



Board of Administration

FY 2021-22 - Fourth Quarter Report

August 5, 2022

Item Name: Enterprise Performance Reporting – Fourth Quarter

Program: Enterprise

Item Type: Information

Executive Summary

This report provides the fourth quarter report (April 1, 2022 through June 30, 2022) for the Enterprise Performance Management (EPM) framework, which is comprised of Strategic Measures (measures), Business Plan Initiatives (initiatives), and Key Performance Indicators (KPIs). The measures and initiatives are part of the CalPERS 2017-22 Strategic Plan (Strategic Plan) and allow us to measure progress in achieving our strategic goals and objectives. The KPIs serve as a collection of performance indicators that measure the effectiveness of our efforts at the operational level. EPM focuses on the ongoing monitoring and reporting of all three components and provides information as to how well the organization is progressing toward strategic goals and objectives, as well as operational targets.

The fourth quarter report closes out the 2017-22 Strategic Plan, which has been updated and replaced with the 2022-27 Strategic Plan. The measures and initiatives have also been updated to continue allowing us to measure progress in achieving our strategic goals and objectives.

This report focuses on At-Risk and Off-Target measures and initiatives. The reference material documents also include supplemental performance data for On-Target measures and initiatives, as well as KPIs.

As an enterprise, we are dealing with the continuing COVID-19 pandemic and are striving to address and manage the risks associated with this challenge. Taking this into consideration, we continue to focus on our priorities to ensure ongoing customer service, the safety of team members, and ensure our facilities remain a safe work environment for onsite team members.

Strategic Plan

This report specifically aligns to our strategic goals and objectives, as we measure our strategic and operational progress throughout the duration of the Strategic Plan.

Background

In early 2016, we began the development of our current five-year Strategic Plan and refined our mission and vision statements. These efforts resulted in a year-long collaborative process that yielded valuable information and feedback from a variety of internal and external stakeholders. These inputs, coupled with a rigorous period of analysis, helped us identify our strategic goals – each with its own set of objectives and measures. In February 2017, the Board approved the Strategic Plan, and the Business Plan – which serves as a vehicle to put the Strategic Plan into action.

In addition to the Strategic Plan activities, the organization began to develop the KPIs and implement the EPM framework. Through collaborative working sessions with the executive team and program areas, KPIs were identified and developed for all areas of the organization, and the EPM framework was implemented in tandem with the commencement of the Strategic Plan on July 1, 2017.

The EPM framework provides a comprehensive view of strategic and operational performance through quarterly reports that reflect status indicators of On-Target (green), At-Risk (yellow), and Off-Target (red), however, the focus is on At-Risk and Off-Target measures and initiatives. This report will include an explanation of root causes, as well as potential constraints and mitigation strategies currently underway. The intent of the EPM framework is to reinforce CalPERS' desire to be transparent and accountable in support of our strategic goals and objectives, and operational targets.

As the EPM framework continues to progress, the following status designations will appear for several measures and KPIs:

- Pending refresh – baseline, target, and thresholds have been established, and the metric is awaiting completion of a data refresh cycle
- Under development – efforts to solidify methodology are underway

Analysis

This report will focus on two items: 1) Summary of metrics that refreshed during the fourth quarter; and 2) At-Risk and Off-Target measures and initiatives.

Strategic Measures

The Strategic Plan encompasses 27 measures. In review of fourth quarter data, three are On-Target; seven are Off-Target; 16 are pending refresh or under development; and one will be reported in closed session.

- Off-Target
 - Stakeholder Assessment Survey - Risk
 - Measuring Access to Care
 - Member Experience
 - CEM – Cost per Member
 - Stakeholder Assessment Survey – Compliance and Risk
 - Risk Program Maturity Assessment
 - Compliance Program Maturity Assessment

Business Plan Initiatives

The Business Plan encompasses 26 initiatives. In review of fourth quarter data, 14 are currently On-Target; four are Off-Target; seven are Complete; and one will be reported in closed session.

- Off-Target
 - Implement Engagement Survey Action Items
 - Total Fund Portfolio Resources (People)
 - Implement 2018-22 Workforce Plan Strategies
 - Leadership Competency and Performance Integration
- Complete
 - Risk Mitigation
 - Complexity Reduction
 - Continuous Process Improvement
 - Increase Enterprise-Wide Compliance Awareness
 - Increase Compliance Program Maturity
 - Enterprise Data Management
 - Develop Diversity Equity and Inclusion Framework

Key Performance Indicators

The operational model encompasses 62 KPIs. In review of fourth quarter data, 25 KPIs are currently On-Target; two are At-Risk; two are Off-Target; 23 are pending refresh; six are informational; and four are reported in closed session.

- At-Risk
 - Employer Rating on Stakeholder Perception Survey
 - Health of Enterprise Performance Reporting Framework
- Off-Target
 - Member, Employer, and Stakeholder Rating on Perception Survey
 - Lean Adoption

Budget and Fiscal Impacts

Resources for our strategic and operational needs were funded by existing internal resources, and by funding requested through the annual CalPERS budget planning process.

Benefits and Risks

The alignment of the Measures, Initiatives, and KPIs with our long-term strategic goals provides focus and clarity that prioritize and guide our work as we keep the Strategic Plan at the forefront of our planning process. EPM is specifically designed to address the most significant risks and opportunities facing CalPERS and will be regularly reviewed to respond to a changing environment.

Reference Materials

Strategic Measures Summary Sheets
Business Plan Initiatives Summary Sheets
KPI Summary Sheets

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