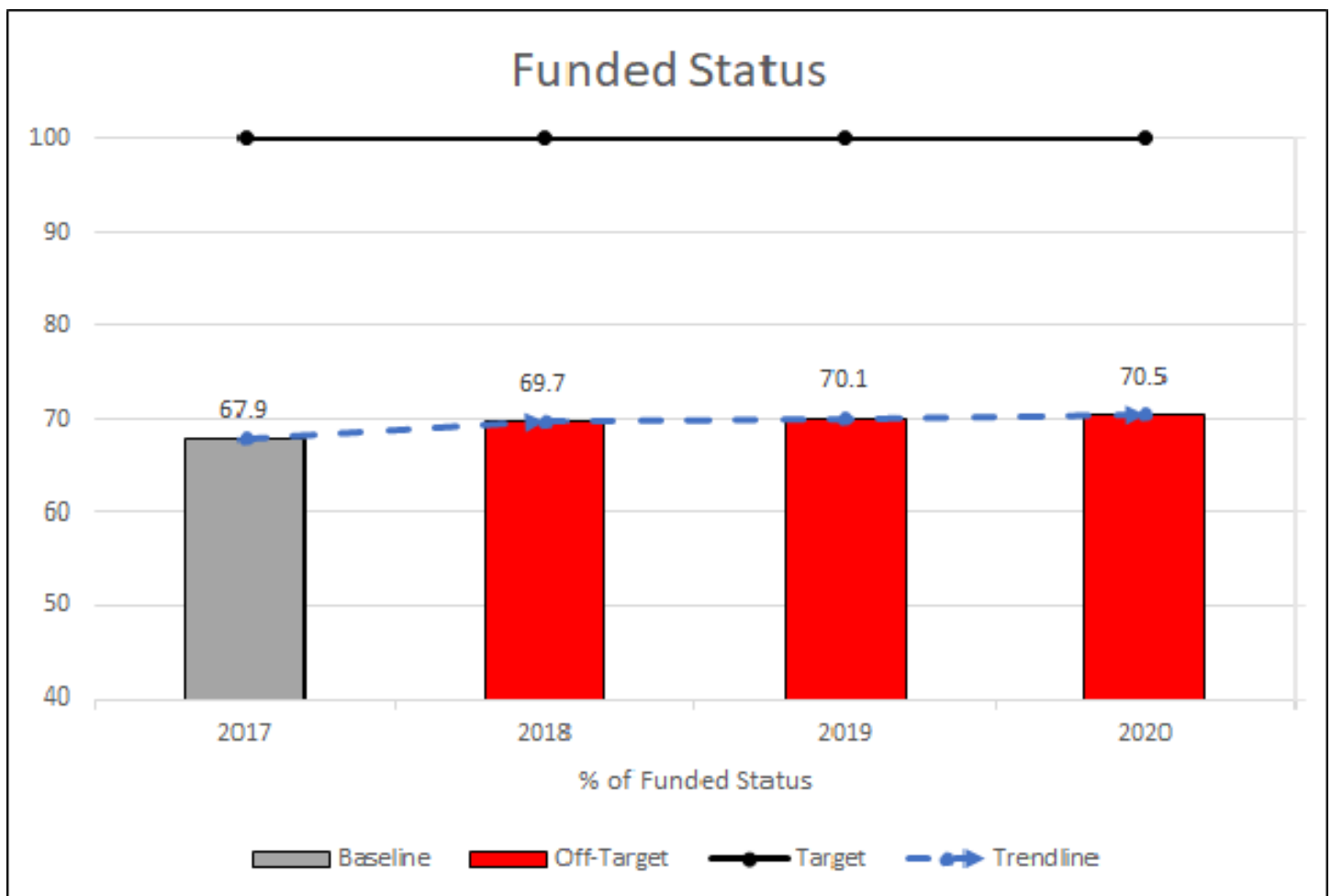
**Status Narrative:**

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:**



## 2021-22 Strategic Measure Summary (Quarter 3)

<b>Measure Title:</b>	Projected Funded Status
<b>Executive Owner:</b>	Michael Cohen
<b>Strategic Goal:</b>	Fund Sustainability
<b>Strategic Objective:</b>	Fund the system through an integrated view of pension assets and liabilities
<b>Associated Initiatives:</b>	Alignment of asset liability management; actuarial valuation system-advanced analytics
<b>Status:</b>	Pending Refresh (in August 2022)
<b>Numeric Status:</b>	1.4% below (in August 2021)
<b>Description:</b>	<p>Monitor the variance between actual and projected funded status of the PERF to determine if the 100% funded status projection is on track.</p> <p>Annually, the Actuarial Office provides the actual funded status of the previous fiscal year and the projected funded status of the current fiscal year.</p> <p>The inputs for this measure are influenced by five main factors:</p> <ul style="list-style-type: none"> <li>• Investment returns</li> <li>• Payment of unfunded liabilities (including additional discretionary payments)</li> <li>• Changes in actuarial methods and assumptions</li> <li>• Benefit changes</li> <li>• Actual experience</li> </ul> <p>Annually, the Actuarial Office produces valuation reports for the State, Schools, and Public Agency employers to determine the employer contribution requirements and the funded status of each plan. Because the funded status changes slowly, it is important to monitor performance trends to indicate if long-term funding goals are on track. The funded status is based on a 7% projected investment return. Based on the valuations at June 30, 2018, the PERF is projected to reach 100% funded status by June 30, 2041.</p>
<b>Baseline:</b>	The June 30, 2018 projected funded status was 68.7%
<b>Target:</b>	To meet the annual projected funded status
<b>Refresh Frequency:</b>	Annually, August
<b>Reporting Range:</b>	07/01/2019 – 06/30/2020
<b>Thresholds:</b>	<p>On-Target: Less than or equal to 1% above or below the projected funded status</p> <p>At-Risk: Greater than 1% or less than or equal to 3% above or below the projected funded status</p> <p>Off-Target: Greater than 3% above or below the projected funded status</p>

**Status Narrative:**

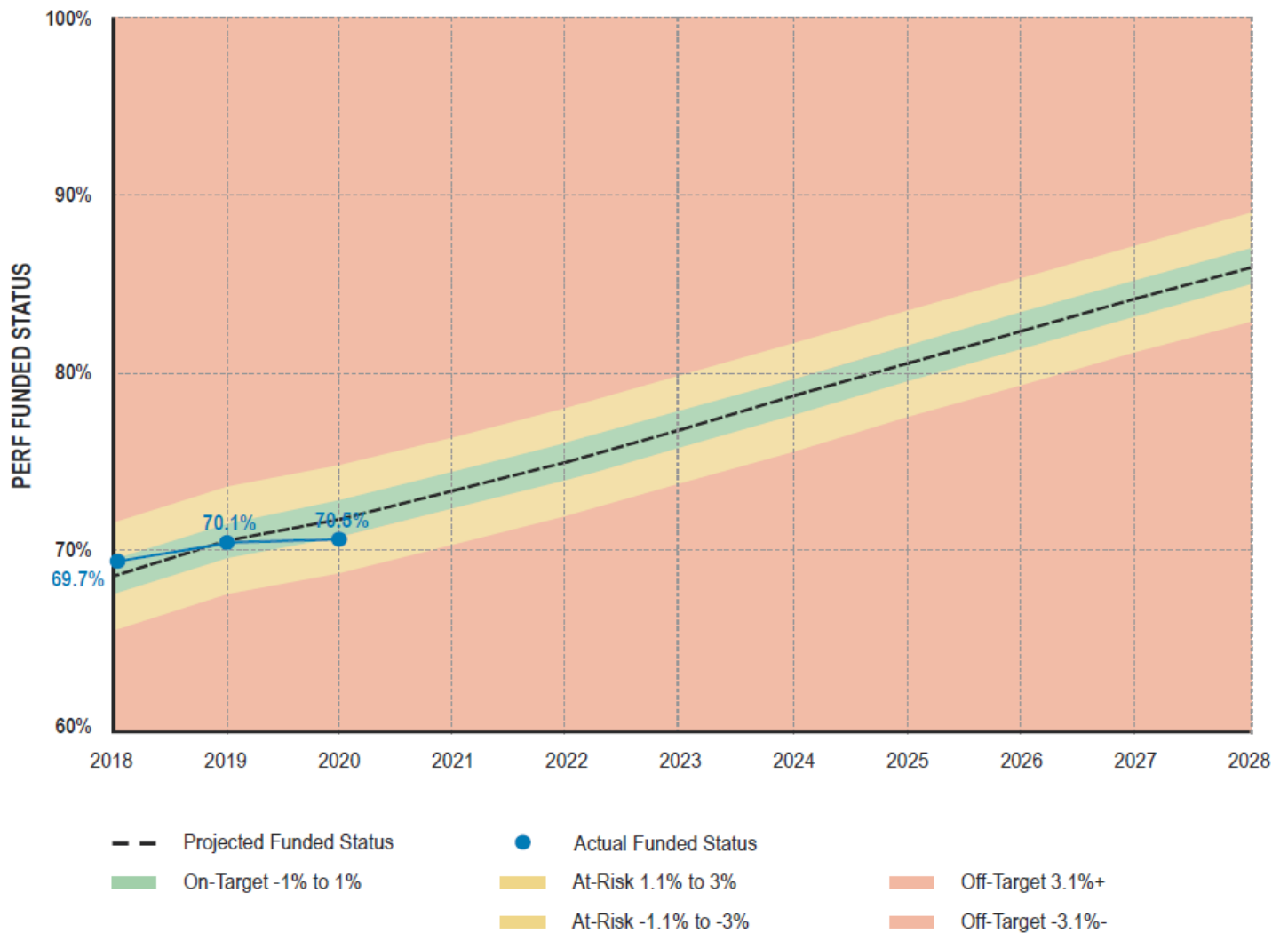
The June 30, 2020 projected funded status was 71.9%. The June 30, 2020 actual funded status was 70.5% which was less than the target by 1.4% making the measure at-risk.

At-Risk Root Cause: The projected funded status is at-risk because the investment returns for FY 2019-20 were 4.7%, which is 2.3% less than the 7% assumed rate of return.

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. The projected funded status is at-risk because the investment returns for FY 2019-20 were 4.7%, which is 2.3% less than the 7% assumed rate of return.

**Performance Trend Chart:**

**Projected Funded Status**



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** 1-Year Total Expected Fund Volatility

**Executive Owner:** Nicole Musicco

**Strategic Goal:** Fund Sustainability

**Strategic Objective:** Mitigate the risk of significant investment loss

**Associated Initiatives:** Investment risk management and performance attribution

**Status:** Pending Refresh (in September 2022)

**Numeric Status:** 10.7% (as of 07/01/21)

**Description:** The total (gross) risk of the Total Fund (Fund) expressed in the standard deviation (1-year) of the Funds' total return distribution, expressed in percent. Reported on a fiscal year-end basis, the metric will measure the expected volatility of the Total Fund returns. The current target was derived through the Capital Market Assumption (CMA) process used in the November 2017 Asset Liability Management (ALM) Cycle, to be effective 7/1/18. The ALM process occurs every four years.

**Baseline:** Current Barra volatility estimate for PERF is 7.6%, as of 6/30/18

**Target:** Current total expected fund volatility is 8% or less, as of 7/1/18

**Refresh Frequency:** Annually, September

**Reporting Range:** 07/01/20 – 06/30/21

**Thresholds:**

On-Target:	Equal to or less than the target
At-Risk:	1-50 basis points excess of target
Off-Target:	51 basis points or more excess of target

### Status Narrative:

As of 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.

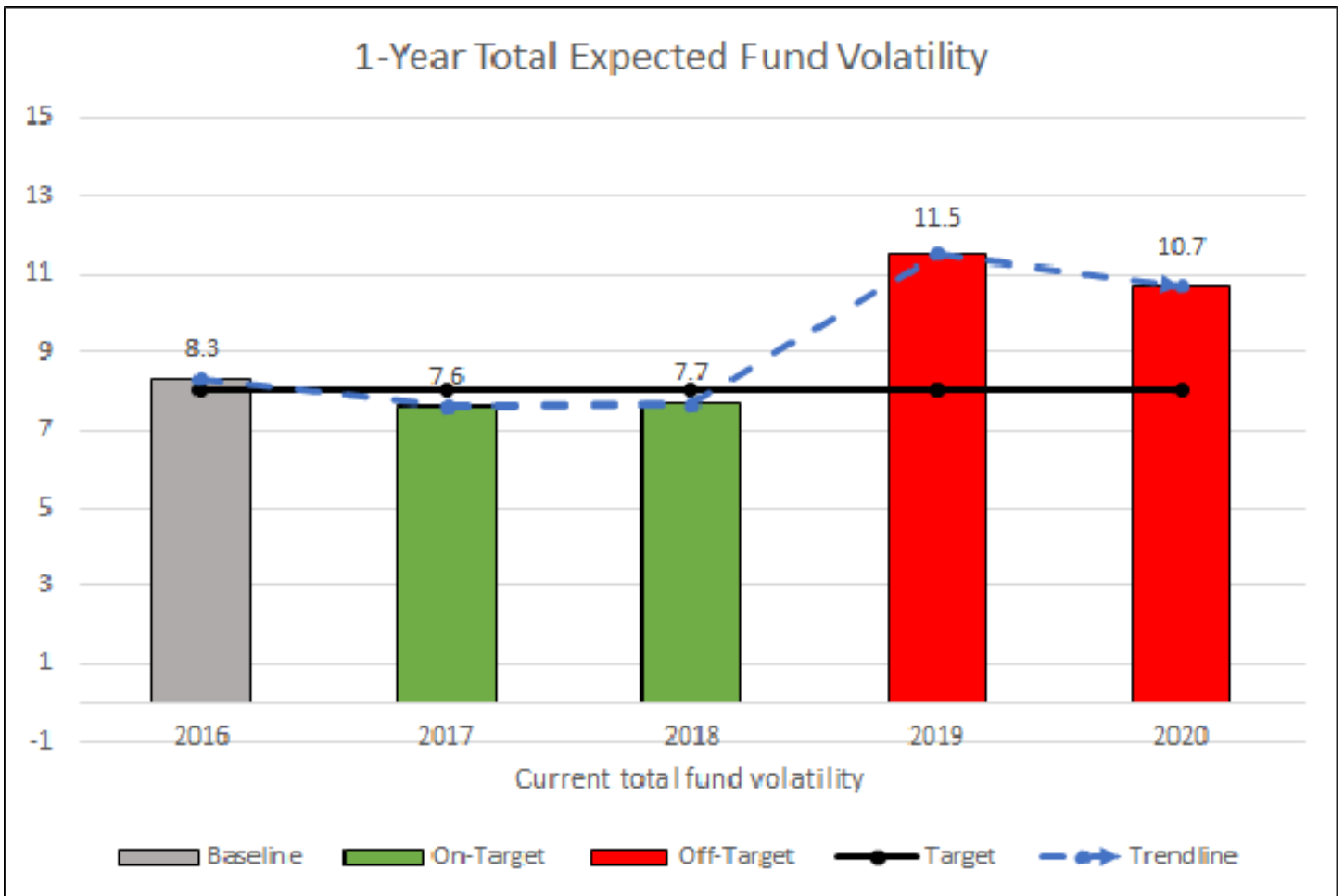
We are continuing review of investment capabilities to capitalize on strengths and reduce active risks that historically have not contributed positively to total fund outcome.

