



Agenda Item 6

May 20, 2014

ITEM NAME: Board Governance Project – Update on Strategic Measures

PROGRAM: Enterprise

ITEM TYPE: Information

EXECUTIVE SUMMARY

This agenda item is an update on the development of Strategic Measures for the California Public Employees' Retirement System (CalPERS) 2012-2017 Strategic Plan (Plan).

STRATEGIC PLAN

This agenda item supports the CalPERS Strategic Plan to cultivate a high-performing, risk-intelligent, and innovative organization. Strategic Measures build a framework that enables CalPERS to evaluate the organization's progress in meeting the goals of our Strategic Plan, and provide the linkage from business strategy to execution.

BACKGROUND

In August 2012, the CalPERS Board approved the CalPERS 2012-2017 Strategic Plan. To assist the Board in evaluating the success of the Plan, an initial set of Strategic Measures have been presented as part of a larger effort to support the use of enterprise-wide measurements to guide the organization. The Strategic Measures Project continues to use an iterative approach to develop the measures.

Key historical project dates include:

- July 2013 - An initial set of measures was presented at the Board of Administration and Executive Offsite.
- September 2013 – A project update was presented to the Board Governance Committee.
- January 2014 – Health measures were presented at the Board of Administration and Executive Offsite.
- February 2014 – A project update including a sample data display was presented to the Board Governance Committee.

ANALYSIS

The Enterprise Strategy and Performance Division (ESPD) continues to work with the following divisions on the development of the suite of Strategic Measures: the Investment Office (INVO), the Actuarial Office (ACTO), Benefit Programs Policy and

Planning (BPPP), Customer Services and Support (CSS), Human Resources Division (HRSD), External Affairs (EXAB) and the Information Technology Services Branch (ITSB).

A strategic measures process has been developed to facilitate and capture key information, as well as guide program area work. On-going work sessions are being conducted with each program area to advance development activity relevant to the Board's request to focus on identifying thresholds, targets and baselines.

Staff has refined the language to the two measures that support Goal C and has developed an additional measure. The three Goal C measures are as follows:

- Percentage of legislative bills enacted or defeated consistent with positions taken by the Board (not including neutral positions)
- CalPERS position and perception in the media
- CalPERS effectiveness engaging with stakeholders and advocating for State and national policies

Staff will return to the July 2014 Board of Administration and Executive Offsite to present a suite of measures in a working session. This will give Board members the opportunity to discuss measure specific information including thresholds, targets and baselines.

Next Steps:

- May - June 2014: Staff will continue to advance measures development.
- Present a working session on the full suite of measures at the July Board of Administration and Executive Offsite.

BUDGET AND FISCAL IMPACTS

Not applicable.

ATTACHMENTS

Not applicable.

SABRINA STROUD, Chief
Enterprise Strategy and Performance Division

DOUGLAS HOFFNER
Deputy Executive Officer
Operations and Technology