Enterprise Projects
Fiscal Year 2010/2011
Fourth Quarter Report
Quarter Ending June 30, 2011
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
Chief Financial Officer

Total Enterprise Projects’ 2010/2011 Budget: $20 Million
As of June 30, 2011

Total 2010/2011 Allocated: $17,763,957
Total 2010/2011 Expended: $10,523,167
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Duration</th>
<th>Project Total</th>
<th>2010/2011</th>
<th>2010/2011 Expended</th>
<th>Schedule</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial Valuation</td>
<td>Apr 08 – Jun 11</td>
<td>$1,967,648</td>
<td>$211,775</td>
<td>$80,669</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Annual Update</td>
<td>Jun 10 – Jun 11</td>
<td>$69,824</td>
<td>$69,824</td>
<td>$57,539</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Anti-Spiking Discovery</td>
<td>Apr 11 – Aug 11</td>
<td>$31,750</td>
<td>$20,500</td>
<td>$17,240</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Board Elections</td>
<td>Nov 10 – Mar 12</td>
<td>$48,000</td>
<td>$21,120</td>
<td>$20,255</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>BusinessRenew Corporate Accounting &amp; Resource Management</td>
<td>Jan 11 – Aug 13</td>
<td>$389,0703</td>
<td>$389,0703</td>
<td>$343,6053</td>
<td>↓5</td>
<td>●</td>
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<tr>
<td>BusinessRenew Pension Solution Discovery</td>
<td>Dec 10 – Feb 12</td>
<td>$5,120,082</td>
<td>$110,000</td>
<td>$94,405</td>
<td></td>
<td>●</td>
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<tr>
<td>BusinessRenew Project Support</td>
<td>Jan 11 – Jun 13</td>
<td>$1,934,700</td>
<td>$67,300</td>
<td>$75,293</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Cost Effectiveness Measurement</td>
<td>Jul 10 – Jun 11</td>
<td>$28,800</td>
<td>$28,800</td>
<td>$28,791</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Future State Architecture</td>
<td>Jul 07 – Jun 11</td>
<td>$1,693,694</td>
<td>$472,248</td>
<td>$474,503</td>
<td></td>
<td>●</td>
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<tr>
<td>Investment Accounting</td>
<td>Oct 08 – Dec 11</td>
<td>$2,842,500</td>
<td>$882,500</td>
<td>$-</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Member Service Center</td>
<td>Oct 10 – Apr 11</td>
<td>$259,307</td>
<td>$259,307</td>
<td>$245,083</td>
<td></td>
<td>●</td>
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<tr>
<td>MyCalSTRS Online Services for Teachers</td>
<td>Jan 09 – Dec 11</td>
<td>$2,078,816</td>
<td>$2,035,650</td>
<td>$1,779,563</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Penalties and Interest</td>
<td>Dec 09 – Jun 12</td>
<td>$12,497,936</td>
<td>$8,455,100</td>
<td>$3,521,518</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Pension Accounting Initiative</td>
<td>May 08 – Jul 12</td>
<td>$6,372,839</td>
<td>$3,198,600</td>
<td>$2,661,735</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Reduce Files</td>
<td>Mar 08 – Dec 10</td>
<td>$7,053,498</td>
<td>$636,973</td>
<td>$561,281</td>
<td></td>
<td>●</td>
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<tr>
<td>Project Management Office Program</td>
<td>Ongoing</td>
<td>$794,260</td>
<td>$794,260</td>
<td>$756,642</td>
<td>N/A</td>
<td>●</td>
</tr>
<tr>
<td>Project Risk Reserve</td>
<td>Ongoing</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$148,650</td>
<td>N/A</td>
<td>●</td>
</tr>
<tr>
<td><strong>Total Enterprise Projects’ 2010/2011 Budget:</strong></td>
<td><strong>$20 million</strong></td>
<td><strong>$17,763,957</strong></td>
<td><strong>$10,523,167</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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 – includes project expenses paid and does not reflect expenses that have been accrued.
3 BusinessRenew Corporate Accounting & Resource Management – $15.5 million funded through Board and contingency funds and is excluded in the Enterprise Projects’ stated Budget, Allocated and Expended totals information. The project received an additional $3.3 million in EPIC funding for fiscal year 2012/2013.
4 BusinessRenew Corporate Accounting & Resource Management – schedule warning due to delayed procurement process.
5 BusinessRenew Pension Solution Discovery – schedule warning due to delay in Request for Proposal release.
6 Investment Accounting – project initiated with contingency funding and received EPIC funding in January 2010. The amount displayed above reflects EPIC funding only.
7 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.
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, 2011:**
- Completed data validation screen components.
- Completed functionality for remaining standard reports.
- Completed ad-hoc reports.
- Completed training and transitioned to program.
- Requested and received Enterprise Program Investment Council (EPIC) approval to extend the project end date to June 2012 and allocate $130,000 in fiscal year 2011/2012 for completion of the Detailed Internal Procedures Report.