### 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:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Annualized (5-Year) Excess Investment Returns Relative to Total Fund Policy Benchmark

**Executive Owner:** Nicole Musicco

**Strategic Goal:** Fund Sustainability

**Strategic Objective:** Deliver target risk-adjusted investment returns

**Associated Initiatives:** Enhance capital allocation framework; Enhance investment platform and controls; Investment program long-term planning

**Status:** Pending Refresh (in September 2022)

**Numeric Status:** 5-Year annualized PERF excess return of -13 basis points as of 6/30/2021

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

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

**Baseline:** The Total Fund policy benchmark will be recalculated on a rolling 5-year period.

**Target:** Meet or exceed the Total Fund policy benchmark.

**Refresh Frequency:** Annually, September

**Reporting Range:** FY 2016-17 through FY 2020-21

**Thresholds:**

- On-Target: Exceed Total Fund Policy Benchmark
- At-Risk: Meet or Trail Total Fund Policy Benchmark by up to 10 basis points
- Off-Target: Trail Total Fund Policy Benchmark by 10 basis points or more

### Status Narrative:

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

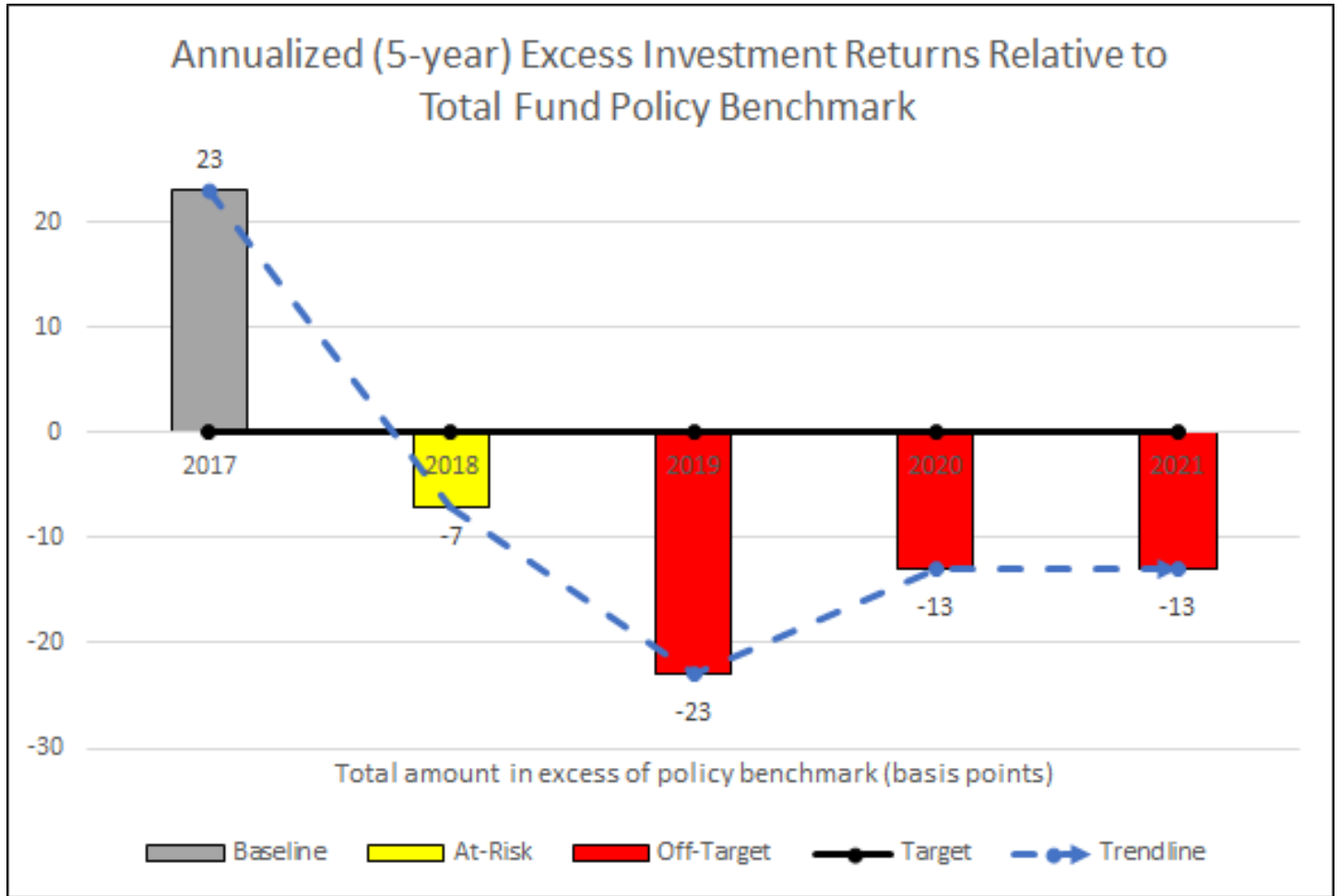
The PERF generated a 5-year annualized Total Net Return of 10.35% and underperformed the policy benchmark by 13 basis points.

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:





## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Stakeholder Assessment Survey – Risk

**Executive Owner:** Brad Pacheco

**Strategic Goal:** Fund Sustainability

**Strategic Objective:** Educate employers, members, and stakeholders on system risks and mitigation strategies

**Associated Initiatives:** Stakeholder education on system risks & mitigation

**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

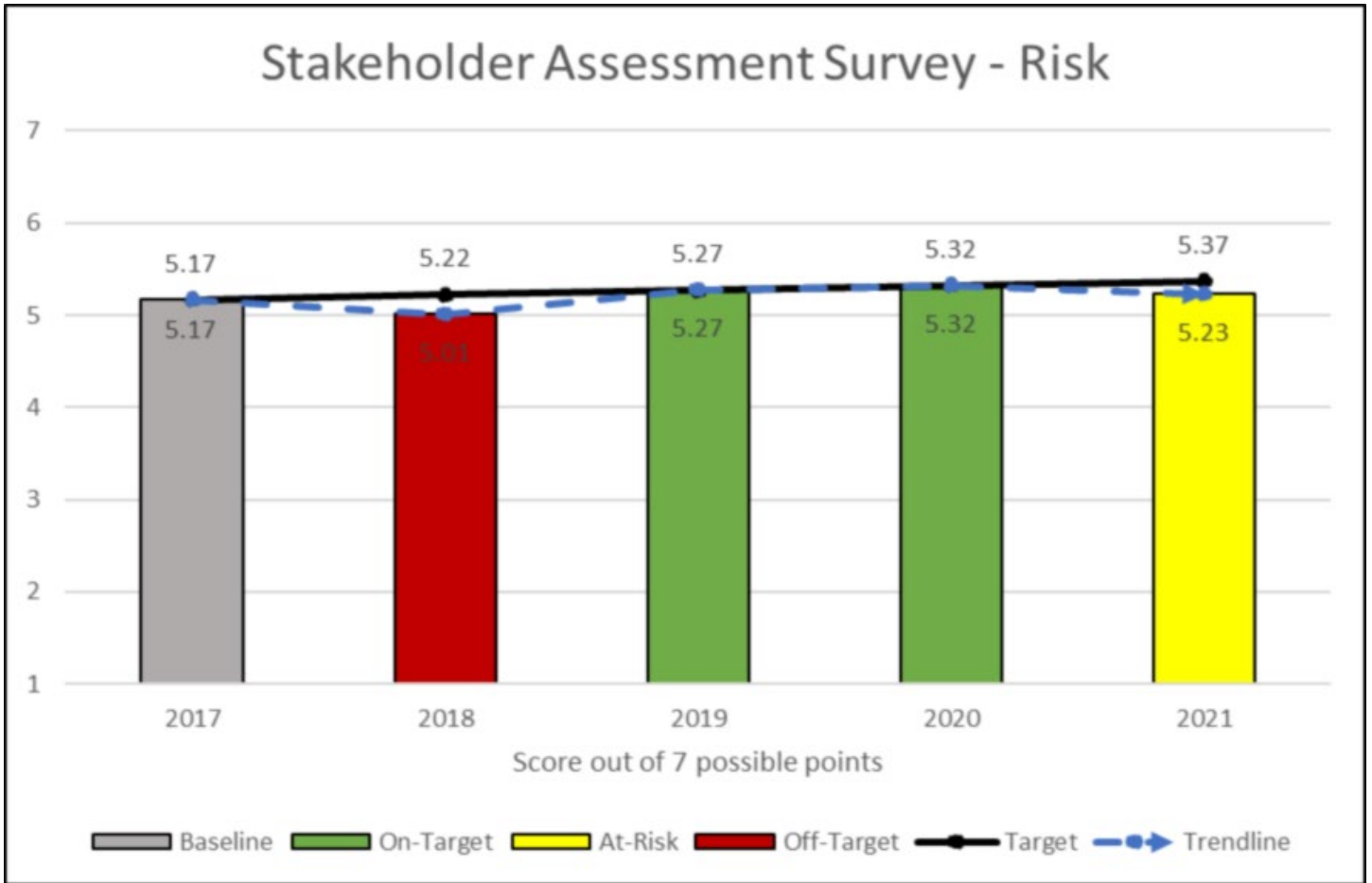
**Thresholds:**

- 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:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Investment Managers Policies and Procedures for ESG Factor Integration

**Executive Owner:** Nicole Musicco

**Strategic Goal:** Fund Sustainability

**Strategic Objective:** Integrate environmental, social, and governance considerations into investment decision making

**Associated Initiatives:** Investment beliefs and environmental, social, and governance risk integration

**Status:** Pending Refresh (in September 2022)

**Numeric Status:** 96% (for FY 2020-21)

**Description:** CalPERS team members developed an annual survey of internal and external strategic managers on their policies and procedures related to ESG risk and opportunity considerations. This was established as a Strategic Priority in August 2016 as part of CalPERS' Environmental Social and Governance (ESG) strategy. Asset classes are continuing to refine and evolve ESG integration efforts, including continued sharing of best practices internally and amongst external investment managers. This annual survey is to determine the percentage of internal and external strategic managers that have policies and procedures articulating how ESG risk and opportunity considerations are incorporated into investment processes and decisions

**Baseline:** For FY 2016-17, the baseline for this measure was 96% with a target of 100% integration, as established by the INVO Sustainable Investments (SI) staff responsible for central monitoring, external communication, and establishment of measurement processes and reporting.

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

**Refresh Frequency:** Annually, September

**Reporting Range:** 07/01/20 – 06/30/21

**Thresholds:**

On-Target:	80% and above
At-Risk:	50-79%
Off-Target:	Less than 50%

### Status Narrative:

The ESG integration score, measuring the percentage of internal and external managers with ESG policies in place, remained at or above 96% for 2020-2021.

This assessment is supported by two comprehensive reviews of sustainable investment practices at CalPERS performed during the reporting period:

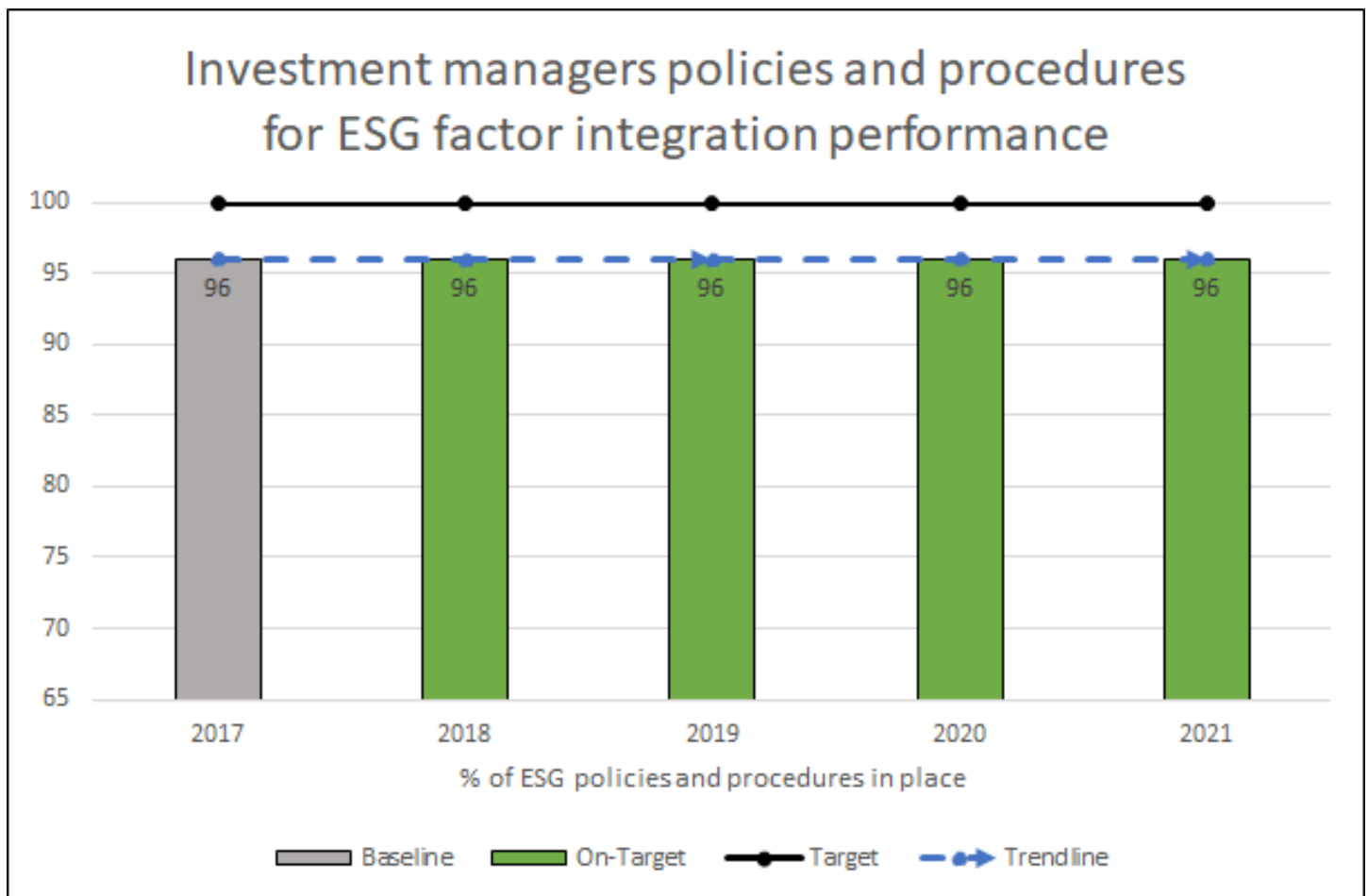
- BGS-led Board review of the Governance & Sustainability 5-year Strategic Plan.

- RSG-led mandatory review and report to the UN PRI (Principles for Responsible Investment) of sustainable investment practices employed by CalPERS’ internal and external managers of capital.

Staff produced significant progress along three main dimensions contributing to ESG integration:

- Education: Sustainable Investing INVO staff training sessions completed.
- Investment research: climate-risk integration research covering 1) climate-aware macro-economic forecasts 2) climate-aware strategic public equity benchmarking
- Portfolio management: comprehensive carbon-footprint analysis of CalPERS’ private equity portfolio was performed.

