



Board of Administration

Agenda Item 9d

April 19, 2022

Item Name: CalPERS 2022-27 Strategic Plan – Second Reading

Program: Enterprise

Item Type: Action

Recommendation

To approve the CalPERS 2022-27 Strategic Plan.

Executive Summary

This agenda item includes the proposed CalPERS 2022-27 Strategic Plan (second reading) for approval by the Board of Administration. As part of this presentation the staff is highlighting changes since the first reading and bringing the Board a choice in the strategic measurements regarding:

- Overhead Operational Cost
- The target for CEM Benchmarking Cost per Member

Strategic Plan

The new strategic plan will guide the organization's strategic priorities for the next five years in the attainment of our Mission and Vision.

Background

Over a year ago, CalPERS embarked on a thoughtful approach to developing our next 5-year Strategic Plan. The draft CalPERS 2022-27 Strategic Plan (Attachment 1) represents the culmination of a comprehensive and collaborative process including current state assessment, and engagement with the Board, Executives, external stakeholders, and CalPERS team. Key strategic themes were developed based on the review of critical inputs and conversations with our internal and external stakeholders. Through the feedback and analysis, and themes that emerged, we clearly understood that our Vision and Mission have not changed, and we have a solid strategic framework to continue building upon. The themes were used to refine our current Strategic Goals and identify new goals. Accompanying objectives were then developed to assist us in achieving these goals.

In February, staff provided a progress update on the development process and presented a draft of the plan which incorporated potential strategic measurements to gauge progress. These included concepts from several current performance measurements and new measurement concepts.

Strategic measurements for the CalPERS 2022-27 Strategic Plan have been analyzed and measure details compiled into summary sheets (Attachment 2). These will be used to measure and report on our progress through Enterprise Performance Management (EPM) quarterly reporting starting fiscal year 2022-23.

Analysis

Strategic measurements were analyzed to demonstrate progress on achieving one or more aspects of a particular Strategic Goal and Objective and to provide quantifiable, actionable, and timely information for data-driven decision making. Informational measures have also been added, which are intended to provide qualitative insights to key activities that may impact CalPERS' strategic planning. Throughout this process staff utilized principles and best practices in strategic planning and performance reporting.

There are 51 measures throughout the plan, 27 are continuing measurements and 24 are new measurements. Most of the measures are currently in place or we have access to data through our enterprise reporting framework. Some of these measures will initially be under development over the coming months and/or over the first year of the plan. Current key data points or sources have been identified to be utilized as measurements within the new plan. Based on staff findings, changes have been incorporated and are highlighted in Attachment 2.

Budget and Fiscal Impacts

Resources for the CalPERS 2022-27 Strategic Plan will be funded by redirecting existing internal resources or funds and will be requested through the annual budget planning process.

Benefits and Risks

The 2022-27 Strategic Plan will set a strategic direction for the enterprise for the next five years, assisting in the allocation of resources and communication of CalPERS' goals and objectives. The Plan is specifically designed to address the most significant risks and opportunities facing CalPERS and will be regularly reviewed to respond to a changing environment.

Attachments

Attachment 1 – Draft CalPERS 2022-27 Strategic Plan

Attachment 2 – Draft Strategic Measures – Summaries with measurement details that demonstrate our progress over the life of the plan.

Attachment 3 – CalPERS 2022-27 Strategic Plan – Second Reading Presentation

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