**Planned Deliverables by September 30, 2011:**
- Initiate procurement of vendor service to complete the Detailed Internal Procedures Report.

**Major Fiscal Year 2010/2011 Milestones**

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**Project Schedule Status Timeline**

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**2010/2011 Project Budget**

$212 Thousand

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**Total Project Budget**

$2 Million

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### Annual Update

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

#### Key Operational Initiative

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

### Period Ending June 30, 2011:

- Mailed 22,000 address clean up letters to members for confirmation of a new updated mailing address.
- Received 8,800 address clean up letters and updated 7,450 addresses.

### Planned Deliverables by September 30, 2011:

- Complete development of Retirement Progress Report enhancements.
- Complete System Integration testing.
- Complete User Acceptance testing.
- Migrate Annual Update enhancements to production.

### Major Fiscal Year 2010/2011 Milestones

<table>
<thead>
<tr>
<th>Project Schedule Status Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter</td>
</tr>
</tbody>
</table>

### 2010/2011 Project Budget

<table>
<thead>
<tr>
<th>Total Project Budget</th>
<th>$70 Thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expended</td>
<td>18%</td>
</tr>
<tr>
<td>Remaining</td>
<td>82%</td>
</tr>
</tbody>
</table>
Project Name | Purpose | Accomplishments
---|---|---
Anti-Spiking Discovery

The purpose of this project is to conduct a discovery effort to explore system-wide solutions that will allow CalSTRS to systematically and consistently identify and prevent benefit spiking.

Period Ending June 30, 2011:
- Completed the recommendation for changes to existing legislation (Senate Bill 27) that is aimed at preventing benefit spiking.
- Completed recommendations for processes to be more proactive and to increase effectiveness and consistency in identifying potential spiking.
- Completed recommendation for the creation of a Compensation Review Unit that will be charged with analyzing compensation to determine whether increases in salary prior to retirement are intended to spike a benefit.
- Completed recommendation for CalSTRS corporate database system changes that includes generating reports based on specific criteria to identify and monitor a population of CalSTRS membership where there is a higher likelihood of spiking.
- Completed recommendation for a Pension Hotline to allow anyone to anonymously and confidentially report suspected benefit spiking or other discrepant compensation practices.

Planned Deliverables by September 30, 2011:
- Deliver Discovery Results document and presentation to Enterprise Program Investment Council (EPIC).
- Transition to program areas for implementation of recommendations.
- Conduct lessons learned.

Major Fiscal Year 2010/2011 Milestones

- Completed Recommendations for Legislative Changes, Process Improvements, Review Unit, Corporate Database Changes and Pension Hotline

2010/2011 Project Budget

$21 Thousand

16% Expended
84% Remaining

Total Project Budget

$32 Thousand

46% Expended
54% Remaining

Board Strategic Fit

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

Objective E: Enhance the scope and quality of internal controls, internal audits and external audits.
Board Elections

The Board Election project will facilitate, coordinate and conduct the CalSTRS 2012 Board Election as required under the Teachers' Retirement Law. The elected candidates will serve a four-year term beginning January 1, 2012.

Key Operational Initiative

Teachers’ Retirement law requires CalSTRS to conduct a Board Election every four years.

Period Ending June 30, 2011:
- Completed internal testing of address data files.
- Received all eight Candidates Statements.