Performance Trend Chart:



## 2021-22 Strategic Measure Summary (Quarter 3)

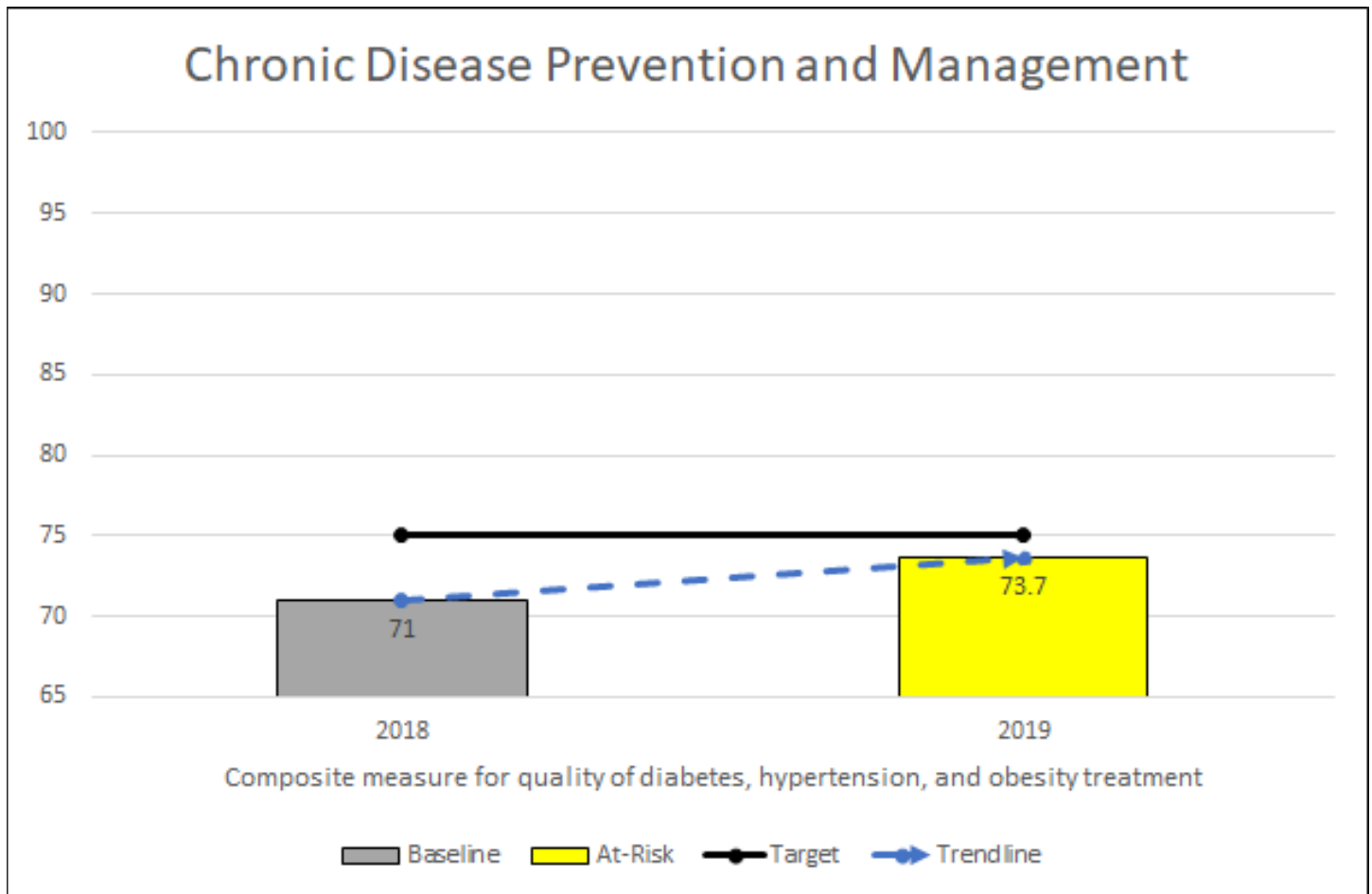
<b>Measure Title:</b>	Chronic Disease Prevention and Management						
<b>Executive Owner:</b>	Donald Moulds						
<b>Strategic Goal:</b>	High-Quality Affordable Health Care						
<b>Strategic Objective:</b>	Ensure our members receive high-quality care						
<b>Associated Initiatives:</b>	Update health plan contract measures; Clinical quality improvement programs; Health data quality management; Health equity						
<b>Status:</b>	Pending Refresh (in July 2022)						
<b>Numeric Status:</b>	73.7% (covering experience in 2019)						
<b>Description:</b>	<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"> <li>• Diabetes Care: Hemoglobin A1C management</li> <li>• Hypertension: Controlling High Blood Pressure</li> <li>• Obesity counseling</li> </ul>						
<b>Baseline:</b>	71% (covering experience in 2018)						
<b>Target:</b>	75%						
<b>Refresh Frequency:</b>	Annually, July						
<b>Reporting Range:</b>	January 2019 – December 2019						
<b>Thresholds:</b>	<table> <tr> <td>On-Target:</td> <td>75% or above</td> </tr> <tr> <td>At-Risk:</td> <td>50 – 74.9%</td> </tr> <tr> <td>Off-Target:</td> <td>Below 50%</td> </tr> </table>	On-Target:	75% or above	At-Risk:	50 – 74.9%	Off-Target:	Below 50%
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:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Behavioral Health Quality

**Executive Owner:** Donald Moulds

**Strategic Goal:** High-Quality Affordable Health Care

**Strategic Objective:** Ensure our members receive high-quality care

**Associated Initiatives:** Behavioral health access and quality; Health Equity

**Status:** Under Development

**Numeric Status:** N/A

**Description:** Mental health disorders are among the most common health conditions Californians face as one in six California adults experiences a mental illness of some kind; one in 24 has a 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.

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:

- 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:

The development of this Strategic Measure will continue as the Behavioral Health Screening and Treatment measure in the 2022-27 Strategic Plan. The data to develop the baseline and thresholds will be completed by December 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 screening and treatment for CalPERS' health care members. Performance data and the performance trend chart will be available when this measure is fully built out.

## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Measuring Access to Care

**Executive Owner:** Donald Moulds

**Strategic Goal:** High-Quality Affordable Health Care

**Strategic Objective:** Ensure our members have access to care when and where they need it

**Associated Initiatives:** Telehealth access; Behavioral health access and quality; Health data quality management; Health Equity

**Status:** Pending Refresh (in June 2022)

**Numeric Status:** 84.6% (covering experience in 2020)

**Description:** 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?”

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.

Measure trend:

- 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:**

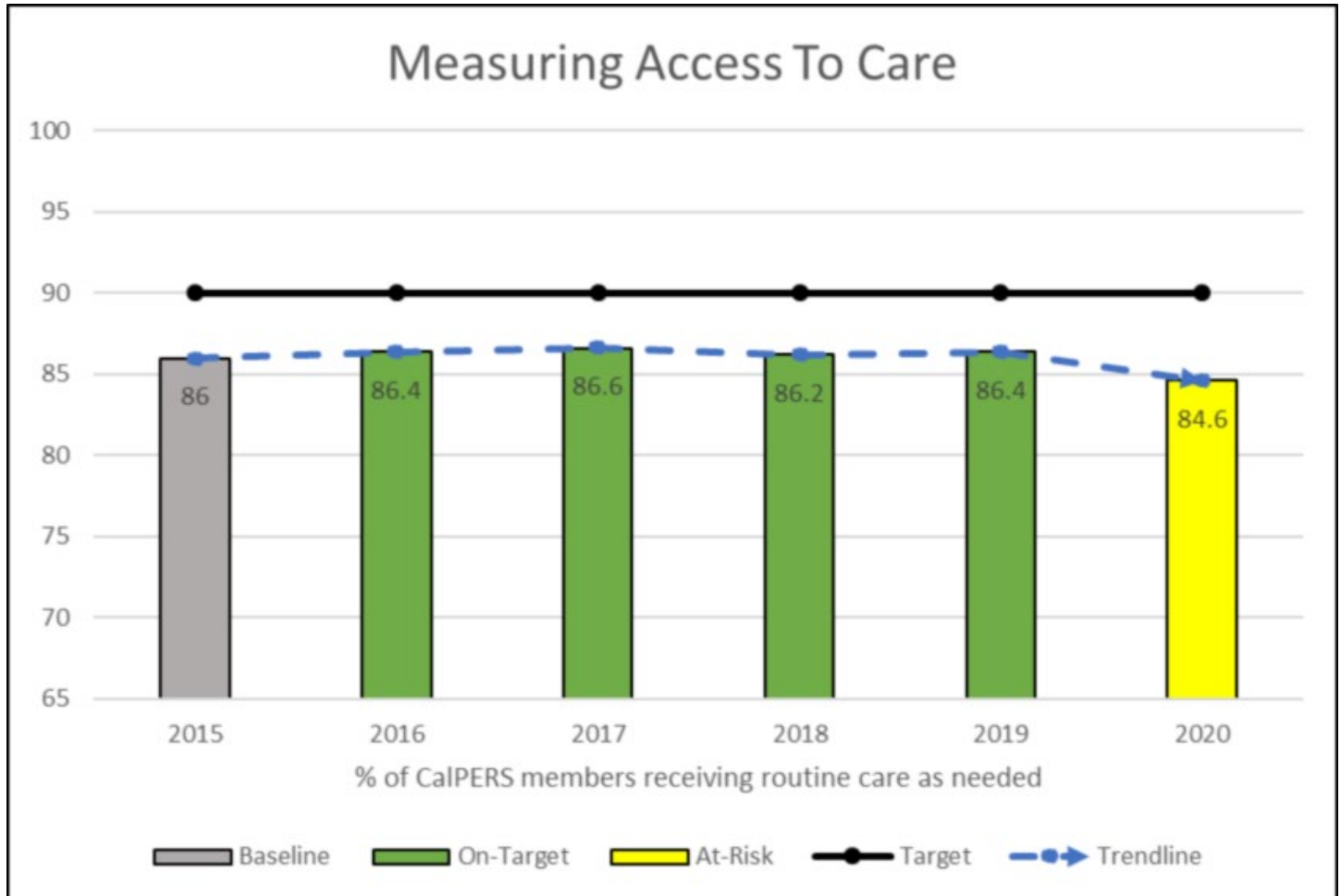
On-Target:	85% or above
At-Risk:	80 – 84.9%
Off-Target:	Below 80%



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:



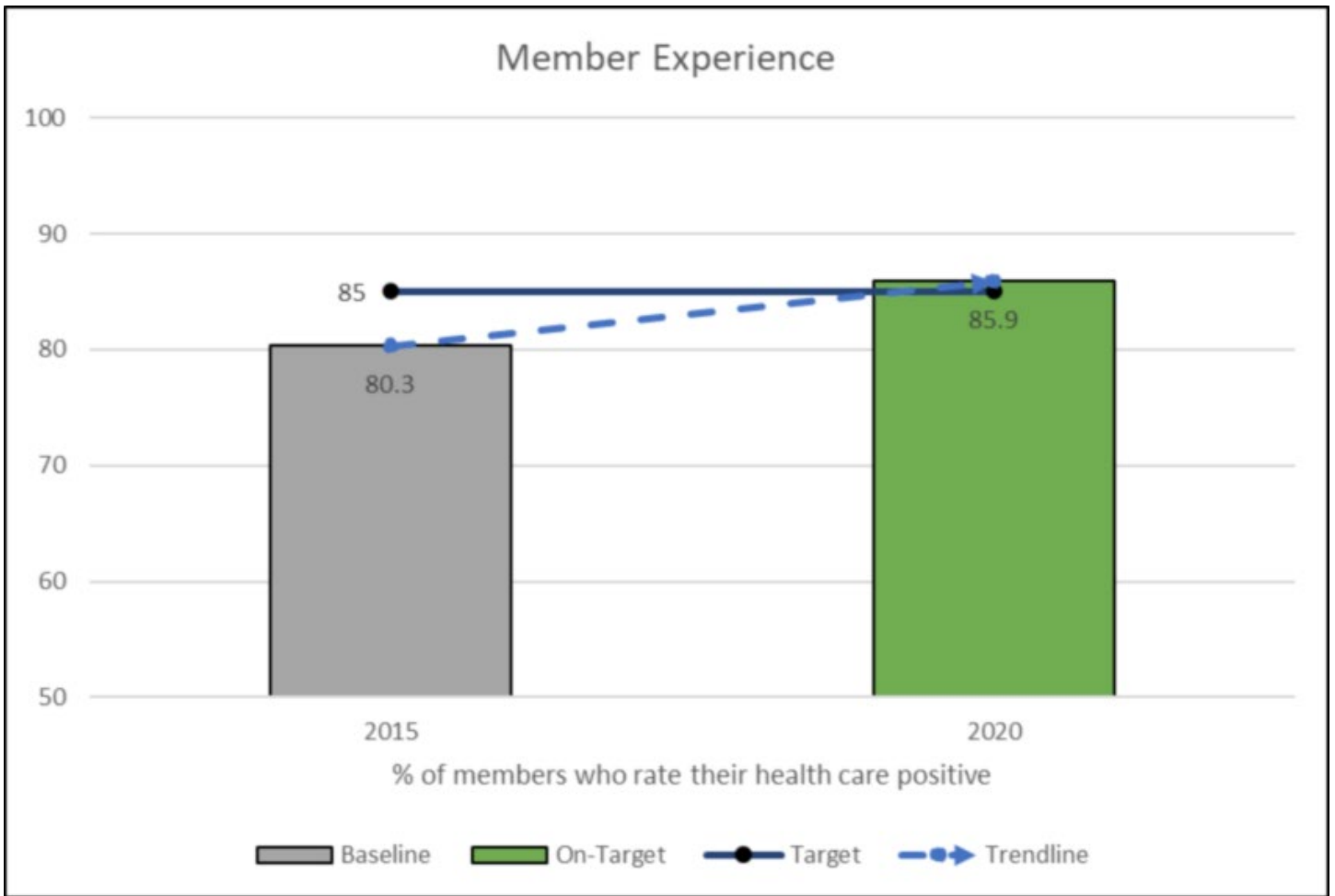
## 2021-22 Strategic Measure Summary (Quarter 3)

<b>Measure Title:</b>	Member Experience						
<b>Executive Owner:</b>	Donald Moulds						
<b>Strategic Goal:</b>	High-Quality Affordable Health Care						
<b>Strategic Objective:</b>	Ensure our members have access to care when and where they need it						
<b>Associated Initiatives:</b>	Telehealth access; Behavioral health access and quality; Update health plan contract measures; Health Equity						
<b>Status:</b>	Pending Refresh (in June 2022)						
<b>Numeric Status:</b>	85.9% (covering experience in 2020)						
<b>Description:</b>	<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>						
<b>Baseline:</b>	80.3% (covering experience in 2015)						
<b>Target:</b>	85%						
<b>Refresh Frequency:</b>	Annually, June						
<b>Reporting Range:</b>	January 2020 – December 2020						
<b>Thresholds:</b>	<table> <tr> <td>On-Target:</td> <td>82% or above</td> </tr> <tr> <td>At-Risk:</td> <td>80 – 81.9%</td> </tr> <tr> <td>Off-Target:</td> <td>Below 80%</td> </tr> </table>	On-Target:	82% or above	At-Risk:	80 – 81.9%	Off-Target:	Below 80%
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:



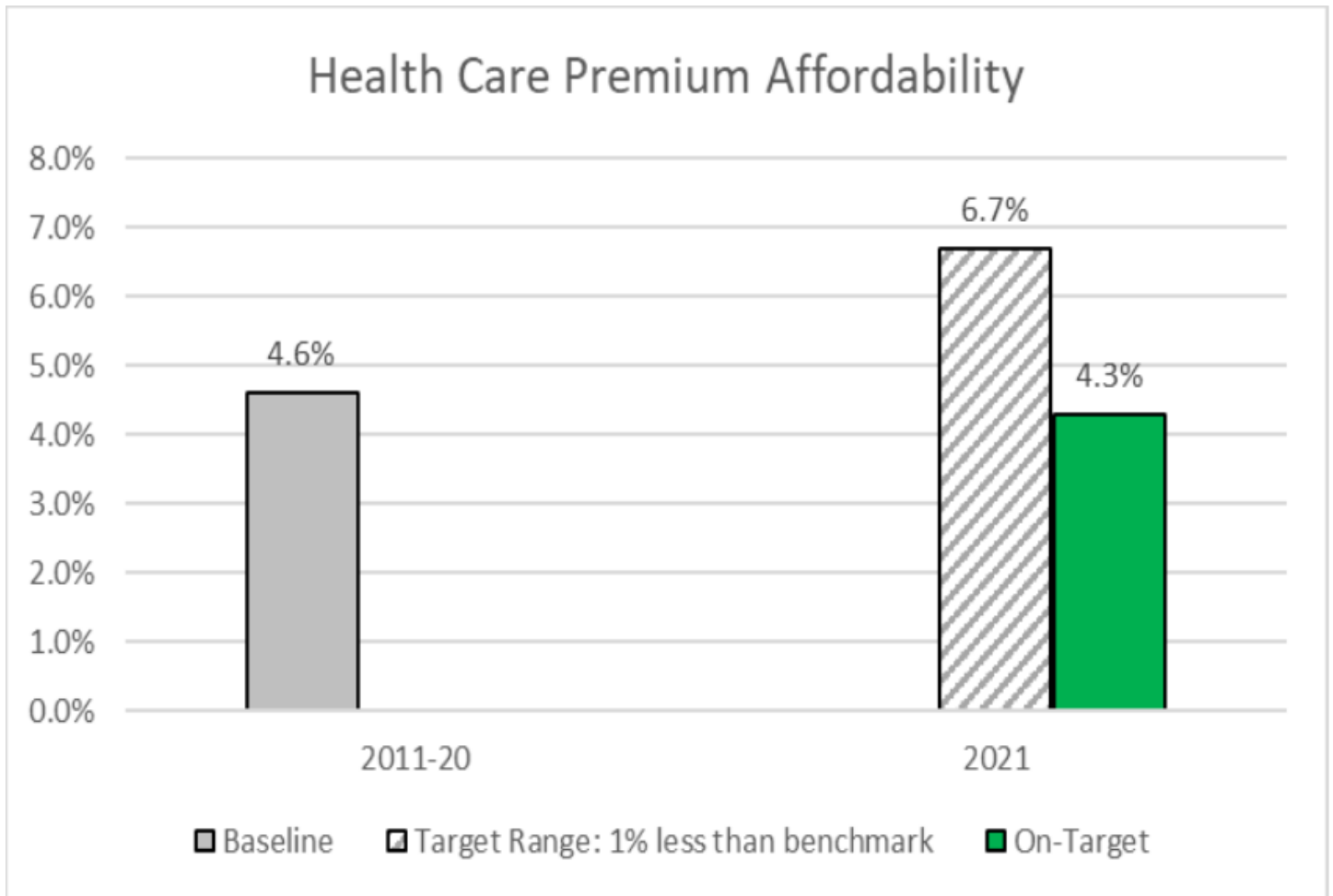
## 2021-22 Strategic Measure Summary (Quarter 3)

<b>Measure Title:</b>	Health Care Premium Affordability
<b>Executive Owner:</b>	Donald Moulds
<b>Strategic Goal:</b>	High-Quality Affordable Health Care
<b>Strategic Objective:</b>	Ensure the care we provide is affordable
<b>Associated Initiatives:</b>	Increase competition; Risk mitigation; Pharmaceutical strategies; Update health plan contract measures; Health data quality management
<b>Status:</b>	Pending Refresh (in June 2022)
<b>Numeric Status:</b>	4.3% (for 2021)
<b>Description:</b>	<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>
<b>Baseline:</b>	4.6% (based on CalPERS' average annual premium increases from 2011-2020)
<b>Target:</b>	One percent less than the benchmark developed by the external consulting firm(s).
<b>Refresh Frequency:</b>	Annually, June
<b>Reporting Range:</b>	January 2021 – December 2021
<b>Thresholds:</b>	<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:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** CEM Pension Complexity Score  
**Executive Owner:** Anthony Suine  
**Strategic Goal:** Reduce Complexity  
**Strategic Objective:** Simplify programs to improve service and/or reduce cost  
**Associated Initiatives:** Complexity reduction

**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

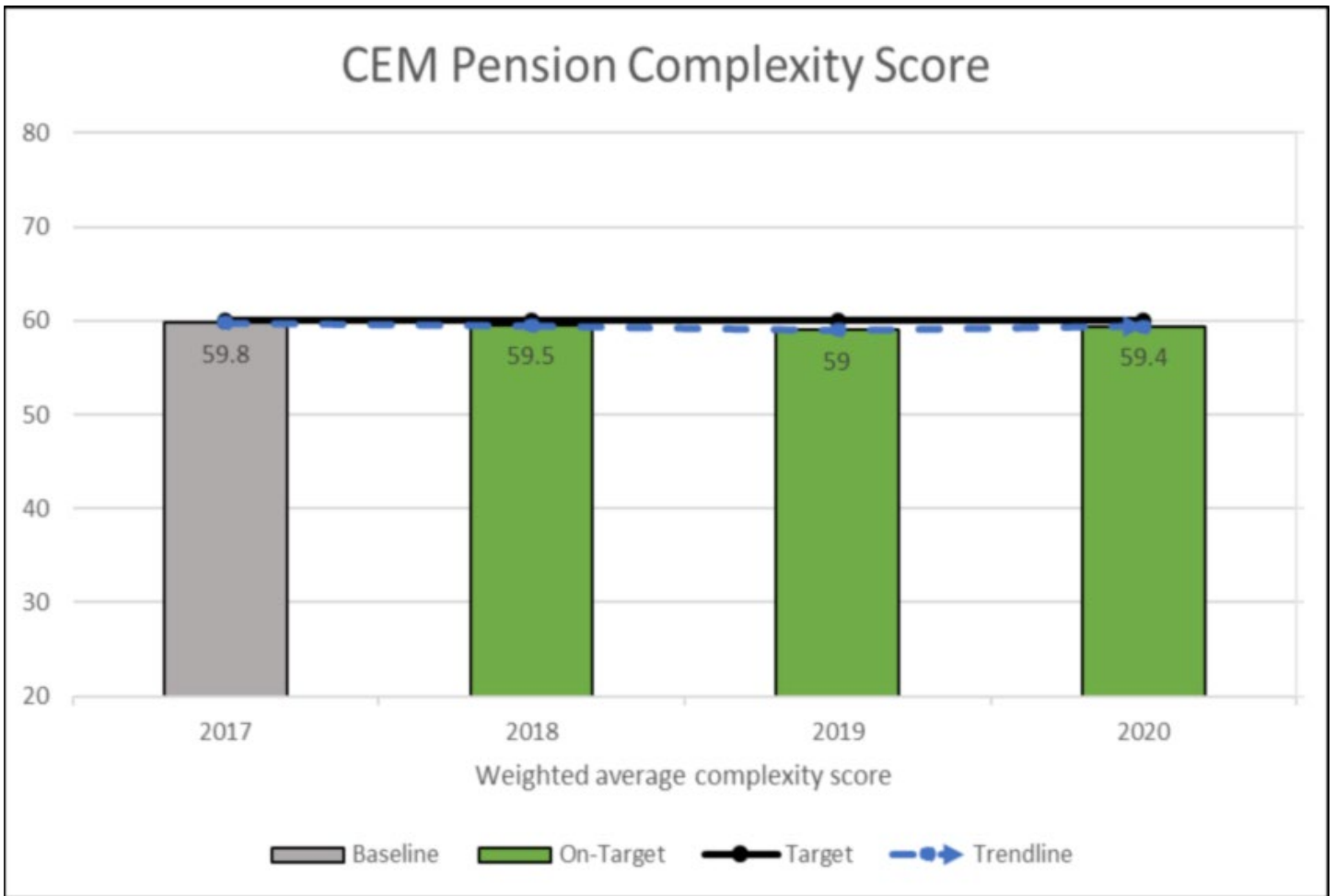
**Reporting Range:** 07/01/19 – 06/30/2020

**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:



## 2021-22 Strategic Measure Summary (Quarter 2)

**Measure Title:** CEM Information Technology Capability Score

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Reduce Complexity

**Strategic Objective:** Simplify programs to improve service and/or reduce cost

**Associated Initiatives:** Mature targeted information technology capabilities

**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:**

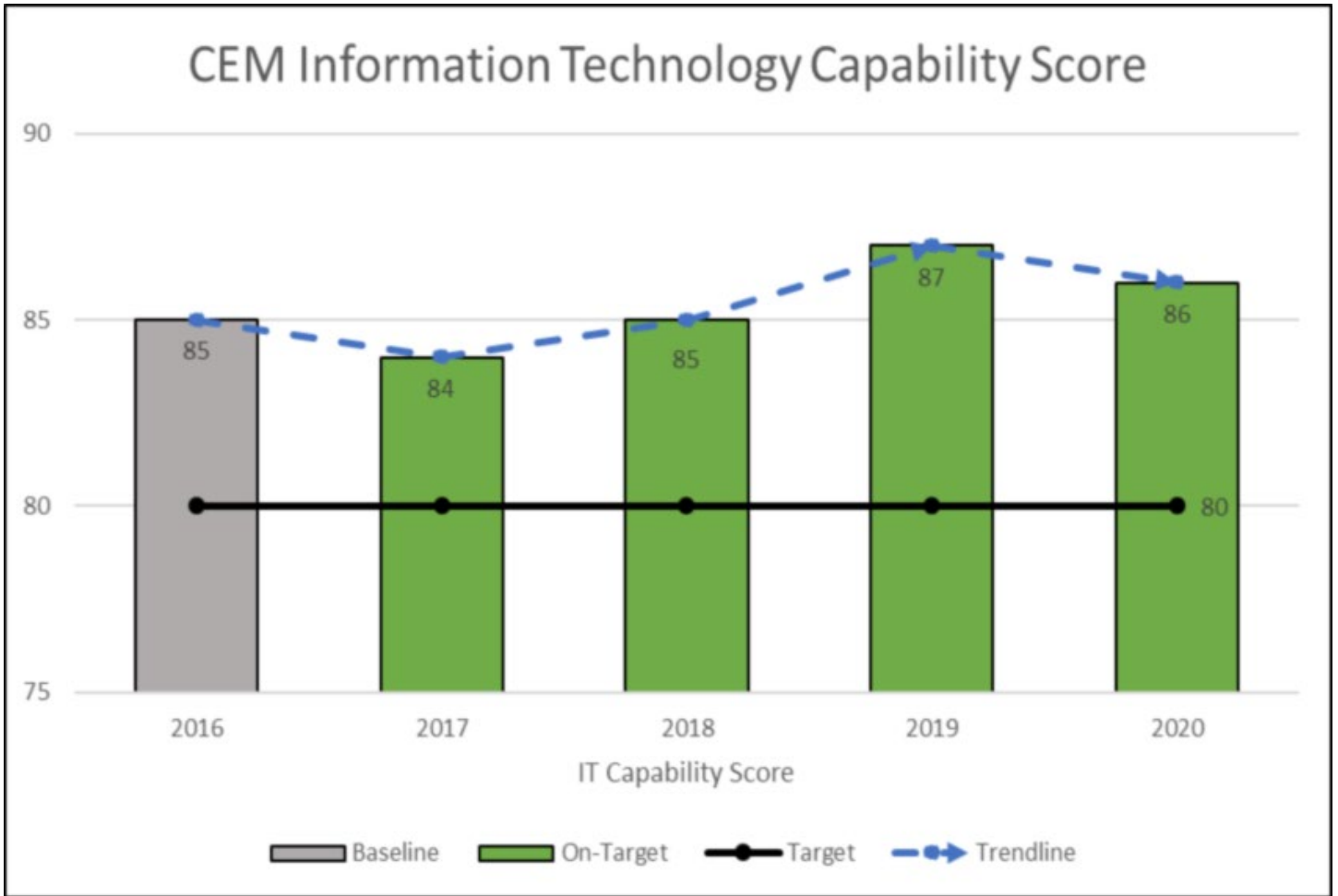
On-Target:	80 points or above
At-Risk:	75 to 79 points
Off-Target:	Less than 75 points

**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:



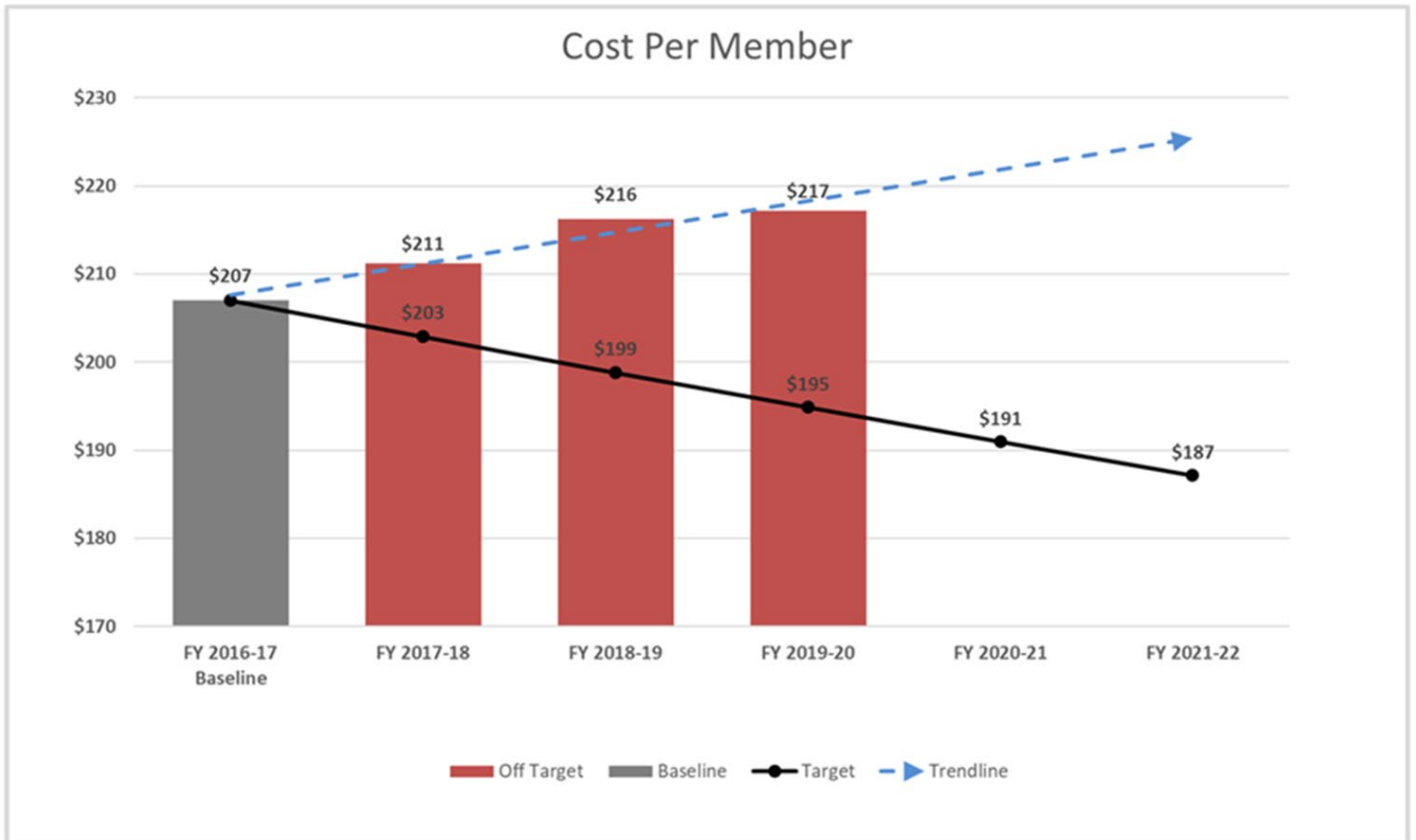
## 2021-22 Strategic Measure Summary (Quarter 3)

