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# CALSTRS

## **Enterprise Projects Fiscal Year 2009/2010 First Quarter Report**

# Enterprise Projects

## Fiscal Year 2009/2010 - First Quarter Report

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

**Jack Ehnes**  
Chief Executive Officer

**Peggy Plett**  
Deputy Chief Executive Officer  
Benefits and Services

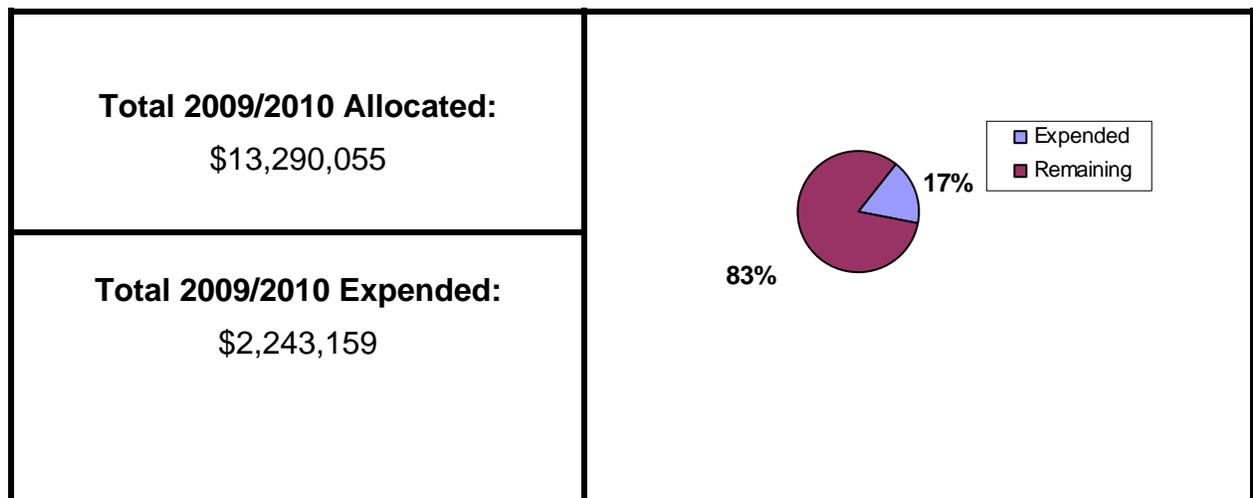
**Ed Derman**  
Deputy Chief Executive Officer  
Plan Design and Communication

**Christine Ford**  
Chief Financial Officer

**Janice Hanson**  
Deputy Chief Executive Officer  
Enterprise Initiatives and Technology

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

As of September 30, 2009



# Enterprise Projects

## Fiscal Year 2009/2010 - First Quarter

Project Name	Duration	Project Total <sup>1</sup>	2009/2010 Budget	2009/2010 Expended	Schedule	Budget
Actuarial Valuation	Apr 08 – Jul 10	\$1,907,240	\$962,010	\$18,856	●	●
Additional Earnings and Annuity Credit <sup>2</sup>	Feb 08 – Jan 10	\$1,216,393	\$125,778	\$85,496	●	◻
Annual Update <sup>3</sup>	Jun 09 – June 10	\$120,888	\$120,888	\$30,984	●	●
Cost Effectiveness Measurement <sup>3</sup>	Jul 09 – Jun 10	\$50,880	\$50,880	\$4,704	●	●
Continuous Improvement Team 'Proof of Concept'	Oct 05 – June 10	\$1,975,235	\$832,000	\$194,420	●	●
Employer Reporting	Jul 05 – June 10	\$11,307,059	\$2,064,186	\$547,055	●	●
Future State Architecture	Jul 07 – Jun 10	\$1,449,644	\$916,500	\$87,866	●	●
Headquarter Facility	Apr 06 – Feb 10	\$2,276,204	\$311,299	\$166,918	●	●
Human Resource Management Information Systems	Oct 06 – Sep 10	\$1,743,842	\$768,750	\$64,728	●	●
Pension Accounting Initiative	May 08 – Apr 11	\$3,354,758	\$1,161,031	\$84,128	●	●
Reduce Files at Move	Mar 08 – Jun 10	\$8,409,931	\$4,163,727	\$679,919	●	●
Project Management Office Program	Ongoing	\$1,313,006	\$1,313,006	\$250,785	N/A	●
Project Risk Reserve	Ongoing	\$500,000	\$500,000	\$27,300	N/A	●