Planned Deliverables by September 30, 2011:
- Deliver production address files to election services vendor.
- Validate and proof printed ballots and envelopes.
- Compile, format and deliver Candidate Statements to vendor.
- Receive and approve telephone and internet draft ballots.
- Complete testing of telephone and internet voting process.

Major Fiscal Year 2010/2011 Milestones

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received EPIC Approval to Initiate Board Election</td>
<td>7/01/2010</td>
</tr>
<tr>
<td>Received Vendor Contract Approval</td>
<td>3/01/2011</td>
</tr>
<tr>
<td>Received, Validated &amp; Certified Nominee Petitions</td>
<td>6/30/2011</td>
</tr>
<tr>
<td>Receive Candidate Statements</td>
<td>11/01/2010</td>
</tr>
<tr>
<td>Complete Testing of telephone and internet voting process</td>
<td>3/31/2012</td>
</tr>
</tbody>
</table>

2010/2011 Project Budget

<table>
<thead>
<tr>
<th>Budget Title</th>
<th>Amount (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$48,000</td>
</tr>
<tr>
<td>Expended</td>
<td>$22,720</td>
</tr>
<tr>
<td>Remaining</td>
<td>$25,280</td>
</tr>
</tbody>
</table>

2010/2011 Project Budget

<table>
<thead>
<tr>
<th>Budget Title</th>
<th>Amount (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$21,000</td>
</tr>
<tr>
<td>Expended</td>
<td>$824</td>
</tr>
<tr>
<td>Remaining</td>
<td>$20,176</td>
</tr>
</tbody>
</table>

Total Project Budget

<table>
<thead>
<tr>
<th>Budget Title</th>
<th>Amount (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$48,000</td>
</tr>
<tr>
<td>Expended</td>
<td>$22,720</td>
</tr>
<tr>
<td>Remaining</td>
<td>$25,280</td>
</tr>
</tbody>
</table>

Project Schedule Status Timeline

<table>
<thead>
<tr>
<th>Timeline Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Start</td>
<td>11/01/2010</td>
</tr>
<tr>
<td>50% Complete</td>
<td>3/31/2012</td>
</tr>
</tbody>
</table>

Quarter Ending June 30, 2011
### Board Strategic Fit

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

**Objective D:** Identify and eliminate internal and external data integrity problems.

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

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

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

### 2010/2011 Project Budget

**$390 Thousand**

- **12%** Expended
- **88%** Remaining

### Total Project Budget

**$18.8 Million**

- **2%** Expended
- **98%** Remaining

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### Project Name

**Business Renew Corporate Accounting & Resource Management**

The Renew Corporate Accounting and Resource Management (CARM) project will improve financial reporting, corporate accounting, budgeting, procurement and contract management by implementing policies and technology systems that include automated internal controls to reduce financial and operational risks.

### Purpose

- **Corporate**
  - Accounting & Resource Management

### Accomplishments

#### Period Ending June 30, 2011:
- Released Final Vendor Request for Information for Systems Integration and Application Maintenance Support to Penalties and Interest vendor as provided for in the current contract.
- Finalized and released Functional and Non-Functional Requirements.
- Conducted vendor presentations and demonstrations.
- Requested and received Board approval to contract with CIBER for project and amended contract based on negotiations.
- Received Enterprise Program Investment Council (EPIC) approval for additional project funding of $3.3 million for fiscal year 2012/2013.
- Commenced Project Preparation Phase.

#### Planned Deliverables by September 30, 2011:
- Finalize orientation material for CIBER and CalSTRS team members and hold formal Project Kick-Off and Blueprint Training sessions.
- Complete Project Planning Phase.
- Initiate solution design (Blueprint) phase.
- Negotiate agreement with CIBER for Application Maintenance Operations (AMO) and IT Operations (ITO) services.
- Submit Budget Change Proposal request for ongoing AMO/ITO services.

#### Schedule Warning:
The project is within scope and budget, but behind schedule due to delays during the Request for Information (RFI) process.

Note: Project is funded from FY2011/2012 Operating Budget one time funds and contingency funds and will utilize Enterprise Program Investment Council (EPIC) funding for Fiscal Year 2012/2013 only. The project encumbered $389,070 of the initial $1.8 million budget amount for fiscal year 2010/2011.

