

Jack Ehnes
Chief Executive Officer



California State Teachers'
Retirement System
Post Office Box 15275
Sacramento, CA 95851-0275

916.414.2200 Tel
www.calstrs.com

Board Members

Chair

Jerilyn Harris

Vice Chair

Harry Keiley

Kathleen Brugger
Dana Dillon
Roger Kozberg
Peter Reinke
Elizabeth Rogers
Carolyn Widener

September 22, 2010

The Honorable Denise Moreno Ducheny, Chair
Senate Budget and Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

Ex Officio Members

State Controller

John Chiang

Director of Finance

Ana Matosantos

State Treasurer

Bill Lockyer

*Superintendent of
Public Instruction*

Jack O'Connell

RE: Year End Enterprise Projects Report

Dear Senator Ducheny:

Pursuant to Section 2, Item 1920-001-0835, of the Annual Budget Act, enclosed is a copy of the Year End Enterprise Projects Report. As required, the report is being submitted to the Joint Legislative Budget Committee, the fiscal committees of the Legislature and the State Chief Information Officer.

The Year End Enterprise Projects Report summarizes the status of the California State Teachers' Retirement System (CalSTRS) enterprise projects, as of the end of Fiscal Year (FY) 2009-10. It represents all identified enterprise projects including information technology projects.

CalSTRS Annual Budget for enterprise projects is \$20 million. A total of \$14.3 million was allocated for FY 2009-10, and a total of \$10.2 million has been expended as of the end of that fiscal year.

If you have any questions, or need additional information, please contact our Project Management Office Director, Chris Caietti, at (916) 414-6800. This report is available on CalSTRS public Web site at http://www.calstrs.com/Help/forms_publications/pubs.aspx, Current Publications under the Legislative, Legal section. For a printed copy of this report, please contact Wendy Hughey at (916) 414-1994.

Sincerely,

A handwritten signature in black ink that reads "Jack Ehnes".

Jack Ehnes
Chief Executive Officer

Enclosure

CALSTRS

Enterprise Projects Fiscal Year 2009/2010 Year End Report

Enterprise Projects

Fiscal Year End 2009/2010

The Enterprise Program Investment Council (EPIC) is responsible for governance of all enterprise projects which includes prioritizing, allocating resources and providing oversight of the \$20 million annual EPIC budget.

The Project Management Office (PMO) monitors and reports on the EPIC Budget and enterprise projects monthly to EPIC and quarterly to the Teachers' Retirement Board.

Enterprise Program Investment Council Members

Christine Ford
Chief of Staff

Ed Derman
Deputy Chief Executive Officer
Plan Design and Communication

Peggy Plett
Deputy Chief Executive Officer
Benefits and Services

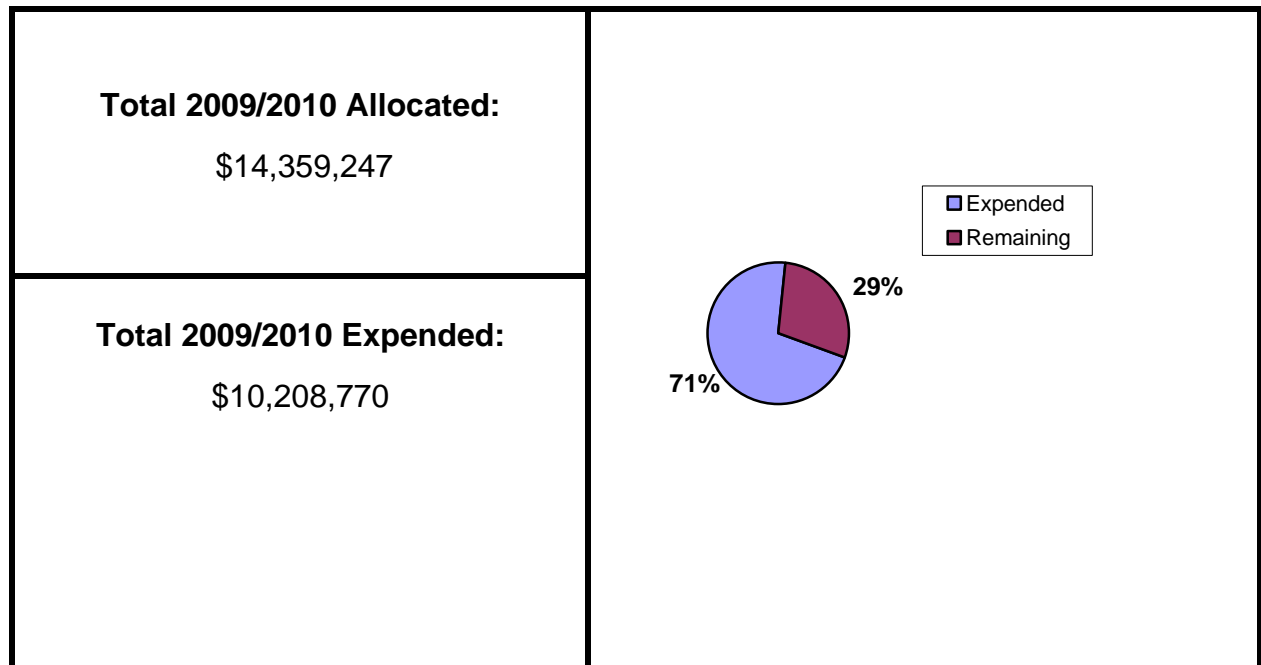
Janice Hanson
Deputy Chief Executive Officer
Enterprise Initiatives and Technology