<b>Measure Title:</b>	CEM Cost per Member						
<b>Executive Owner:</b>	Michael Cohen						
<b>Strategic Goal:</b>	Reduce Complexity						
<b>Strategic Objective:</b>	Streamline operations to gain efficiencies, improve productivity, and reduce costs						
<b>Associated Initiatives:</b>	Develop and implement continuous process improvement framework; Develop Information Technology Service Level Agreements						
<b>Status:</b>	Pending Refresh (in June 2022)						
<b>Numeric Status:</b>	\$217/member (as of June 30, 2021)						
<b>Description:</b>	From the annual CEM Pension Administration Benchmarking Survey, reduce cost per member, exclusively to pension administration, and does not include health and investment.						
<b>Baseline:</b>	\$207 cost per member for FY 2016-17						
<b>Target:</b>	Reduce by 2% annually						
<b>Refresh Frequency:</b>	Annually, June						
<b>Reporting Range:</b>	07/01/2019 – 06/30/2020						
<b>Thresholds:</b>	<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.

## 2021-22 Strategic Measure Summary (Quarter 3)

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

**Status:** Pending Refresh (in September 2022)  
**Numeric Status:** \$198.5 million (\$700,000 or 0.3% over target as of June 2021)  
**Description:** Overhead operational costs calculated for pension administration and health.  
**Baseline:** The overhead operational costs for FY 2016-17 was \$210,114,665  
**Target:** Reduce by 1.5% – 2% annually  
**Refresh Frequency:** Annually, September  
**Reporting Range:** 07/01/2020 – 06/30/2021  
**Thresholds:**  
 On-Target: Reduced by 1.5% – 2.0% annually  
 At-Risk: Reduced by 1.0% – 1.49% annually  
 Off-Target: Reduced by less than 1.0% annually

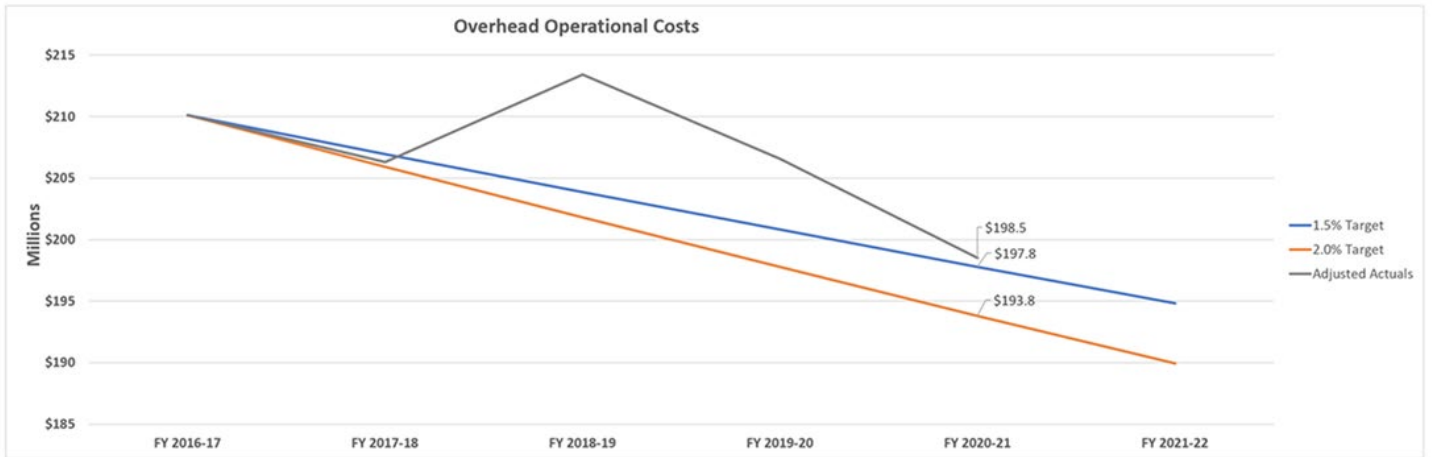
### Status Narrative:

This measure was Off-Target for fiscal year 2020-21. Overhead operational costs, as adjusted for statewide employee compensations increases, totaled \$198.5 million. This is \$700,000, or 0.3% over the targeted range of \$197.8 million to \$193.8 million.

Off-Target Root Cause: The 2020-21 Annual Budget approved by the Board included significant reductions, both one-time and ongoing, that helped bring the organization closer to meeting the strategic measure. At the end of the prior year, CalPERS was nearly \$6 million away from the target. One year later at the end of 2020-21, CalPERS reduced that gap to \$700,000. Cumulatively over the past four years, CalPERS reduced overhead expenses by \$15.7 million, or 5.7%. As explained previously, overhead costs are driven by personal services expenditures – salaries and benefits for staff. While CalPERS eliminated 32 vacant positions in 2020-21 without degradation to services, additional reductions could not be made without negatively impacting its ability to meet its mission and key customer service levels.

Next Steps: The 2021-22 Budget approved by the Board continued the ongoing reductions achieved in the prior year. CalPERS will continue to scrutinize expenses and only approve increases necessary to meet its mission and key customer service levels.

Performance Trend Chart:



## 2021-22 Strategic Measure Summary (Quarter 3)

<b>Measure Title:</b>	5-Year Net Value Added						
<b>Executive Owner:</b>	Nicole Musicco						
<b>Strategic Goal:</b>	Reduce Complexity						
<b>Strategic Objective:</b>	Streamline operations to gain efficiencies, improve productivity, and reduce costs						
<b>Associated Initiatives:</b>	Enhance business effectiveness, resource allocation, and efficiency of investment programs						
<b>Status:</b>	Pending Refresh (in September 2022)						
<b>Numeric Status:</b>	Did not exceed the US Peer median (for 2018-19)						
<b>Description:</b>	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.						
<b>Baseline:</b>	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.						
<b>Target:</b>	Exceed the median US peer on investment cost and returns						
<b>Refresh Frequency:</b>	Annually, September						
<b>Reporting Range:</b>	Current 5 Year Period: FY 2014-15 through FY 2018-19						
<b>Thresholds:</b>	<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%.

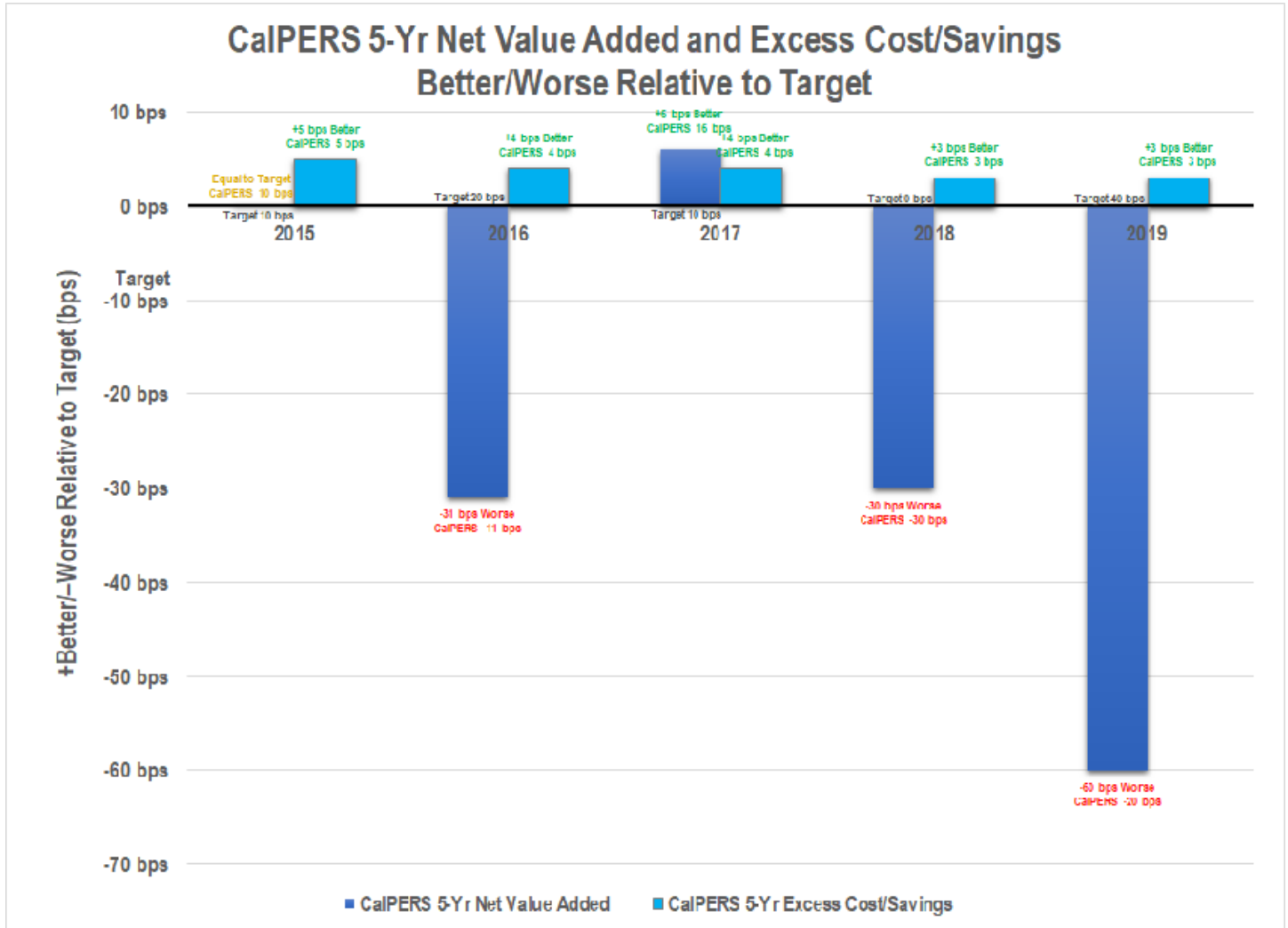
Although the 5-year Net value added fell below the U.S. median, the CalPERS 5-year net total return of 7.1% was above the peer median of 6.5%.

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.

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:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Stakeholder Assessment Survey – Compliance and Risk

**Executive Owner:** Brad Pacheco

**Strategic Goal:** Risk Management

**Strategic Objective:** Enhance compliance and risk functions throughout the enterprise

**Associated Initiatives:** Increase enterprise-wide compliance awareness

**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:**

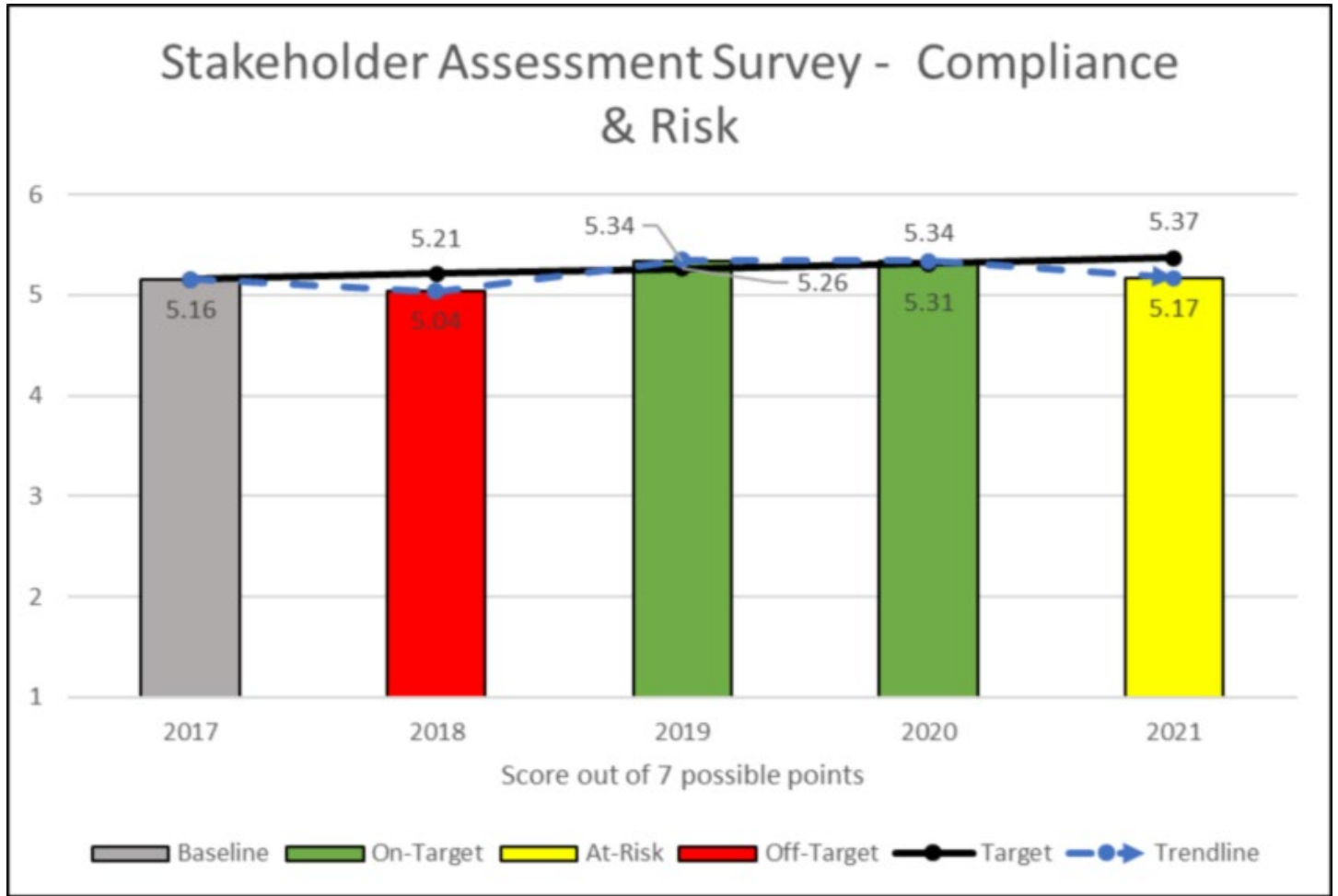
- On-Target: Annual increase of 0.05 or more points from the baseline figure each year
- At-Risk: Annual increase of 0.0 – 0.04 points from the baseline figure each year
- Off-Target: Decrease from the baseline figure