### Major Fiscal Year 2010/2011 Milestones

- **Board Strategic Fit**
  - **Goal 1:** Raise the quality in the delivery of benefits, products and services to best in class.
  - **Objective D:** Identify and eliminate internal and external data integrity problems.
  - **Goal 3:** Ensure a supportive and efficient organization and be an employer of choice.
  - **Objective E:** Enhance the scope and quality of internal controls, internal audits and external audits.
  - **Objective F:** Identify and improve the efficiency of CalSTRS business.

#### Project Schedule Status Timeline

- **1st Quarter:** 1/01/2011 - 3/31/2011
- **2nd Quarter:** 4/01/2011 - 6/30/2011
- **3rd Quarter:** 7/01/2011 - 9/30/2011
- **4th Quarter:** 10/01/2011 - 12/31/2011

- **1/01/2011** Project Start
- **8/30/2013** Project End

- **49%** Complete

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**Quarter Ending June 30, 2011**
Board Strategic Fit

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

**Objective D:** Identify and eliminate internal and external data integrity problems.

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

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

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

Period Ending June 30, 2011:
- Completed the pension system expert technical proposal evaluations.
- Conducted vendor presentations and performed key personnel reference checks.
- Finalized vendor selection and gained Enterprise Program and Investment Council (EPIC) approval for vendor selection.
- Finalized vendor contract Statement of Work and payment schedule.

Planned Deliverables by September 30, 2011:
- Obtain Board approval for pension system expert contract award.
- Execute contract and on-board pension system expert.
- Finalize the detailed project schedule and staffing plan.

Schedule Warning: Project is behind schedule due to the delay in releasing the Request for Proposal (RFP) for a pension expert.

Schedule Warning: Project is behind schedule due to the delay in releasing the Request for Proposal for a pension expert.

Major Fiscal Year 2010/2011 Milestones

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/01/2010</td>
<td>1/01/2011</td>
<td>6/30/2011</td>
<td></td>
</tr>
</tbody>
</table>

Published Request for Proposal
Received EPIC Approval for Vendor Selection

Project Schedule Status Timeline

12/1/2010
Project Start

2/28/2012
Project End

Total Project Budget

$1.4 Million

Expended Remaining

2%
98%
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| Business Renew Project Support | The Renew Project Support will provide project support for all Renew project efforts including independent project oversight, legal services and cultural change and communications management support. | Period Ending June 30, 2011:  
- Finalized independent oversight vendor services Request for Proposal.  
- Finalized external legal service firm contract.  
- Hired BusinessRenew Organizational Development support staff.  

Planned Deliverables by September 30, 2011:  
- Award independent project oversight vendor services contract.  
- Finalize BusinessRenew Communications and Change Management plans.  
- Acquire BusinessRenew Communications support staff.  
- Finalize BusinessRenew governance model.  

| | | |
|-----------------|-----------------|
| **Board Strategic Fit** | |
| **Goal 1:** Raise the quality in the delivery of benefits, products and services to best in class. | |
| **Objective D:** Identify and eliminate internal and external data integrity problems. | |
| **Goal 3:** Ensure a supportive and efficient organization and be an employer of choice. | |
| **Objective E:** Enhance the scope and quality of internal controls, internal audits and external audits. | |
| **Objective F:** Identify and improve the efficiency of CalSTRS business. | |

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Schedule Status Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/1/2011</td>
<td>20% Complete</td>
</tr>
<tr>
<td>06/30/2013</td>
<td>100% Complete</td>
</tr>
</tbody>
</table>

**2010/2011 Project Budget**  
$567 Thousand

- 90% Expended  
- 10% Remaining

**Total Project Budget**  
$1.9 Million

- 96% Expended  
- 4% Remaining

Quarter Ending June 30, 2011
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| 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. | **Period Ending June 30, 2011:**  
**Planned Deliverables by September 30, 2011:**  
- Schedule 2010 CEM presentation to CalSTRS Leadership Team and staff.  
- Finalize project close-out report. |

**Board Strategic Fit**

**Goal 1:** Raise the quality in the delivery of benefits, products and services to best in class.  
**Objective C:** Evaluate customer service using benchmark and best practices research.