Robin Madsen
Interim Chief Financial Officer

Brian Bartow
General Counsel

Total Enterprise Projects' 2009/2010 Budget: \$20 Million

As of June 30, 2010



Enterprise Projects

Fiscal Year End 2009/2010

Project Name	Duration	Project Total ¹	2009/2010 Budget	2009/2010 Expended ²	Schedule	Budget
Actuarial Valuation	Apr 08 – Jun 11	\$1,857,240	\$712,010	\$458,491	●	●
Additional Earnings and Annuity Credit	Feb 08 – Jan 10	\$1,232,017	\$141,402	\$132,580	☺	☺
Annual Update	Jun 09 – Jun 10	\$120,888	\$120,888	\$73,920	●	●
Continuous Improvement Team 'Proof of Concept'	Oct 05 – Jun 10	\$1,955,235	\$812,000	\$782,100	☺	☺
Cost Effectiveness Measurement	Jul 09 – Jun 10	\$50,880	\$50,880	\$16,992	●	●
Employer Reporting	Jul 05 – Jun 10	\$11,307,059	\$2,064,186	\$1,655,879	☺	☺
Future State Architecture	Jul 07 – Jun 11	\$2,265,732	\$941,340	\$637,462	●	●
Headquarter Facility	Apr 06 – Feb 10	\$2,318,564	\$353,659	\$295,156	☺	☺
Hosted Contact Center ³	Feb 10 – Jun 10	\$72,640	\$72,640	\$60,887	☺	☺
Human Resource Management Information System	Oct 06 – Jun 10	\$1,332,627	\$357,535	\$294,932	☺	☺
Investment Accounting ⁴	Oct 08 – Dec 11	\$3,180,000	\$1,133,000	\$0	●	●
MyCalSTRS Online Services for Teachers ⁵	Jan 09 – Jun 11	\$2,080,000	\$44,350	\$43,166	●	●
Penalties and Interest	Dec 09 – Oct 11	\$6,000,000	\$700,000	\$32,396	●	●
Pension Accounting Initiative	May 08 – Apr 11	\$6,561,768	\$1,955,031	\$1,471,583	●	●
Reduce Files	Mar 08 – Dec 10	\$7,483,524	\$3,237,320	\$2,955,465	●	●
Project Management Office Program	Ongoing	\$1,163,006	\$1,163,006	\$1,105,487	N/A	●
Project Risk Reserve	Ongoing	\$500,000	\$500,000	\$192,274	N/A	●

Total Enterprise Projects' 2009/2010 Budget: \$20 million	Total 2009/2010 Allocated: \$14,359,247	Total 2009/2010 Expended: \$10,208,770
--	--	---

Schedule & Budget Indicators: ● Acceptable ☺ Warning ♦ Critical ☺ Complete

¹ Project Total – amount represents the sum of the projects' prior years' actual expended amount and the current and future years budgeted amounts

² 2009/2010 Expended – amount includes the project expenses paid and does not reflect expenses that have been accrued

³ Hosted Contact Center – transitioned to program areas with system stability issues

⁴ Investment Accounting – project initiated with contingency funding and received EPIC funding in January 2010. The amount displayed above reflects EPIC funding only.

⁵ MyCalSTRS Online Services for Teachers - project initiated with contingency funding and received EPIC funding in November 2009. The amount displayed above reflects EPIC funding only.

Actuarial Valuation

The Actuarial Valuation project will provide CalSTRS with verification of the actuarial valuation processes, improve the current valuation process through the use of both technology and process improvement, and create detailed Actuarial Resources procedures.

Period Ending June 30, 2010:

- Completed Data Validation and Process Review Report.
- Implemented Actuarial Data Mart and high priority reports.

Planned Deliverables for Fiscal Year 2010/2011:

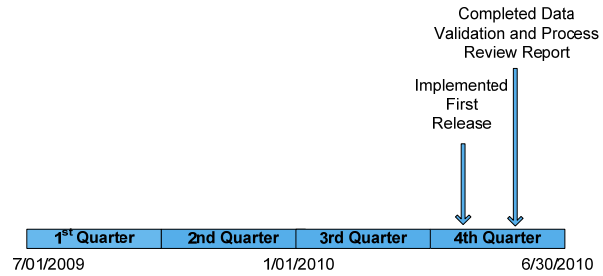
- Implement online data validation functionality, remaining standard statistical reports and ad-hoc reporting capabilities.
- Complete system documentation and transition to information technology and business areas.
- Complete Lessons Learned Report.
- Complete Project Close-Out Report.

Board Strategic Fit

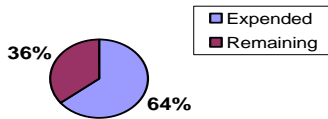
Goal: *Financial (Risk and Reward)*

Objective: **Responsibly Manage Risk**

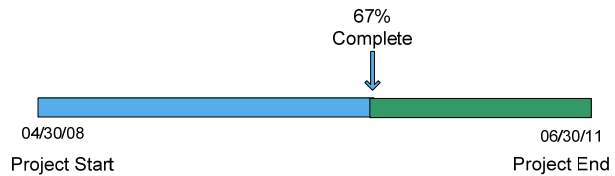
Major Fiscal Year 2009/2010 Milestones



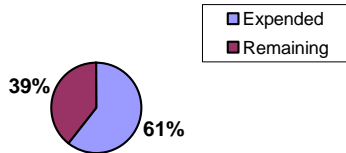
2009/2010 Project Budget
\$712 Thousand



Project Schedule Status Timeline



Total Project Budget
\$1.9 Million



Additional Earnings & Annuity Credit

The Additional Earnings & Annuity Credit Project will distribute payments and credits to eligible members.

Board Strategic Fit

CalSTRS Board declaration for Additional Earnings & Annuity Credit at June 2007 Board Meeting

Fiscal Year 2009/2010:

- Disbursed payments totaling approximately \$17 million to rollover-eligible members or their beneficiaries for 2005/2006 and 2006/2007.
- Ensured Additional Earnings/Additional Annuity Credits appeared on the 2008/2009 Retirement Progress Reports and the 2009 1099s.
- Completed Lessons Learned Report.
- Completed Project close-out activities.

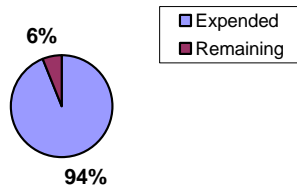
Planned Deliverables for Fiscal Year 2010/2011:

- Project is complete.

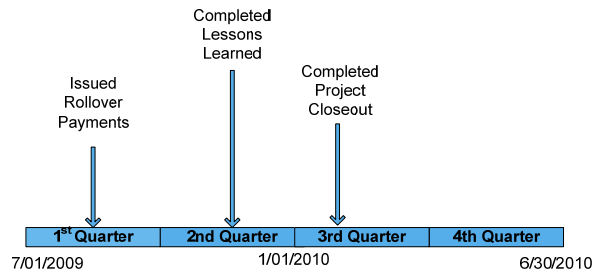
Total Project Cost: Project was completed within budget.

Schedule and Scope: Project was completed within the approved schedule and scope.