### 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.



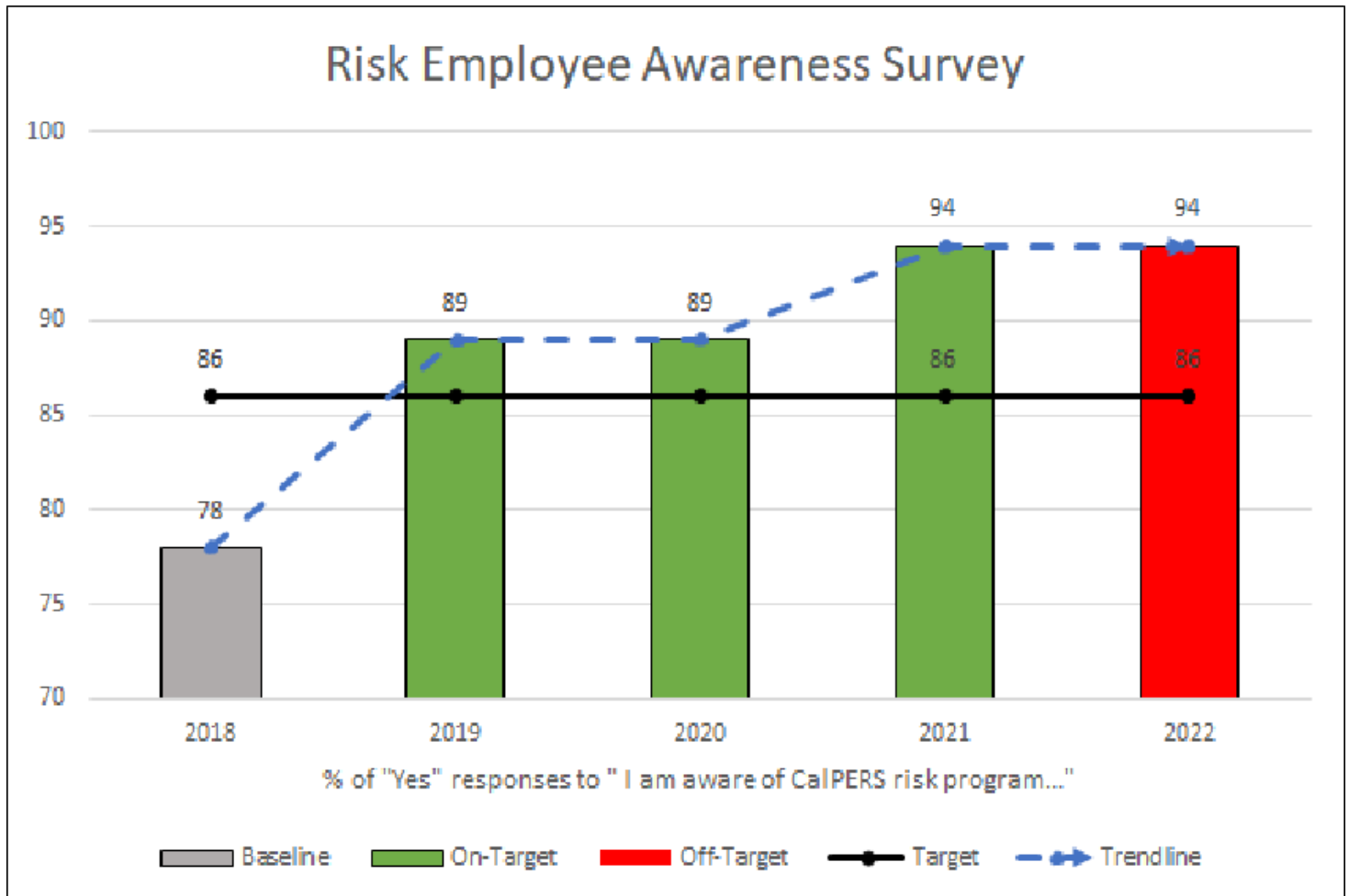
Performance Trend Chart:



The survey reflected the efforts of the Enterprise Risk Management Division (ERMD) team to continue to educate CalPERS team members and stakeholders to cultivate a risk-intelligent organization through the implementation of the ERMD Communication Plan.

ERMD continues to create awareness by communicating through CalPERS Compliance and Risk Liaisons, training new employees at New Employee Orientation (NEO), and educating CalPERS team members through risk webinars to promote risk awareness in an office-centric and remote work environment.

Performance Trend Chart:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Risk Program Maturity Assessment

**Executive Owner:** Kevin Fein

**Strategic Goal:** Risk Management

**Strategic Objective:** Enhance compliance and risk functions throughout the enterprise

**Associated Initiatives:** Supported by Core Workload

**Status:** Pending Refresh (in June 2022)

**Numeric Status:** 4+ (out of a possible 5) (as of June 2021)

**Description:** Risk program maturity model assessments are completed annually to assess risk functions throughout the enterprise. Maturity scores are refined with a (+) or (-) to indicate intermediate levels of maturity.

**Baseline:** The baseline is a 3 on a point scale of 1 (low) to 5 (high) based on the 2017-18 Gartner Corporate Executive Board's Maturity Survey results.

**Target:** CalPERS risk program maturity assessment scores are targeted to increase one point by 2021-22, from the baseline scores set in FY 2017-18

**Refresh Frequency:** Annually, June

**Reporting Range:** FY 2020-21

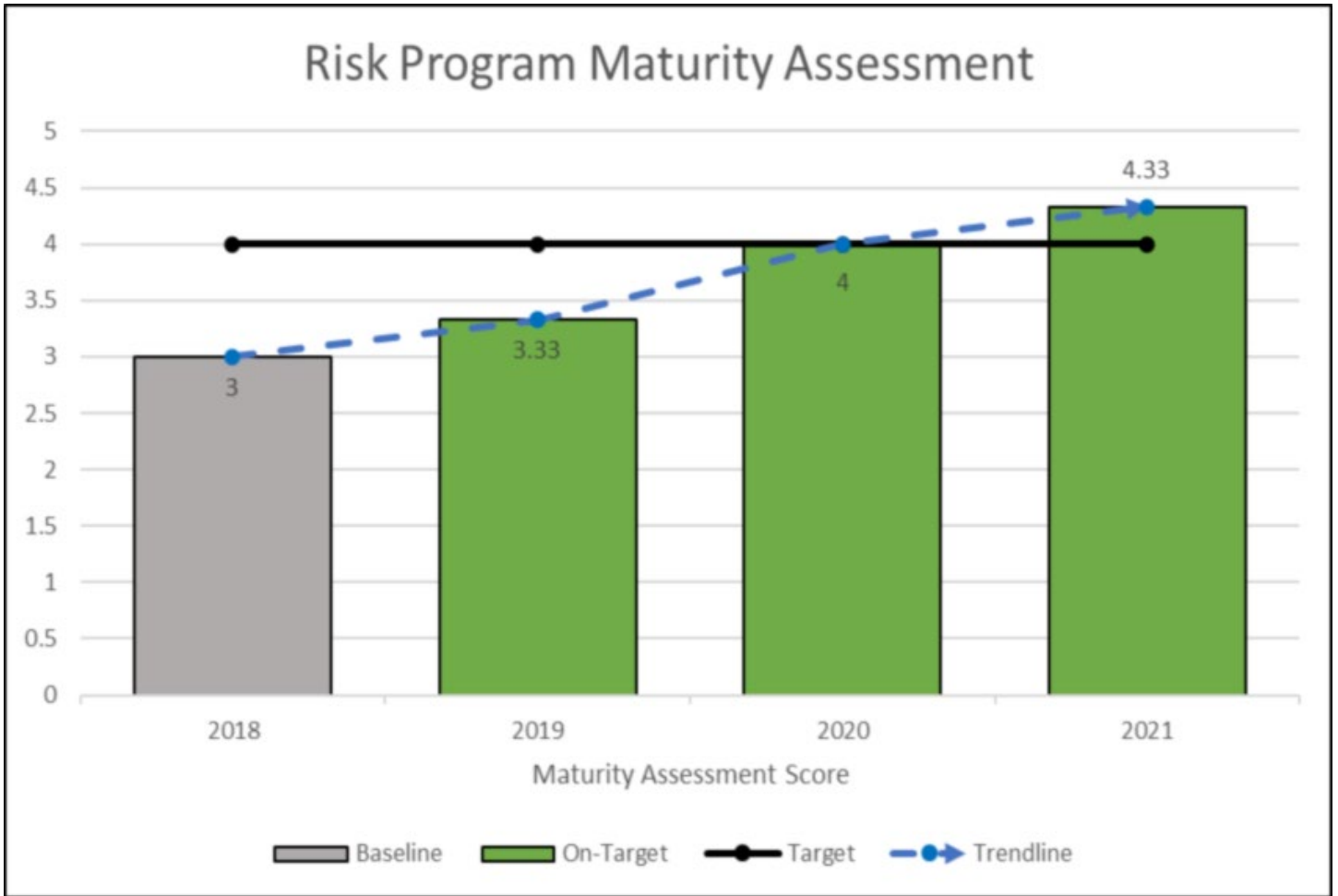
**Thresholds:**

On-Target:	Year-over-year increase in score
At-Risk:	No change in score
Off-Target:	Year-over-year decrease in score

### Status Narrative:

Maturity scores are refined with a (+) or (-) to indicate intermediate maturity levels. The Risk Program Maturity Assessment score increased last year from 4 to 4+ for FY 2020-2021 and was still well above the industry benchmark of 2+. ERMD is placing more emphasis on integrating risk management into strategic planning.

Performance Trend Chart:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Compliance Employee Awareness Survey

**Executive Owner:** Kevin Fein

**Strategic Goal:** Risk Management

**Strategic Objective:** Enhance compliance and risk functions throughout the enterprise

**Associated Initiatives:** Increase enterprise-wide compliance awareness; Increase compliance program maturity

**Status:** On-Target

**Numeric Status:** 96%

**Description:** Annual Employee survey example question: "I am aware of CalPERS' compliance program. I incorporate compliance functions into my daily work."

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

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

**Refresh Frequency:** Annually, February

**Reporting Range:** 07/01/2021 – 06/30/2022

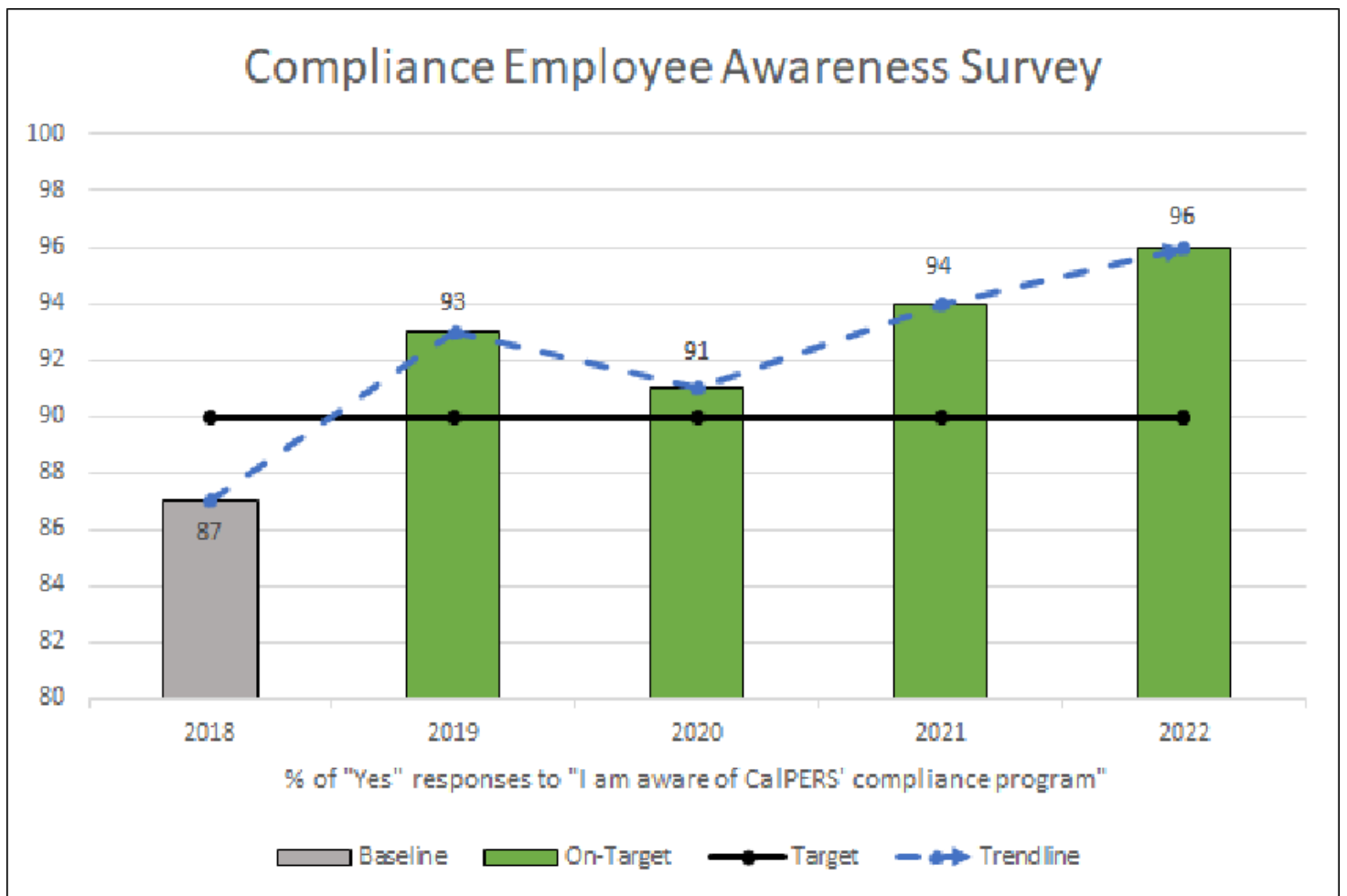
**Thresholds:**

On-Target:	90-100%
At-Risk:	80-89%
Off-Target:	≤ 79%

### Status Narrative:

The positive response rate of the survey increased by 2% and remained above our targeted rate of 90% for the fourth 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 to enterprise-wide awareness of CalPERS' compliance program included regular training sessions for Form 700 and Personal Trading regulations. Additionally, CalPERS Compliance and Risk Liaisons continued to provide support and communications for compliance functions across the organization. Enterprise Compliance will use the results of the survey to build the FY 2022-23 Communications and Training Plan.