### Major Fiscal Year 2010/2011 Milestones

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Milestone Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter</td>
<td>Completed CEM Survey</td>
</tr>
<tr>
<td>2nd Quarter</td>
<td>Received 1st Draft CEM Report</td>
</tr>
<tr>
<td>3rd Quarter</td>
<td>Received Final CEM Report</td>
</tr>
<tr>
<td>4th Quarter</td>
<td>Project Start</td>
</tr>
<tr>
<td>7/01/2010</td>
<td>6/30/2011</td>
</tr>
</tbody>
</table>

### Project Schedule Status Timeline

- 7/01/2010: Project Start
- 6/30/2011: 100% Complete

### 2010/2011 Project Budget

- **Total Project Budget:** $29 Thousand
- **Expended:** 0%
- **Remaining:** 100%

### Total Project Budget

- **Total Project Budget:** $29 Thousand
- **Expended:** 0%
- **Remaining:** 100%
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| Future State      | 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.                                                                      | **Period Ending June 30, 2011:**  
  - Completed project close-out report.  

**Planned Deliverables by September 30, 2011:**  
  - Project is complete.  

**Total Project Cost:** Project was completed under budget. These funds were returned to the Enterprise Program Investment Council (EPIC) budget.  

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

**Major Fiscal Year 2010/2011 Milestones**  

<table>
<thead>
<tr>
<th>Unit</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/01/2007</td>
<td>100% Complete</td>
</tr>
<tr>
<td>1/31/2011</td>
<td>100% Complete</td>
</tr>
<tr>
<td>10/01/2010</td>
<td>100% Complete</td>
</tr>
<tr>
<td>6/30/2011</td>
<td>100% Complete</td>
</tr>
</tbody>
</table>

**Board Strategic Fit 2010-2011**  

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

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

**2010/2011 Project Budget**  

| $472 Thousand |

**Total Project Budget**  

| $1.7 Million |

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**Quarter Ending June 30, 2011**
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 E:** Enhance the scope and quality of internal controls, internal audits and external audits.

### Project Name | Purpose | Accomplishments
--- | --- | ---
Investment Accounting | The Investment Accounting Project will enhance the current accounting procedures and processes as they relate to accounting for CalSTRS' investment portfolio. | - Completed testing and implementation of the majority of templates for oversight activities.
- Initiated Operations Stage of the project.
- Updated fair value fact sheets for FY 2010-2011.
- Began implementing recommendations for long term solutions to general ledger mapping issues.

**Period Ending June 30, 2011:**

**Planned Deliverables by September 30, 2011:**

- Transition operation of the oversight tools to CalSTRS Investment Accounting staff.
- Complete 2010-2011 fair value activities.
- Finalize complex securities memoranda for applicable investments.
- Complete implementation of recommendations for long term solutions to general ledger mapping issues and expanded chart of accounts for investments and investment 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. All of the 2009/2010 contingency funds and $389,264 of the 2009/2010 EPIC funds have been expended.

**2010/2011 Project Budget**

$883 Thousand

**Total Project Budget**

$2.8 Million

**Major Fiscal Year 2010/2011 Milestones**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter</td>
<td>Implemented Investment Tools; Commenced Operation</td>
</tr>
<tr>
<td>2nd Quarter</td>
<td>Completed Fair Valuation &amp; Investment Reporting Activities for 2009/2010</td>
</tr>
<tr>
<td>3rd Quarter</td>
<td>Initiated Complex Security Group</td>
</tr>
<tr>
<td>4th Quarter</td>
<td>Hired Additional Staff</td>
</tr>
</tbody>
</table>

**Project Schedule Status Timeline**

- **10/1/2008** Project Start
- **12/31/2011** Project End

**85% Complete**
Project Name: Member Service Center Discovery

Purpose: The Member Service Center Discovery effort will identify and document business requirements for establishing five CalSTRS Member Service Centers (MSC) statewide with the first opening in Southern California.

Accomplishments

Board Strategic Fit

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

Objective C: Explore the pros and cons for having branch offices to enhance customer service.

Period Ending June 30, 2011:

- Defined facility, infrastructure, technology and telecommunication requirements for a Member Service Center site.
- Determined optimal Los Angeles office site is 505 N Brand Blvd, Glendale based on demographics.
- Completed and presented Discovery Results document to Enterprise Program Investment Council (EPIC).
- Transitioned to the program areas for implementation.