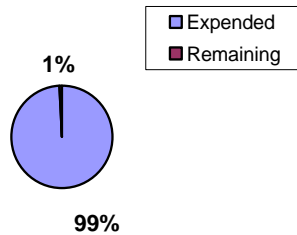
2009/2010 Project Budget
\$141 Thousand



Major Fiscal Year 2009/2010 Milestones



Total Project Budget
\$1.2 Million



Project Schedule Status Timeline



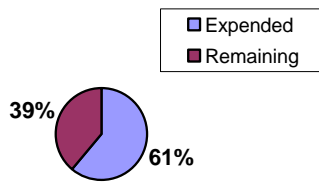
Annual Update

Annual Update is the process that creates and distributes the annual member Retirement Progress Reports.

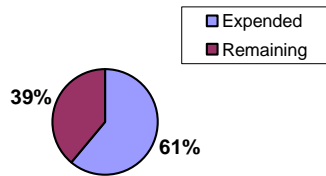
Board Strategic Fit

Teachers' Retirement Law requires individual account statements to be provided to each active and inactive member at least annually.

**2009/2010 Project Budget
\$121 Thousand**



**Total Project Budget
\$121 Thousand**



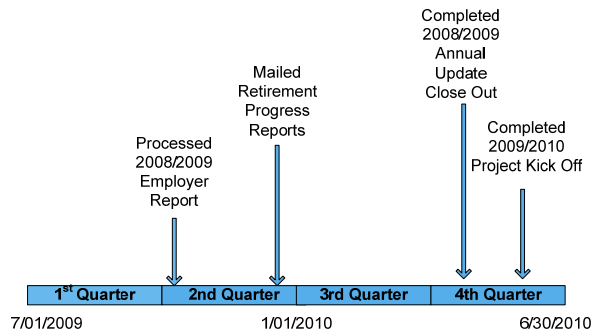
Fiscal Year 2009/2010:

- Completed 2008/2009 Annual Update process.
- Created and mailed 2008/2009 Cash Balance and Defined Benefit Retirement Progress Reports and posted member information to myCalSTRS web site.
- Provided enhanced information on myCalSTRS web site to include member's earnings and contributions reported in 2008/2009.
- Finalized fiscal year 2008/2009 Lessons Learned and recommendations.
- Received approval of the 2008/2009 Annual Update Close-out report.
- Prioritized the 2009/2010 Annual Update system modifications and enhancements.

Planned Deliverables for Fiscal Year 2010/2011:

- Complete a member address cleanup mailing effort for 54,511 active members.
- Develop an improved user help guide for Retirement Progress Reports.
- Receive and process all employer reports for fiscal year 2009/2010.
- Complete 2009/2010 Annual Update process.
- Create and mail 2009/2010 Cash Balance and Defined Benefit Retirement Progress Reports and post member information to myCalSTRS web site.

Major Fiscal Year 2009/2010 Milestones



Project Schedule Status Timeline



Continuous Improvement Team 'Proof of Concept' Project

The Continuous Improvement Team 'Proof of Concept' Project – an effort to implement an enterprise business process improvement methodology and a continuous improvement program staffing plan.

Board Strategic Fit

Goal: Internal Process (One & Done)

Objective: Increase Efficiency of Operations

Fiscal Year 2009/2010:

- Worked with business areas to integrate Continuous Improvement recommendations with CalSTRS Governance Councils and Strategic Planning processes.
- Participated in the development of an enterprise-wide intake process for potential Business Process Improvement efforts in cooperation with Future State Architecture.
- Completed the Travel Administration Business Process Improvement effort.
- Provided Continuous Improvement Methodology Certification Training.
- Completed organizational business process improvement reviews, cost benefit and gap analysis, best practice research, findings and recommendations and presented to Executive Staff.
- Concluded transition from EPIC project status to program status.

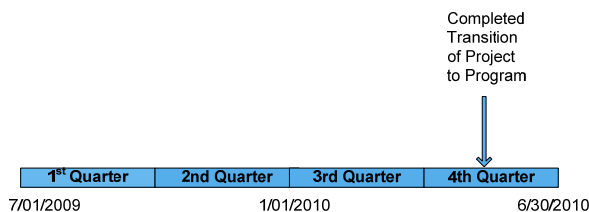
Planned Deliverables by September 30, 2010:

- Project is complete

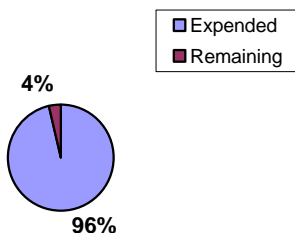
Total Project Cost: Project was completed within the approved budget. Funds were either returned during the fiscal year or unused funds were returned at the end of each fiscal year and the new total project budget was updated to reflect the actual expended amount.

Schedule and Scope: Project was completed within the approved schedule and scope.

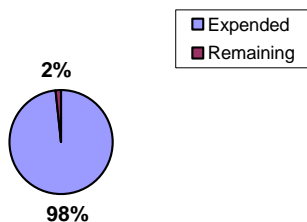
Major Fiscal Year 2009/2010 Milestones



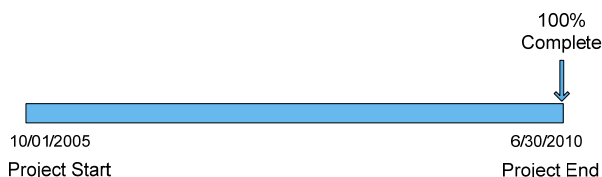
2009/2010 Project Budget \$812 Thousand



Total Project Budget \$2 Million



Project Schedule Status Timeline



Cost Effectiveness Measurement

CalSTRS initiated the Cost Effectiveness Measurement (CEM) Defined Benefit Administration Survey project to coordinate and facilitate all efforts in response to the Defined Benefit Administration annual survey being conducted by CEM, Inc.

Fiscal Year 2009/2010:

- Completed 2009 Survey process.
- Received final 2009 Benchmarking Report from Cost Effectiveness Measurement (CEM), Inc.

Planned Deliverables for Fiscal Year 2010/2011:

- Conduct 2010 Survey process.
- Receive final 2010 Benchmarking Report from Cost Effectiveness Measurement (CEM), Inc.