<b>Total Enterprise Projects' 2009/2010 Budget:</b> \$20 million	<b>Total 2009/2010 Allocated:</b> \$13,290,055	<b>Total 2009/2010 Expended:</b> \$2,243,159
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**Schedule & Budget Indicators:** ● Acceptable ◻ Warning ◆ Critical ☺ Complete

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

<sup>2</sup> Additional Earnings and Annuity Credit – budget warning due to additional workload and resources

<sup>3</sup> Annual Update and Cost Effectiveness Measurement - previously combined under Enterprise Program Management

**Actuarial Valuation**

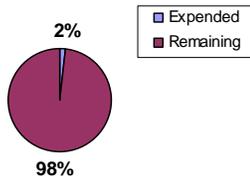
The Actuarial Valuation project will provide CalSTRS with verification of the actuarial valuation processes, improve the current valuation process through the use of both technology and process improvement, and create detailed procedures.

**Strategic Fit**

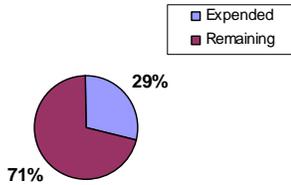
**Goal:** *Financial (Risk and Reward)*

**Objective:** **Responsibly Manage Risk**

**2009/2010 Project Budget \$962 Thousand**



**Total Project Budget \$1.9 Million**



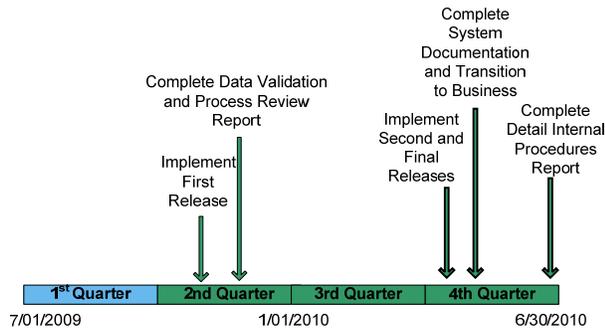
**Period Ending September 30, 2009:**

- Developed Actuarial Data Mart and high-priority standard actuarial reports and loaded prior-year actuarial data into data mart.
- Began system integration testing of Actuarial Data Mart and high-priority reports.
- Assessed data mart hardware and software needs and created virtual server environments in the CalSTRS Headquarter server room.
- Received and reviewed the draft Process Review Actuary vendor's Data Validation and Process Review Report.

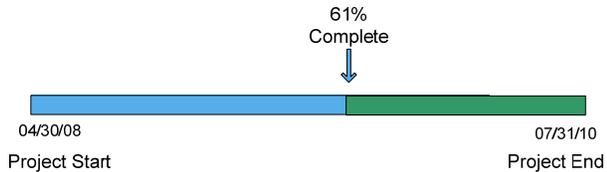
**Planned Deliverables by December 31, 2009:**

- Conduct unit testing and implementation activities for the Actuarial Data Mart, high-priority standard actuarial reports and loading prior-year actuarial extract data into the data mart.
- Continue creating virtual server environments in the CalSTRS Headquarter server room.
- Complete system integration testing and user acceptance testing of Actuarial Data Mart and high-priority reports.
- Finalize review and approval of Data Validation and Process Review Report produced by the Process Review Actuary vendor.

**Major Fiscal Year 2009/2010 Milestones**



**Project Schedule Status Timeline**



Project Name	Purpose	Accomplishments
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**Additional Earnings & Annuity Credit**

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

**Period Ending September 30, 2009:**

- Mailed Rollover Award Letters.
- Disbursed payments to rollover eligible members or their beneficiaries for 2005/2006 and 2006/2007.
- Mailed Rollover Option Letters to eligible members.

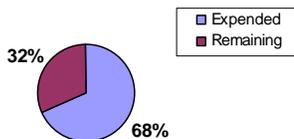
**Strategic Fit**

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

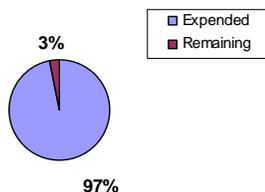
**Planned Deliverables by December 31, 2009:**

- Disburse California tax refund payments to out of state residents.
- Request Enterprise Program Investment Council approval to increase the current fiscal year budget in support of issuing the tax refund payments.
- Transition project to the information technology maintenance team.
- Monitor credits for the Additional Earnings/Additional Annuity Retirement Progress Reports and the 2009 1099's.
- Draft Project Closeout Report.
- Draft Lessons Learned Report.