Planned Deliverables by September 30, 2011:

- Project is complete.

Total Project Cost: Project was completed under budget by $19,000.

Schedule and Scope: Project was completed within the approved scope and one month ahead of schedule.

Major Fiscal Year 2010/2011 Milestones

Project Schedule Status Timeline

2010/2011 Project Budget

$259 Thousand

Expended: 5%
Remaining: 95%

Total Project Budget

$259 Thousand

Expended: 95%
Remaining: 5%
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.

### 2010/2011 Project Budget

<table>
<thead>
<tr>
<th></th>
<th>Expended</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010/2011 Project Budget</td>
<td>$2 Million</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td>87%</td>
<td>13%</td>
</tr>
</tbody>
</table>

### Total Project Budget

<table>
<thead>
<tr>
<th></th>
<th>Expended</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.1 Million</td>
<td>88%</td>
<td>12%</td>
</tr>
</tbody>
</table>

### Period Ending June 30, 2011:

- Implemented the online Refund, Pre-election of an Option, and Service Retirement applications.
- Provided members the ability to view their Account Balance on-line.
- Since July 2010:
  - Registered 136,000 members through online and alternate registration processes
  - Enrolled 4,175 members for direct deposit; updated 18,660 member addresses, and 7,224 members’ tax withholding information
  - Received 7,987 on-line Death Beneficiary forms
  - Received 729 on-line Verification of Benefits requests
  - Completed 512 on-line Service Credit forms
  - Received 59 Service Retirement Applications, 11 Pre-Retirement Applications and 19 Refund Applications online.

### Planned Deliverables by September 30, 2011:

- Conduct Lessons Learned sessions.
- Prepare draft close-out report.

**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 $1,333,984 in contingency funds has been expended.

### Major Fiscal Year 2010/2011 Milestones

**Project Schedule Status Timeline**

- 1st Quarter: 10/1/2010
- 2nd Quarter: 10/1/2011
- 3rd Quarter: 10/1/2011
- 4th Quarter: 6/30/2011

- Implemented User Login Process & Direct Deposit
- Implemented Pension Income Verification Form
- Implemented Death Beneficiary Form & Notification of Death
- Implemented Refund, Service Retirement & Pre-Election Option Applications

- Expended 83% Complete

Quarter Ending June 30, 2011
The Penalties and Interest project will implement SAP, a commercial off-the-shelf (COTS) solution, to automate 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.

**Board Strategic Fit**

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

**Objective D: Identify and eliminate internal and external data integrity problems.**

2010/2011 Project Budget

$8.5 Million

![Graph showing budget expenditures](image)

42% Expended

58% Remaining

Total Project Budget

$12.5 Million

![Graph showing total budget expenditures](image)

32% Expended

68% Remaining

**Quarter Ending June 30, 2011**

**Period Ending June 30, 2011:**

- Completed the configuration and unit testing of all business work streams
- Completed the first integration test cycle (IT1).
- Completed Functional Specifications for non-standard SAP functionality.
- Completed majority of the Business Process Procedures.
- Configured commercial off-the-shelf (COTS) package and completed development of all non-standard software.
- Completed two of four phases of testing (Unit Testing and Integration Test Cycle 1).
- Received Enterprise Program Investment approval to expand scope and budget to include changes to current in-house systems prior to the July 2012 Regulations start date.

**Planned Deliverables by September 30, 2011:**

- Conduct system prototype demonstration with the employer pilot team.
- Create and provide system training to both internal staff and employers.
- Complete system performance testing.
- Complete the final two phase of testing (Integration Test Cycle 2 and User Acceptance Testing).
- Implement the automated system to support the refund and collection of contributions and the collection and assessment of penalties and interest and activate the contribution underpayment collection and overpayment refund process.
- Conduct lessons learned and complete close-out of automation portion of the project.

**Major Fiscal Year 2010/2011 Milestones**

**Project Schedule Status Timeline**

[Diagram showing project timeline]

![Timeline diagram](image)
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| 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. | **Period Ending June 30, 2011:**  
- Completed the assessment of the skills, knowledge, and abilities gap analysis.  
- Completed development of Key Performance Indicators (KPIs) for the Benefit Payments and Disbursements as well as Collections and Receivables processes.  
- Documented the as-is cash flow process including the identification of key control points.  
- Completed all policy and process deliverables.  