Performance Trend Chart:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Compliance Program Maturity Assessment

**Executive Owner:** Kevin Fein

**Strategic Goal:** Risk Management

**Strategic Objective:** Enhance compliance and risk functions throughout the enterprise

**Associated Initiatives:** Increase enterprise-wide compliance awareness; Increase compliance program maturity

**Status:** Pending Refresh (in June 2022)

**Numeric Status:** 4- (out of a possible 5) (as of June 2021)

**Description:** Assesses the compliance and ethics program's functional performance against a structured framework. Measured on a scale ranging from 1 (low) to 5 (high), maturity is an organization's performance relative to Gartner's best practice research.

**Baseline:** The Fiscal Year 2017-18 baseline for Enterprise Compliance (ECOM) is a 2.33 on a point scale of 1 (low) and 5 (high)

**Target:** CalPERS compliance maturity assessment score is targeted to increase one point by FY 2021-22, from the baseline scores set in FY 2017-18

**Refresh Frequency:** Annually, June

**Reporting Range:** 07/01/2020 – 06/30/2021

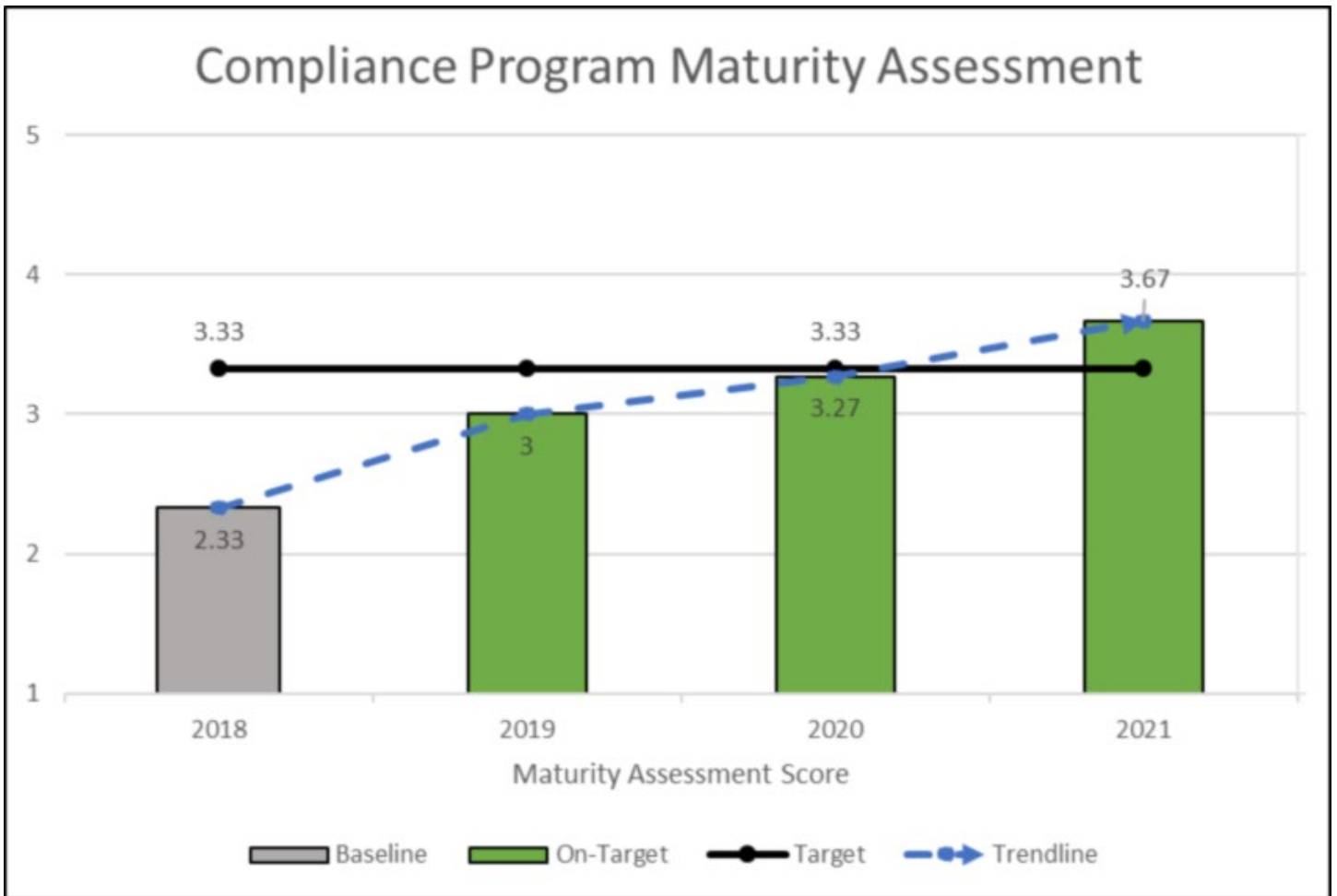
**Thresholds:**

- On-Target: Year-over-year increase in score.
- At-Risk: No change in score.
- Off-Target: Year-over-year decrease in score.

### Status Narrative:

The industry benchmark set by Gartner is 3. Last year, Enterprise Compliance's score increased to a 4- out of a possible score of 5. This measure was On-Target for the fourth-quarter reporting period. The program continues to engage in the right activities to mature the organization's compliance program. This includes launching the organization's first-ever Code of Conduct and continued enhancement of the Form 700 filing processes, including improving the outreach and timeliness of filings.

Performance Trend Chart:





## 2021-22 Strategic Measure Summary (Quarter 2)

**Measure Title:** Composite Security Health Score within Range - Closed Session

**Executive Owner:** Matt Jacobs

**Strategic Goal:** Risk Management

**Strategic Objective:** Continue to evolve Cyber Security program

**Associated Initiatives:** Information security roadmap

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

## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Effectiveness of Outreach Activities

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Talent Management

**Strategic Objective:** Recruit and empower a broad range of talents to meet organization priorities

**Associated Initiatives:** Transitioned to core workload in FY 2019-20

**Status:** Pending Refresh (in August 2022)

**Numeric Status:** 59,442 (as of August 2021)

**Description:** We will continue expanding our outreach efforts to include diverse candidates in collaboration with CalPERS Diversity Outreach Program (CDOP), CalPERS Diversity & Inclusion Group (CDIG), CalPERS Disability Advisory Committee (CDAC), and community partnerships. To achieve this goal during the ongoing telework environment, we will focus our efforts on virtual outreach opportunities. This measure will implement data collection points to measure the variety and effectiveness of outreach activities through LinkedIn and other virtual platforms. For FY 2019-20, a breakdown was added to provide visibility on what types of outreach events are being attended to support our goal of a diverse and inclusive talent pool. Data collection points are continuing to be evaluated and adjusted as we implement new strategies in our outreach and recruitment efforts. This Strategic Measure will continue to mature as we further define what success/effectiveness looks like in a primarily virtual outreach environment.

**Baseline:** Baseline is 3960 total job views for all postings in LinkedIn.

**Target:** Target is to increase total job views in LinkedIn by 10% annually over the baseline.

**Refresh Frequency:** Annually, August

**Reporting Range:** 07/01/2020 – 06/30/2021

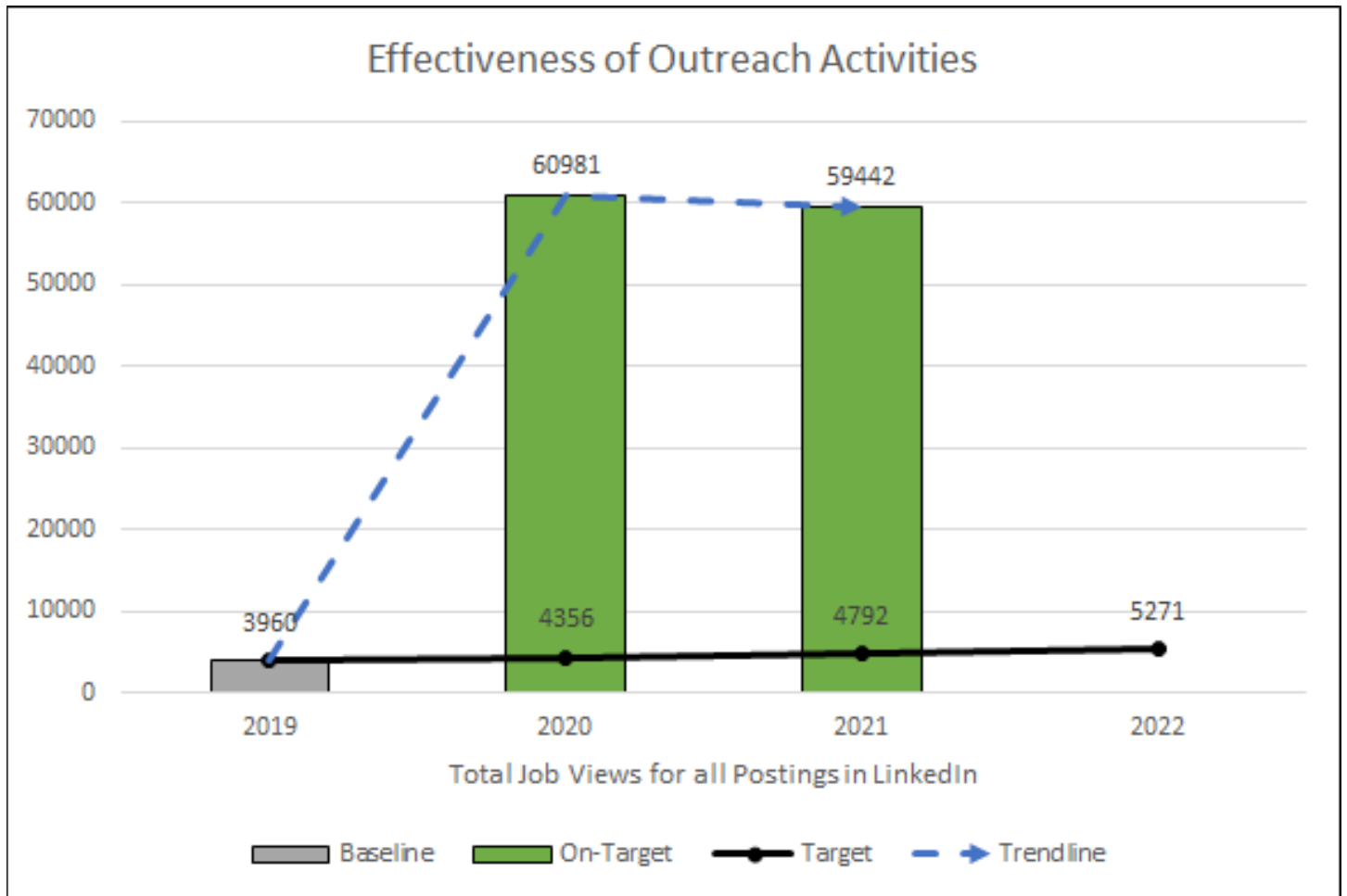
**Thresholds:**

On-Target:	10% and above
At-Risk:	7% to 9%
Off-Target:	below 7%

### Status Narrative:

From August 2020 to August 2021, we had 59,442 total job views; however, reports from LinkedIn indicate that between April 15 to 18, 2021, we lost a significant volume of tracking data for Job Apply Clicks. Applicants were able to submit their applications, but the lost tracking data is unrecoverable, and as a result there may be significantly lower results for metrics on these dates. In addition, the COVID-19 pandemic's effect on the economy and job market may have resulted in fewer applicants looking for employment, attributing to lower metrics than the prior year.

Performance Trend Chart:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Engagement Survey Results & Action Items – Diversity & Inclusion

**Executive Owner:** Brad Pacheco

**Strategic Goal:** Talent Management

**Strategic Objective:** Recruit and empower a broad range of talents to meet organizational priorities

**Associated Initiatives:** Expand diversity & inclusion program

**Status:** Pending Refresh (in December 2022)

**Numeric Status:** N/A

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

CalPERS is committed to ensuring accessibility to all of our team members. The Employee Engagement vendor used from 2017-2019, McLean & Company, did not meet the CalPERS Web Content Accessibility Guidelines (WCAG) and they had no immediate plans to make the content accessible.

Our new survey vendor, Perceptyx, meets these guidelines, offers advanced technology and innovative tools such as a dashboard with survey results and action planning framework. With this transition, the baseline results reported to the Board will change. Perceptyx uses a 5-point rating scale whereas the previous vendor used a 6-point rating scale which means the results for the survey will not be directly compared with previous years' results. The 5-point scale has the benefits of making it easier for survey participants to respond more quickly, enhances the comparability of scores with peers, and utilizes industry best practices to differentiate employee sentiment. To help mitigate the impact of not having a direct comparison of years, we have included the trend chart results from the previous survey and created a new trend chart tracking the new survey results in the summary sheet. We have also updated the title of the Strategic Measure/KPI to match the category within the survey for ease of reference.

A survey score above 59% represents a high-performing organization.

**Baseline:** 80.2% (2020) D&I Driver Employee Engagement Survey results.

**Target:** High performing status of >59%

**Refresh Frequency:** Annually, December

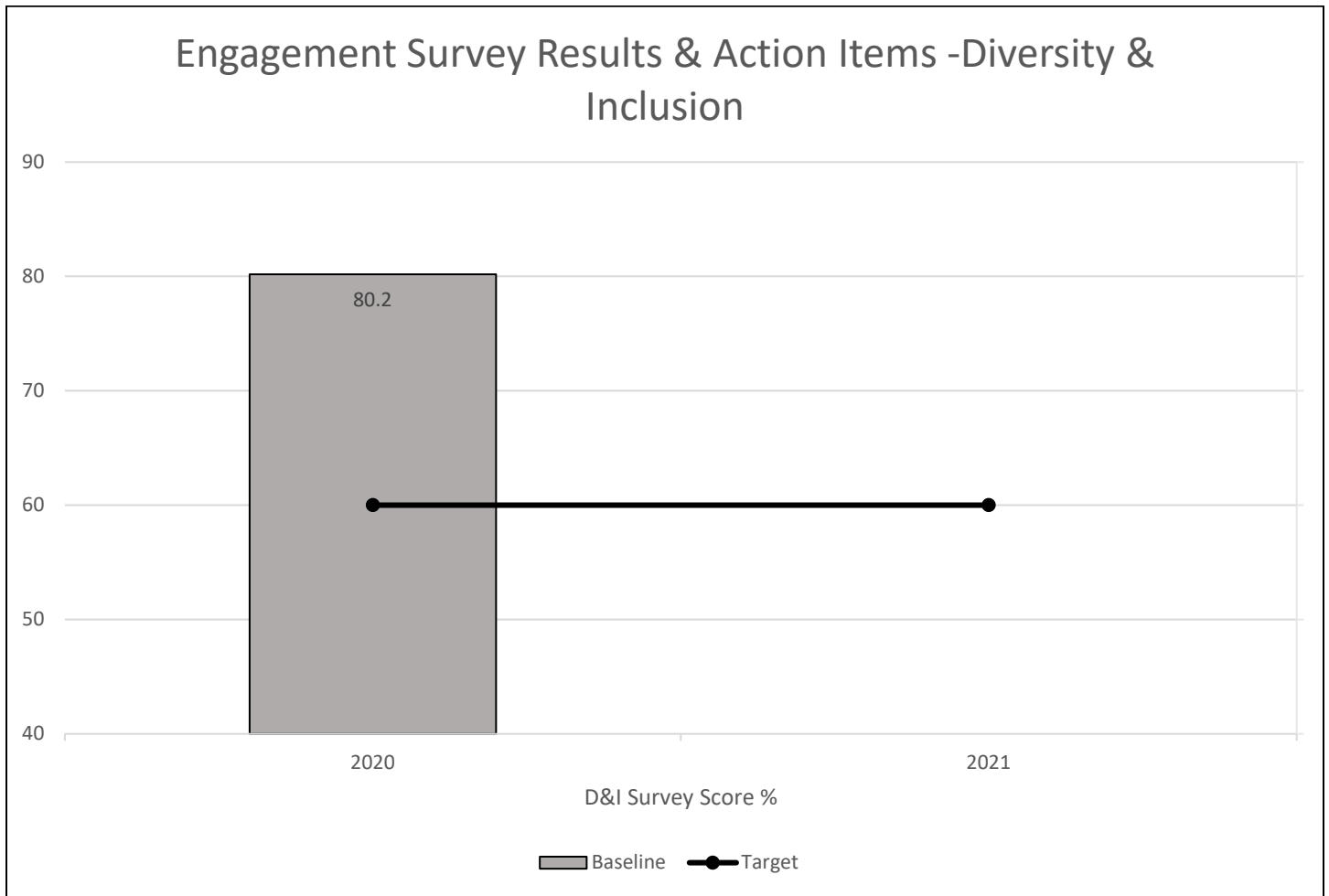
**Reporting Range:** November 2019 – October 2020

**Thresholds:**  
On-Target: Above 59% represents high performance  
At-Risk: 40-59% represents average performance  
Off-Target: Under 40% represents low performance

**Status Narrative:**

This measure was 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:**



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Engagement Survey Results & Action Items – Performance Management

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Talent Management

**Strategic Objective:** Recruit and empower a broad range of talents to meet organization priorities

**Associated Initiatives:** Implement engagement survey action items

**Status:** Pending Refresh (in December 2022)

**Numeric Status:** N/A

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

CalPERS is committed to ensuring accessibility to all of our team members. The Employee Engagement vendor used from 2017-2019, McLean & Company, did not meet the CalPERS Web Content Accessibility Guidelines (WCAG) and they had no immediate plans to make the content accessible.