Board Strategic Fit

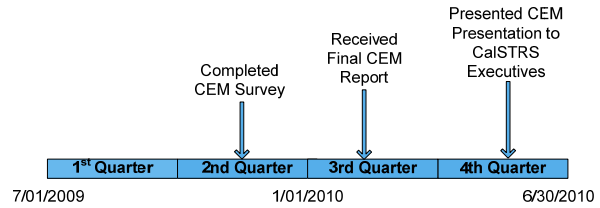
Goal: *Customer Service (No Surprises)*

Objective: **Improve Member and Employer Services**

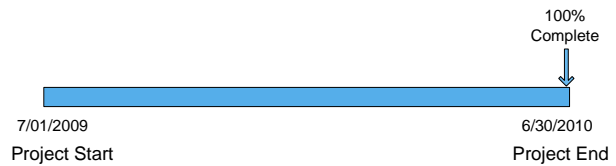
Goal: *Internal Process (One & Done)*

Objective: **Increase Efficiency of Operations**

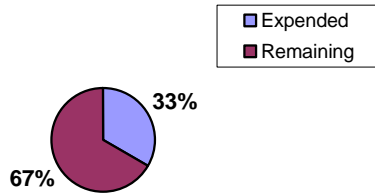
Major Fiscal Year 2009/2010 Milestones



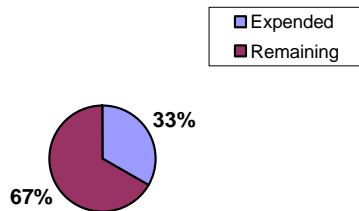
Project Schedule Status Timeline



2009/2010 Project Budget
\$51 Thousand



Total Project Budget
\$51 Thousand



Employer Reporting Project

The Employer Reporting Project will improve the employer reporting process and provide technologies in order to gain ongoing efficiencies and to increase the quality of member account data.

Board Strategic Fit

Goal: Internal Process (One & Done)
Objective: Increase Efficiency of Operations.

Fiscal Year 2009/2010:

- Implemented the final Secure Employer Web site enhancements in Fall of 2009 to include:
 - Defined Benefit Complex Edits
 - Employer Approved Edits
 - Cash Batch Automation
 - Forms and Reports
 - Miscellaneous Requirements.
- Conducted in-person Employer Forums in Southern and Northern California counties.
- Continued to enforce county file error correction prior to transmission. The overall exception rate for all employers averaged 7% prior to the project start. Currently, for the last three reporting periods, the overall exception rate averaged .65%.
- Transitioned all project artifacts to the appropriate program area.
- Transitioned system production support to information technology program groups.
- Prepared Project Close-out Report, Transition Report and Developer's Handbook.

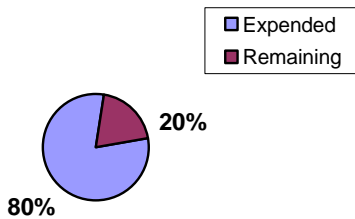
Planned Deliverables for Fiscal Year 2010/2011:

- Project is complete.

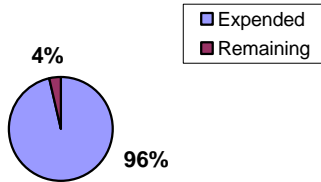
Total Project Cost: Project was completed within the approved budget. Funds were either returned during the fiscal year or unused funds were returned at the end of each fiscal year and the new total project budget was updated to reflect the actual expended amount.

Schedule and Scope: Project was completed within the approved schedule and scope.

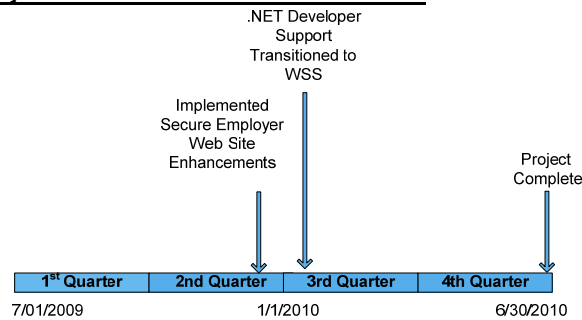
2009/2010 Project Budget
\$2.1 Million



Total Project Budget
\$11.3 Million



Major Fiscal Year 2009/2010 Milestones



Project Schedule Status Timeline



Future State Architecture

The Future State Architecture Project will deliver the Solutions Framework and Implementation Roadmap to assist the organization in moving forward to its Future State as defined in the CalSTRS Strategic Plans.

Fiscal Year 2009/2010:

- Completed CalSTRS Functional Hierarchy and Context Models.
- Completed documentation of the business and problem domains.
- Assigned new Project Manager and Business Lead.
- Obtained CalSTRS Enterprise Program Investment Council (EPIC) approval to extend the project schedule to June 30, 2011.
- Completed Solutions Framework.

Board Strategic Fit

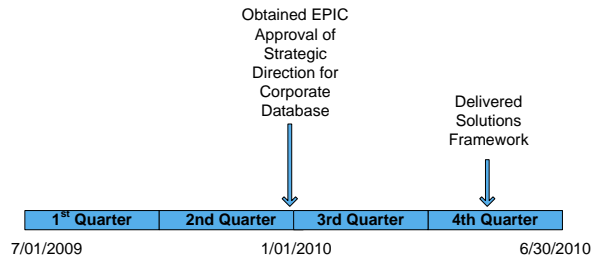
Goal 3: *Ensure a supportive and efficient organization and be an employer of choice.*

Objective G: *Identify and improve the efficiency of CalSTRS business.*

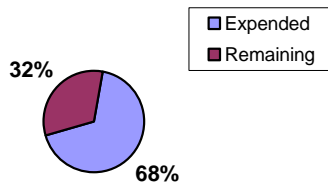
Planned Deliverables for Fiscal Year 2010/2011:

- Complete Implementation Roadmap and associated business cases.
- Initiate discovery efforts and acquisition of required resources for Implementation Roadmap projects and initiatives.

Major Fiscal Year 2009/2010 Milestones



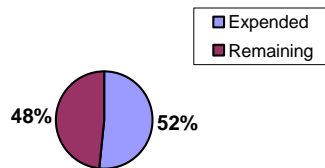
2009/2010 Project Budget
\$941 Thousand



Project Schedule Status Timeline



Total Project Budget
\$2.3 Million



Headquarter Facility Project

The Headquarter Facility Project has completed a multiple year planning and construction effort to physically relocate its headquarters facility from a three building campus in Sacramento to a mid-rise office building in West Sacramento. The building move and related technology is complete. The new Hosted Contact Center system is now reporting under its own project.