**Planned Deliverables by September 30, 2011:**  
- Complete the annual assessment of the accounting treatment implementation efforts designed to strength internal controls over financial reporting.  
- Finalize the Accounting Classification Specifications Proposal Request Packet.  

**Board Strategic Fit**  
**Goal 3:** Ensure a supportive and efficient organization and be an employer of choice.  
**Objective E:** Enhance the scope and quality of internal controls, internal audits and external audits.  

**2010/2011 Project Budget**  
$3.2 Million  
- Expended: 17%  
- Remaining: 83%  

**Major Fiscal Year 2010/2011 Milestones**  
- Completed CARM Discovery  
- Completed COA Framework  
- Completed Accounting Policy Deliverables  
- Completed All Policy and Process Vendor Deliverables  

**Project Schedule Status Timeline**  
- Project Start: 5/1/2008  
- Project End: 6/30/2012  
- 67% Complete  

**Total Project Budget**  
$6.4 Million  
- Expended: 11%  
- Remaining: 89%  

Quarter Ending June 30, 2011
Project Name: 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.

Period Ending June 30, 2011:
- Completed project close-out report.

Planned Deliverables by September 30, 2011:
- Project is complete.

Total Project Cost: Project was completed within budget.

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

Board Strategic Fit

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

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

2010/2011 Project Budget
$637 Thousand

Project Schedule Status Timeline

Board Strategic Fit

Project End

3/01/2008
Project Start

100% Complete

12/31/2010

Expended
Remaining

2010/2011 Project Budget

$637 Thousand

Expended
Remaining

88%
12%

Project Schedule Status Timeline

Expended
Remaining

Total Project Budget
$7.1 Million

Expended
Remaining

99%
1%
Project Name: Project Management Office Program

Purpose: 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.

Accomplishments:

Period Ending June 30, 2011:

- Provided direction for one project (BusinessRenew: Corporate Accounting and Resource Management) requesting a budget increase.
- Provided direction for one business area requesting a project change (Penalties and Interest) to increase scope and budget.
- Provided direction for one effort (Pension Discovery) requesting approval to award a vendor contract and increase the schedule and budget.
- Provided direction to one project (Actuarial Valuation) requesting to increase the schedule and budget.
- Provided direction for one project (myCalSTRS Online Services for Teachers) requesting a scope and budget change.
- Provided oversight and management (i.e. scope, schedule, budget, risk, issue) for thirteen enterprise projects/discovery efforts.
- Provided a Project Express workshop series to CalSTRS staff on project management processes and templates.
- Finalized and received approval of Priority Management project charter.
- Begin updating the CalSTRS project management methodology to align with updated CalSTRS methodologies.

Planned Deliverables by September 30, 2011:

- Provide direction for business areas developing business cases; projects presenting discovery results recommendations; and projects requesting a schedule extension, budget increase or scope modification.
- Provide direction for two new requests for discovery (BusinessRenew: Data Preparation and BusinessRenew: Centralized Requirements Repository).
- Provide direction for one new project request (Priority Management – Project Portfolio Management Tool).
- Provide direction for one project (BusinessRenew: Corporate Accounting and Resource Management) requesting budget and schedule realignment.
- Provide direction for one discovery (Anti-Spiking) presenting recommendations to the Enterprise Program Investment Council (EPIC).
- Provide oversight and management (i.e. scope, schedule, budget, risk, issue) for thirteen enterprise projects/discovery efforts.
- Draft two post implementation evaluation reports (PIERs) on the Data Integrity and Additional Earnings and Annuity Credit projects.
- Finalize and provide Enterprise Program Investment Council (EPIC) with the results of one post implementation evaluation report (PIER) for the Accounting Reengineering project.
- Obtain final approval of Priority Management assessment and scoring model.
- Support the Priority Management process rollout and tool procurement.
- Continue updating the CalSTRS project management methodology to align with updated CalSTRS methodologies.

2010/2011 Project Budget

$794 Thousand

Expended: 95%
Remaining: 5%

Quarter Ending June 30, 2011