Our new survey vendor, Perceptyx, meets these guidelines, offers advanced technology and innovative tools such as a dashboard with survey results and action planning framework. With this transition, the baseline results reported to the Board will change. Perceptyx uses a 5-point rating scale whereas the previous vendor used a 6-point rating scale which means the results for the survey will not be directly compared with previous years' results. The 5-point scale has the benefits of making it easier for survey participants to respond more quickly, enhances the comparability of scores with peers, and utilizes industry best practices to differentiate employee sentiment. To help mitigate the impact of not having a direct comparison of years, we have included the trend chart results from the previous survey and created a new trend chart tracking the new survey results in the summary sheet. We have also updated the title of the Strategic Measure to match the category within the survey for ease of reference.

**Baseline:** Performance Management: 84% as of December 2020.

**Target:** High performing status of >59%

**Refresh Frequency:** Annually, December

**Reporting Range:** November 2019 – October 2020

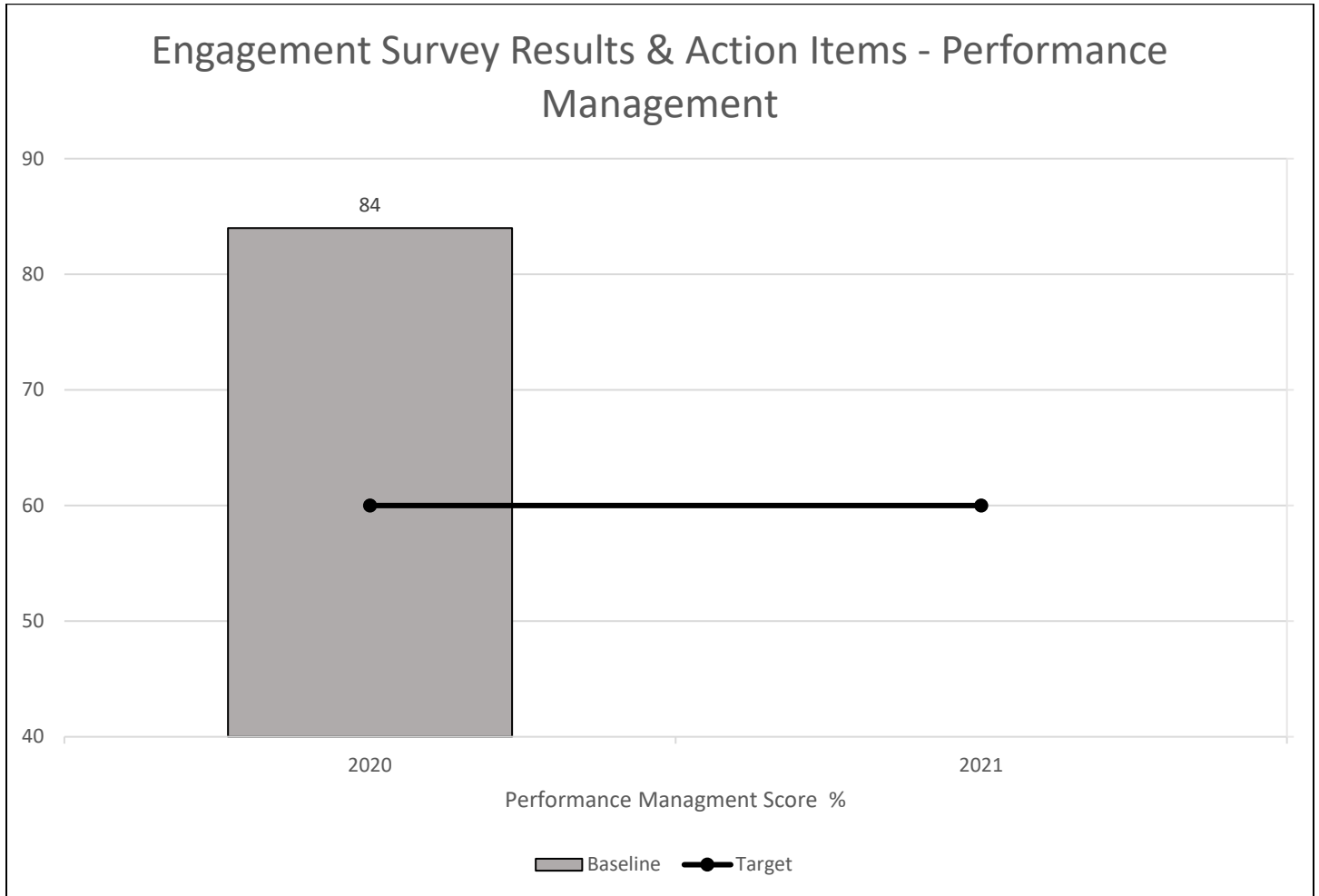
**Thresholds:**

- On-Target: Above 59% represents high performance
- At-Risk: 40-59% represents average performance
- Off-Target: Under 40% represents low performance

Status Narrative:

This measure was 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:



## 2021-22 Strategic Measure Summary (Quarter 3)

**Measure Title:** Engagement Survey Results & Action Items – Clarity of Direction

**Executive Owner:** Doug Hoffner

**Strategic Goal:** Talent Management

**Strategic Objective:** Recruit and empower a broad range of talents to meet organization priorities

**Associated Initiatives:** Implement engagement survey action items

**Status:** Pending Refresh (in December 2022)

**Numeric Status:** N/A

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

CalPERS is committed to ensuring accessibility to all of our team members. The Employee Engagement vendor used from 2017-2019, McLean & Company, did not meet the CalPERS Web Content Accessibility Guidelines (WCAG) and they had no immediate plans to make the content accessible.

Our new survey vendor, Perceptyx, meets these guidelines, offers advanced technology and innovative tools such as a dashboard with survey results and action planning framework. With this transition, the baseline results reported to the Board will change. Perceptyx uses a 5-point rating scale whereas the previous vendor used a 6-point rating scale which means the results for the survey will not be directly compared with previous years' results. The 5-point scale has the benefits of making it easier for survey participants to respond more quickly, enhances the comparability of scores with peers, and utilizes industry best practices to differentiate employee sentiment. To help mitigate the impact of not having a direct comparison of years, we have included the trend chart results from the previous survey and created a new trend chart tracking the new survey results in the summary sheet. We have also updated the title of the Strategic Measure to match the category within the survey for ease of reference.

**Baseline:** Clarity of Direction: 90.2% as of December 2020.

**Target:** High performing status of >59%

**Refresh Frequency:** Annually, December

**Reporting Range:** November 2019 – October 2020

**Thresholds:** On-Target: Above 59% represents high performance

At-Risk: 40-59% represents average performance

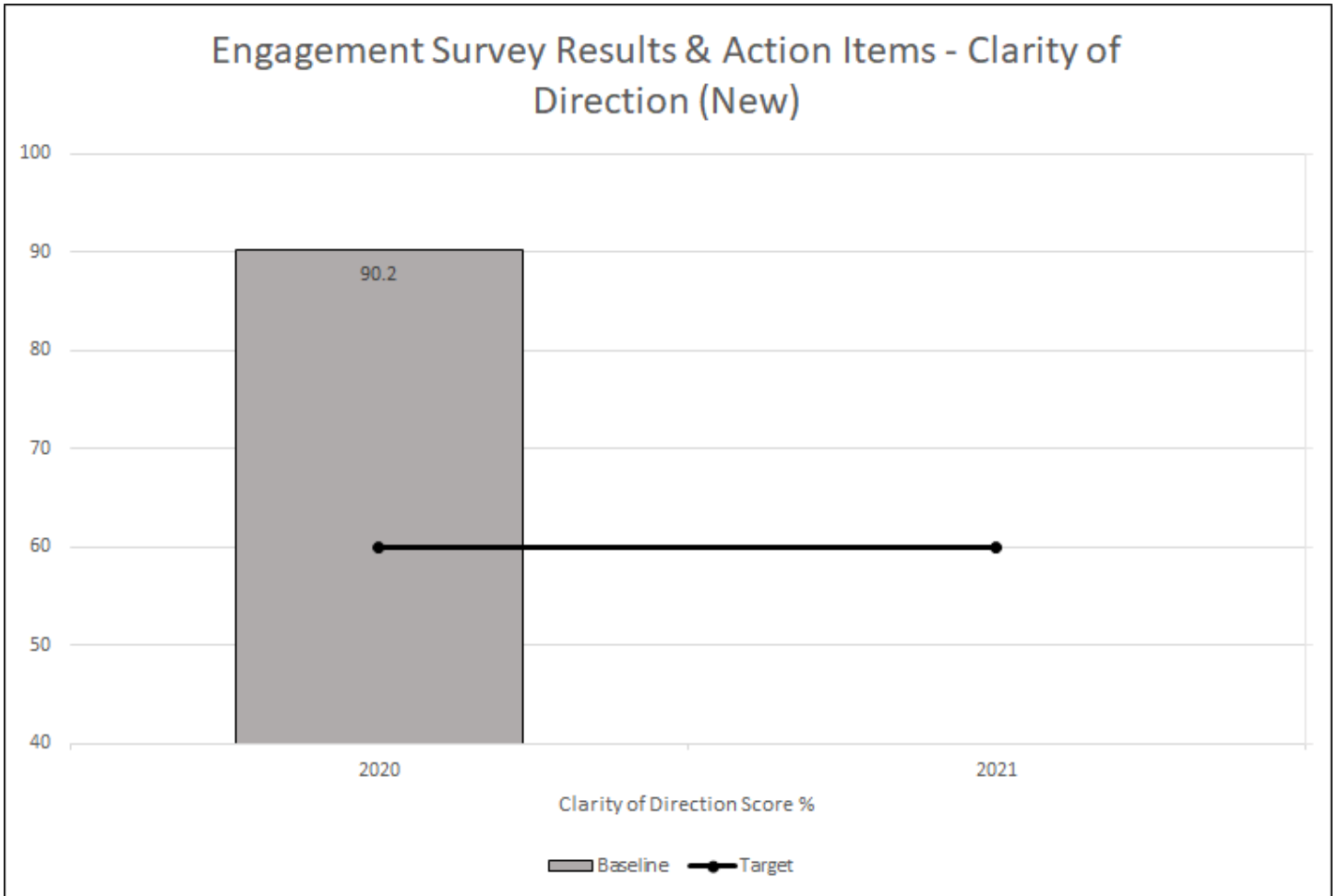
Off-Target: Under 40% represents low performance



Status Narrative:

This measure was 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:



## 2021-22 Strategic Measure Summary (Quarter 3)

<b>Measure Title:</b>	Proficiency in CalPERS Leadership Competencies	
<b>Executive Owner:</b>	Doug Hoffner	
<b>Strategic Goal:</b>	Talent Management	
<b>Strategic Objective:</b>	Cultivate leadership competencies and develop succession plans across the enterprise	
<b>Associated Initiatives:</b>	Develop leadership competencies measurement tool; Implement 2018-22 workforce plan strategies	
<b>Status:</b>	Under Development	
<b>Numeric Status:</b>	N/A	
<b>Description:</b>	Measure leaders' proficiency in CalPERS' Leadership Competencies to ensure leaders are modeling these competencies.	
<b>Baseline:</b>	To be determined.	
<b>Target:</b>	To be determined.	
<b>Refresh Frequency:</b>	To be determined.	
<b>Reporting Range:</b>	07/01/2021 – 06/30/2022	
<b>Thresholds:</b>	On-Target:	TBD
	At-Risk:	TBD
	Off-Target:	TBD

### Status Narrative:

In March 2021, a second pilot of the Leadership Competency Assessment (LCA) was conducted cross-enterprise at all leadership levels using GoLearn, the CalPERS Learning Management System. This second pilot was done because it was identified as a 2020-21 Business Plan Initiative (BPI) and the Human Resources (HR) team felt additional feedback from leaders outside of HR was needed to identify if the tool was feasible. When the BPI was developed, the intent was listed as: provide a consistent feedback and accountability tool so leaders are well-equipped to successfully demonstrate CalPERS competencies.

The expected outcome of the LCA is to gather data and identify trends, inform, and focus our leadership training and development strategies. Therefore, the focus and design of the LCA is development and targeted to provide feedback on leadership behaviors; this is evident in the assessment content, rating scale, and collaborative/inclusive process. Findings from the two LCA pilots confirm that the GoLearn platform works for the LCA and that our leaders' value being assessed against specific behaviors in the CalPERS leadership competency model.

The LCA meets the needs from a leadership development perspective because it focuses leaders on critical leadership behaviors through feedback, self-reflection, and the opportunity to grow. It has the potential to

provide meaningful and actionable data over time. A 2021-22 BPI will allow for further analysis to gain better understanding of probable connection between the LCA and our current performance management process.

In FY 2021-22, our LCA BPI will focus on the analysis of our pilot data to determine how we will focus our efforts for potential implementation to CalPERS leaders enterprise wide. We will not be setting any baseline, target, refresh frequency, or thresholds for this measure since the LCA will become core workload for HRSD as of June 30, 2022 and will not be on the next five-year Strategic Plan. The LCA will continue to support the workforce planning strategies outlined in the CalPERS Workforce Plan, which is tied to the Strategic Plan.