Fiscal Year 2009/2010:

- Completed relocation of all staff through July 17, 2009.
- Finalized salvage/surplus efforts from existing facilities.
- Completed final close-out and turn over of all three existing facilities.
- Developed Service Agreement for ongoing procurement and maintenance with furniture vendor.
- Developed new facility policies and procedures.
- Transitioned management of general contractor and subcontractors to our property manager.
- Managed the trouble ticket process for construction, furniture and security.
- Validated resolutions of outstanding items.
- Implemented new Contact Center system functionality utilized for intake of member calls.
- Transitioned the remaining Contact Center outstanding items to separate project as of March 1, 2010.

Board Strategic Fit

Goal: Customer Service (No Surprises)

Objective: Improve Member and Employer Services

Goal: Internal Process (One & Done)

Objective: Increase Efficiency of Operations

Goal: Learning and Growth (Rock Solid)

Objective: Be an Employer of Choice

Planned Deliverables for Fiscal Year 2010/2011:

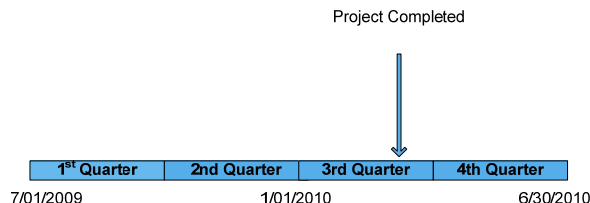
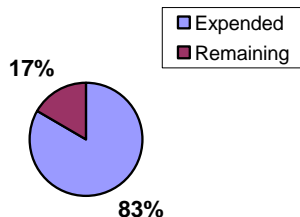
- Project is complete

Total Project Cost: Project was completed within the approved budget. Funds were either returned during the fiscal year or unused funds were returned at the end of each fiscal year and the new total project budget was updated to reflect the actual expended amount.

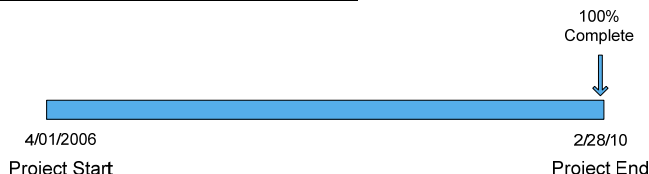
Schedule and Scope: Project was completed within the approved schedule and scope.

Major Fiscal Year 2009/2010 Milestones

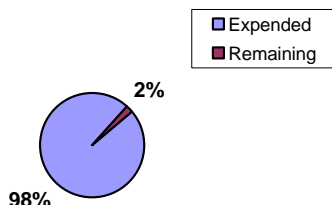
2009/2010 Project Budget
\$354 Thousand



Project Schedule Status Timeline



Total Project Budget
\$2.3 Million



Hosted Contact Center

The Hosted Contact Center project is the implementation of a new CalSTRS contact center at the new CalSTRS Headquarters facility. The Hosted Contact Center technical solution is provided by a 3rd party vendor partner and includes functionality for call routing, workforce planning and call recording of member telephone correspondence.

Fiscal Year 2009/2010:

- Completed implementation of new Hosted Contact Center (HCC) system with limited scope and outstanding issues.
- Transitioned the Hosted Contact Center from project to program areas who will continue to resolve outstanding issues.

Planned Deliverables for Fiscal Year 2010/2011:

- Project is complete.

Total Project Cost: Project was completed within budget.

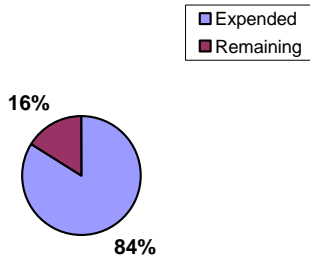
Schedule and Scope: Project was implemented with outstanding issues transitioned to the program areas to continue resolution efforts and with limited scope.

Scope Warning: The project is completed but transitioned to the program with limited functionality and a number of issues that the program areas will continue to work to resolve.

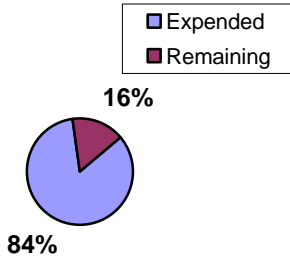
Board Strategic Fit

Goal 3: *Ensure a supportive and efficient organization and be an employer of choice.*

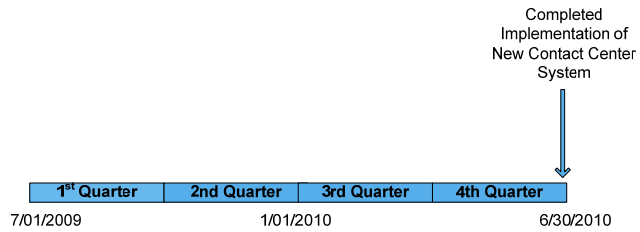
2009/2010 Project Budget
\$73 Thousand



Total Project Budget
\$73 Thousand



Major Fiscal Year 2009/2010 Milestones



Project Schedule Status Timeline



Human Resource Management Information Systems

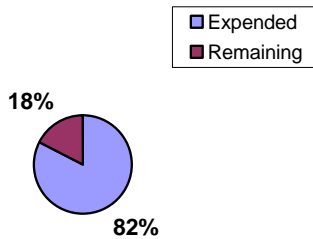
The Human Resources Management Information Systems Project will provide CalSTRS with the foundation for implementing Human Resources strategic vision, program development and technology based on industry leading best practices.

Board Strategic Fit

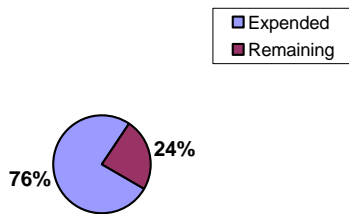
Goal 3: *Ensure a supportive and efficient organization and be an employer of choice.*

Objective A: **Develop a workforce plan for the organization.**

2009/2010 Project Budget
\$358 Thousand



Total Project Budget
\$1.3 Million



Fiscal Year 2009/2010:

- Released and later canceled the Request for Proposal (RFP) for Human Resource Technology Vendor selection.
- Obtained Enterprise Program Investment Council (EPIC) approval to eliminate the technology solution from the project scope and close out the project by June 30, 2010.
- Completed and obtained approval of the Employee Performance Management, Succession Planning and Training Administration recommendation documents.
- Completed classification family competencies identification and validation processes.
- Completed 'non-represented' Employee Performance Evaluation templates.
- Completed and/or transitioned all project deliverables.

