



## Agenda Item 7

May 19, 2015

**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) 2012-17 Strategic Plan.

### **STRATEGIC PLAN**

This agenda item supports the CalPERS 2012-17 Strategic Plan including cultivating 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 provides the linkage from business strategy to execution.

### **BACKGROUND**

In August 2012, the CalPERS Board of Administration (Board) approved the CalPERS 2012-17 Strategic Plan. To assist the Board in evaluating the success of the Plan, an initial set of Strategic Measures have been developed and 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.
- May 2014 – A project update of on-going measure development activity, including the addition of a Goal C measure, was presented to the Board Governance Committee.
- July 2014 – A suite of measures was presented at a working session at the Board of Administration and Executive Offsite.

- December 2014 – A project update of on-going measure development activity, removal of Measure 5 from suite of Strategic Measures, Customer Services and Support benefit payment process data, and 2015 Measures Reporting Schedule was presented to the Board Governance Committee.

### **ANALYSIS**

The Enterprise Strategy and Performance Division continues to work across the enterprise to build out the suite of Strategic Measures (See Attachment 1). Staff are continuing work with each of the program areas to analyze and validate available data to ensure the integrity of the information being captured. Also, staff are undertaking the complex task of standardizing the level and frequency in which information is reported from each area to correctly align the interdependencies of the measures and minimize redundancies. Additionally, staff are working diligently to ensure the effectiveness of the technological tools being used for the capture and display of each measure. These necessary steps will ensure the strategic value of this long-term effort for CalPERS.

The set of health measures, Quality of Healthcare, Access to Healthcare, Affordability of Health Benefits, and Wellness of Membership (Measures #6 through #9 - See Attachment 2) will be presented for discussion and review. The discussion will contain a dialogue on the displays, and data details and analysis for each of the measures. All of these measures will be viewed through the display tool to demonstrate functionalities associated with the tool, including navigating levels of detail following the hierarchy of Goals A, B, and C, and the click and expand features to access supporting data.

#### Next Steps:

- Continue working with program areas to complete the necessary analysis for the Board presentations proposed for September and December 2015.
- Present measures incrementally to the Board throughout 2015.
- End of year evaluation and presentation of 2016 timeline, in late 2015.

### **BUDGET AND FISCAL IMPACTS**

Not applicable.

### **BENEFITS/RISKS**

Not applicable.

**ATTACHMENTS**

Attachment 1 – Strategic Measures Summary

Attachment 2 – Update on Health Measures

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