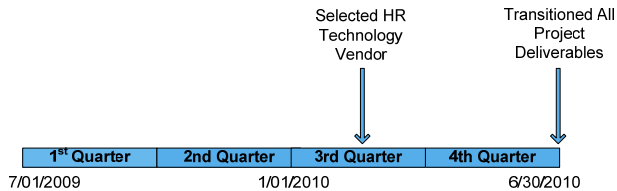
Planned Deliverables for Fiscal Year 2010/2011:

- Project is complete.

Total Project Cost: Project was completed within the approved budget. Funds were either returned during the fiscal year or unused funds were returned at the end of each fiscal year and the new total project budget was updated to reflect the actual expended amount.

Schedule and Scope: Project was completed within schedule with the approved revised scope that eliminated the technology solution from the project scope.

Major Fiscal Year 2009/2010 Milestones



Project Schedule Status Timeline



Investment Accounting

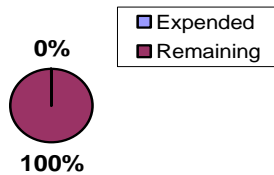
The Investment Accounting Project will enhance the current accounting procedures and processes as they relate to accounting for CalSTRS' investment portfolio.

Board Strategic Fit

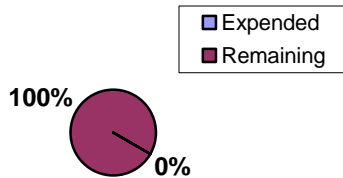
Goal 3: *Ensure a supportive and efficient organization and be an employer of choice.*

Objective F: **Enhance the scope and quality of internal controls, internal audits and external audits.**

2009/2010 Project Budget
\$1.1 Million



Total Project Budget
3.2 Million



Fiscal Year 2009/2010:

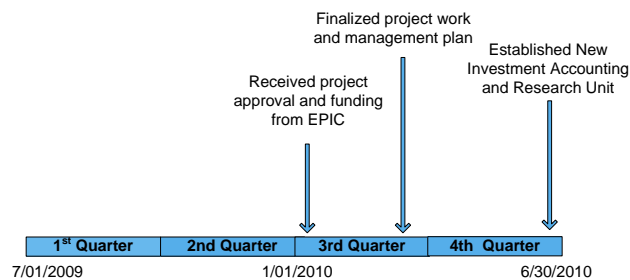
- Received the Enterprise Program Investment Council (EPIC) project approval and funding in January 2010 to implement the identified recommended enhancements to accounting procedures and processes related to accounting for CalSTRS' investment portfolio.
- Received the Enterprise Program Investment Council (EPIC) project approval and funding in January 2010 to implement Phase 2.
- Established a new Investment Accounting and Research Unit to support the additional investment activities arising from the project, and to perform the enhanced analysis and reconciliations for resolving audit findings.
- Eliminated several manual reclassifications of journal entries resulting in an improvement of recording process and investment accounting transaction accuracy.
- Developed and utilized a structured model for analyzing, documenting, and communicating to various stakeholders, including the third party custodian; developed a process structure for the accounting and reporting treatment of complex investments.
- Initiated the development of a comprehensive investment accounting model that includes new and enhanced analysis, reconciliations and oversight tools to ensure investment accounting information maintained by third party custodians is properly accounted for in accordance with Generally Accepted Accounting Principles (GAAP).

Planned Deliverables for Fiscal Year 2010/2011:

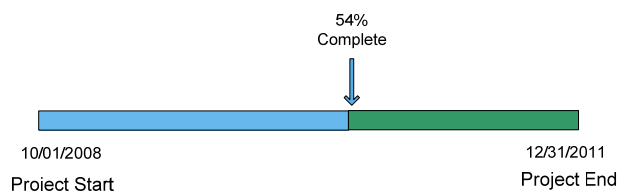
- Finalize the design and requirement documents for the comprehensive investment accounting model.
- Develop an improved and standardized practice for investment accounting information provided by third party custodians to CalSTRS.
- Finalize and establish a Complex Securities Group that will be responsible for analyzing and evaluating the accounting treatment and financial reporting implications of new and existing investment types.
- Develop and document investment accounting policies and procedure
- Implement and standardize the new investment accounting activities.

Note: The project was initiated in October 2008, with a total of \$1,250,000 in contingency funds divided equally between fiscal years 2008/2009 and 2009/2010, and received Enterprise Program Investment Council (EPIC) funding beginning in January 2010. A total of \$570,545 of the 2009/2010 contingency funds have been expended.

Major Fiscal Year 2009/2010 Milestones



Project Schedule Status Timeline



myCalSTRS Online Services for Teachers (MOST)

The MOST project will enhance member online services by updating the secure access and providing a variety of new online services including the ability to complete the retirement application and register for direct deposit online.

Board Strategic Fit

Goal 1: *Raise the quality in the delivery of benefits, products and services to best in class.*

Objective A: **Develop new ways to effectively communicate with different segments of the membership to enhance their understanding of CalSTRS benefits.**

Fiscal Year 2009/2010:

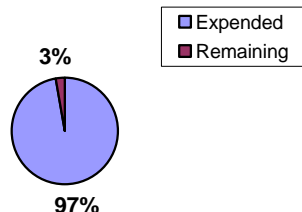
- Completed development of both the new user login process and direct deposit on-line registration process.
- Brought in both active and retired members to test the new user login and direct deposit processes.
- Received funding from Enterprise Program Investment Council (EPIC) for the project's temporary Call Center.
- Hired and trained ten students for the project's temporary Call Center.
- Released 300,000 email notices to members promoting myCalSTRS Online Services for Teachers (MOST) and the new functionality.

Planned Deliverables for Fiscal Year 2010/2011:

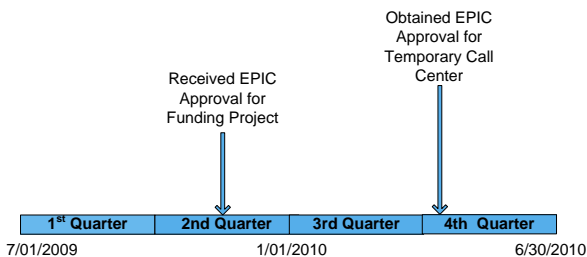
- Implement the new user login process and direct deposit online registration process (Release 1).
- Implement the print, sign and mail forms and the on-line submit Pension Income Verification form (Release 2).
- Implement the on-line submit Refund and Death Beneficiary forms and the Notification of Death functionality (Release 3).
- Implement the on-line submit Service Retirement application and the Pre-Election of an Option application (Release 4).

Note: The project was initiated in January 2009 with fiscal year 2008/2009 contingency funds of \$858,000 and fiscal year 2009/2010 contingency funds of \$1,480,000 and received Enterprise Program Investment Council (EPIC) funding beginning in November 2009. A total of \$543,000 in contingency funds has been expended.

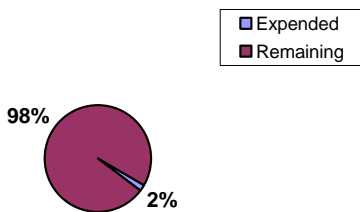
**2009/2010 Project Budget
\$44 Thousand**



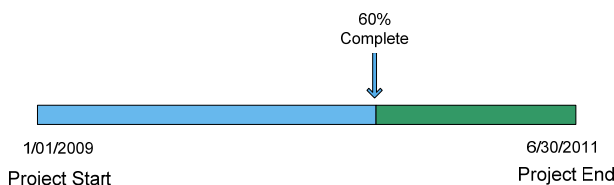
Major Fiscal Year 2009/2010 Milestones



**Total Project Budget
\$2.1 Million**



Project Schedule Status Timeline



Penalties and Interest

The Penalties and Interest project will identify and implement a commercial off-the-shelf (COTS) solution for automating the calculation, billing, monitoring, collection and dispute process of penalties and interest assessed to Employers for late remittances, late reporting and late adjustments of contributions.

Fiscal Year 2009/2010:

- Received project approval and funding from the Enterprise Program Investment Council (EPIC).
- Obtained Board approval of an amendment for Deloitte's development of Penalties and Interest Request for Proposal (RFP).
- Released Request for Proposal (RFP) for a COTS solution and integration vendor.
- Conducted vendor demonstrations and interviews.
- Posted the notice of intent to award the COTS vendor contract.

Board Strategic Fit

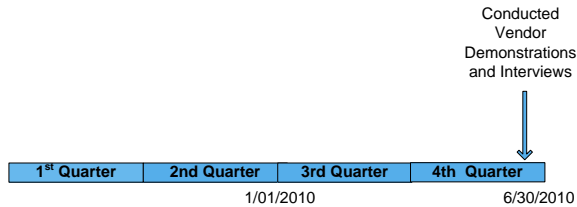
Goal 3: *Ensure a supportive and efficient organization and be an employer of choice.*

Objective F: *Enhance the scope and quality of internal controls, internal audits and external audits.*

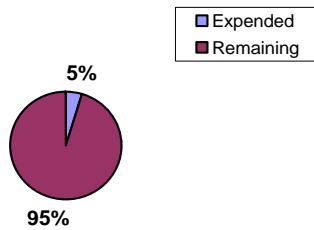
Planned Deliverables for Fiscal Year 2010/2011:

- Procure a project management services vendor.
- Onboard the COTS and implementation vendor.
- Validate Penalties and Interest Business Requirements.
- Initiate system implementation activities.
- Implement a Readiness Cutover Plan.

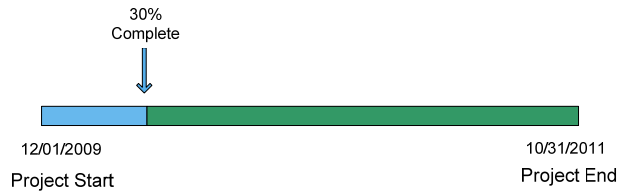
Major Fiscal Year 2009/2010 Milestones



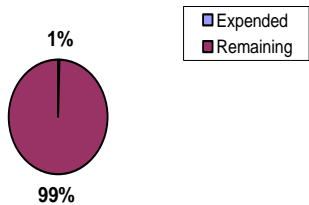
2009/2010 Project Budget
\$700 Thousand



Project Schedule Status Timeline



Total Project Budget
\$6 Million



Pension Accounting Initiative

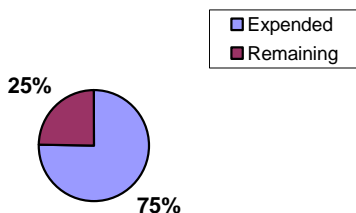
The Pension Accounting Initiative will improve internal controls by addressing gaps between current and best practices in accounting policy, planning, treatment, chart of accounts, analysis, availability of financial information, use of the general ledger, communication of fiscal impacts, and training for pension administration business events.

Board Strategic Fit

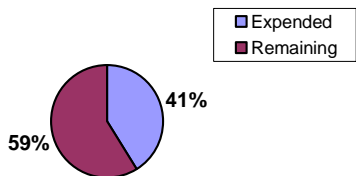
Goal 3: *Ensure a supportive and efficient organization and be an employer of choice.*

Objective F: **Enhance the scope and quality of internal controls, internal audits and external audits.**

2009/2010 Project Budget
\$2 Million



Total Project Budget
\$6.6 Million



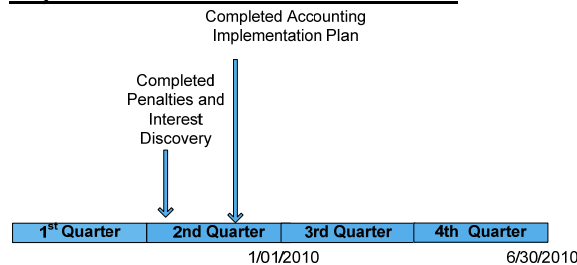
Fiscal Year 2009/2010:

- Accounting policy, treatment, analysis, quality assurance, and strategic planning and risk management
 - Developed a risk assessment and overall strategic vision for the Accounting Division to facilitate implementation of recommendations from each of the work components.
 - Developed and began implementation on high priority accounting policies designed to strengthen internal controls, increase financial reporting accuracy and operational efficiencies.
- Penalties and Interest Discovery
 - Conducted a discovery effort which resulted in recommendations to consistently assess penalties and interest, and identify potential software solutions to calculate, bill, and report penalties and interest. This became its own project.

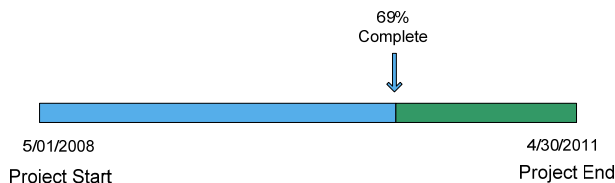
Planned Deliverables for Fiscal Year 2010/2011:

- Accounting policy, treatment, analysis, quality assurance, and strategic planning and risk management
 - Develop and implement high priority accounting policies.
 - Assess and develop the accounting treatments and analytical reviews associated with pension related business events.
 - Develop and implement analytical tools to facilitate monthly trend analysis and forecasting.
- Complete design and implementation of enhanced internal controls over both technical and programmatic accounting areas.
- Establish a risk management program to recognize and act on accounting risks.
- Complete the discovery results for business requirements of the corporate accounting and resource management system which will provide the information necessary to prepare for system procurement.
- Streamline and strengthen the financial closing, benefit payment and distribution, and contribution and receivables processes by reducing manual processes.

Major Fiscal Year 2009/2010 Milestones



Project Schedule Status Timeline



Reduce Files

The Reduce Files project will convert non-member paper, microfilm and microfiche files to electronic format to reduce storage space requirements. This will decrease the number of filing cabinets throughout CalSTRS and contribute to the New Headquarters facility's LEED Gold Certification for sustainable "green" construction. The project also includes implementing a Records Management Program to ensure proper ongoing record maintenance.

Board Strategic Fit

Goal 3: *Ensure a supportive and efficient organization and be an employer of choice.*

Objective E: **Design policies and practices to address the distribution and retention of electronic records.**

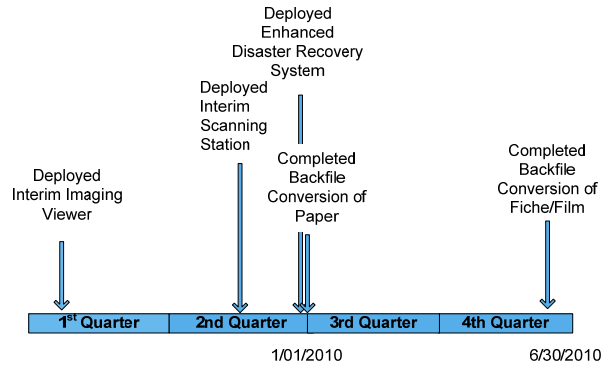
Fiscal Year 2009/2010:

- Deployed Corporate File segment of the CalSTRS Imaging System.
- Deployed an enhanced Disaster Recovery system for the CalSTRS Imaging System.
- Deployed a Corporate Scan Facility.
- Completed Backfile Conversion of all Corporate Files.
- Finalized an updated Scanned Document Destruction Policy.
- Received Enterprise Program Investment Council (EPIC) approval to extend the project end date to December 2010 allowing for thorough testing of the P8 Enterprise Content Management System (ECMS) prior to deployment.

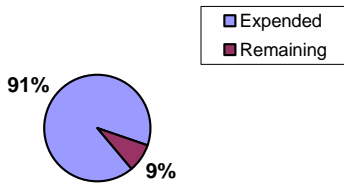
Planned Deliverables for Fiscal Year 2010/2011:

- Finalize and deploy new training course(s) in Records Management and Imaging System Functionality.
- Release project Transition Plan.
- Deploy P8 Enterprise Content Management System (ECMS).

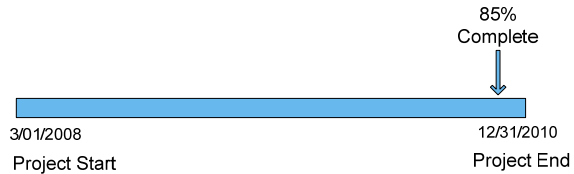
Major Fiscal Year 2009/2010 Milestones



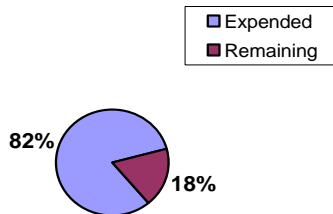
2009/2010 Project Budget
\$3.2 Million



Project Schedule Status Timeline



Total Project Budget
\$7.5 Million

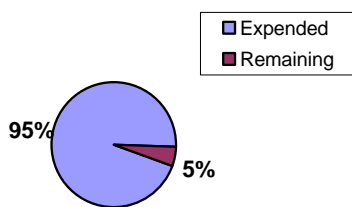


Project Name	Purpose	Accomplishments
--------------	---------	-----------------

Project Management Office Program

The Project Management Office provides oversight and management of enterprise wide Enterprise Program Investment Council (EPIC) projects. The Project Management Office utilizes Project Management and System Development Life Cycle methodologies to manage projects. The Project Management Office also provides project resources and project management consulting to the CalSTRS organization.

2009/2010 Project Budget
\$1.2 Million



Fiscal Year 2009/2010:

- Continued to provide direction and project management resources for one project (Future State Architecture).
- Provided direction for one project (Investment Accounting) requesting EPIC funding and establishing an EPIC project schedule and budget.
- Provided direction for one project (Pension Accounting Initiative) requesting scope, schedule and budget modifications.
- Provided oversight and management (i.e. scope, schedule, budget, risk, issue) for fifteen enterprise projects/discovery efforts.
- Continued piloting Project Portfolio Management practices within the Project Management Office.
- Transitioned the Project Portfolio Management processes, tool discovery effort and pilot to the Future State Architecture project.
- Provided Project Express workshops to CalSTRS staff on project management processes and templates.
- Negotiated down offered contract rates for a savings of \$221,400.
- Reduced contract rates further for fiscal year 2010/2011 for an anticipated additional savings of \$45,000.

Planned Deliverables for Fiscal Year 2010/2011:

- Continue to provide direction and project management resources for one project (Future State Architecture).
- Provide direction for two projects (Actuarial Valuation and Reduce Files) requesting schedule and budget modifications.
- Provide direction for one effort (Historical Exceptions) requesting approval for a discovery.
- Provide direction for one project (Employer Reporting) conducting project closeout activities.
- Provide oversight and management (i.e. scope, schedule, budget, risk, issue) for thirteen enterprise projects/discovery efforts.
- Complete one Post Implementation Evaluation Report (PIER) on the Community College - AB 1586 project.
- Initiate one Post Implementation Evaluation Report (PIER) on the Accounting Reengineering project.
- Update Project Express workshops and provide updated workshop series to CalSTRS staff on project management processes and templates.