**2009/2010 Project Budget  
\$125 Thousand**

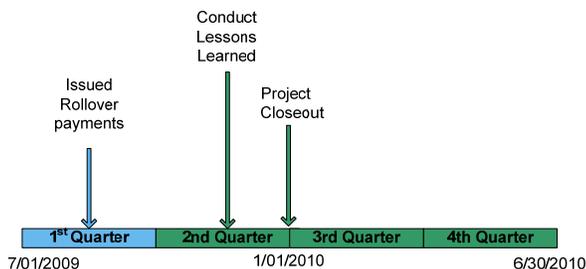


**Total Project Budget  
\$1.2 Million**

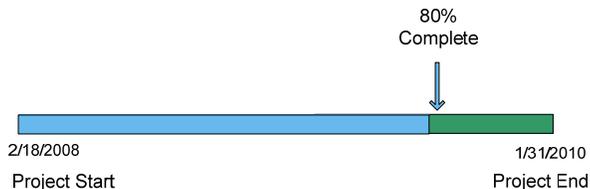


**Budget Warning:** The Additional Earnings and Annuity Credit project is over budget due to the additional work associated with issuing California tax refund payments to our out of state residents.

**Major Fiscal Year 2009/2010 Milestones**



**Project Schedule Status Timeline**



**Annual Update**

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

**Period Ending September 30, 2009:**

- Received and processed employer reports for fiscal year 2008/2009.
- Completed system integration testing and user acceptance testing of Annual Update enhancements.
- Migrated enhancements for 2008-2009 Annual Update process to the mainframe database.

**Strategic Fit**

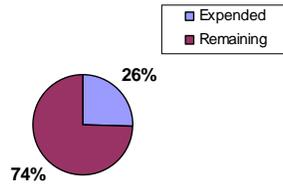
*Teachers' Retirement Law requires individual account statements to be provided to each active and inactive member at least annually.*

**Planned Deliverables by December 31, 2009:**

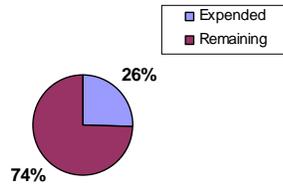
- Complete 2008/2009 Annual Update corporate database production run.
- Provide members' pensionable earnings reported in 2008/2009 on myCalSTRS.
- Create and mail 2008/2009 Cash Balance and Defined Benefit Retirement Progress Reports and post to myCalSTRS.

Note: The Annual Update project was formerly combined with Cost Effectiveness Measurement under the Enterprise Process Management project.

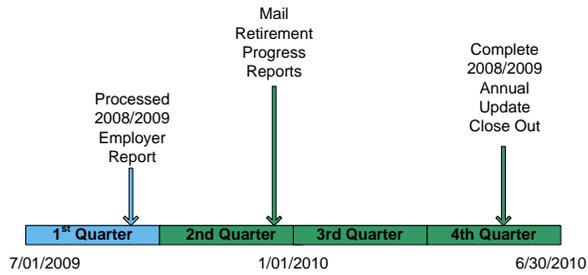
**2009/2010 Project Budget**  
\$121 Thousand



**Total Project Budget**  
\$121 Thousand



**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.

**Strategic Fit**

**Goal:** Internal Process (One & Done)

**Objective:** Increase Efficiency of Operations

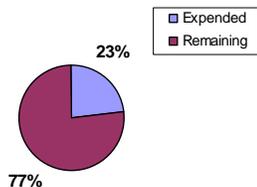
**Period Ending September 30, 2009:**

- Presented the Case Review Indicator Business Process Improvement summary presentation to the End To End (E2E) Council.
- Completed first draft of the Continuous Improvement Certification Training curriculum.
- Completed the Travel Administration Business Process Improvement effort and presented findings to business owner.
- Completed the As-Is workshop for the Reduced Files at Move Central Mail and Scan effort.
- Finalized a draft intake process for all Continuous Improvement Business Process Improvement efforts.
- Completed As-Is and To-Be workshops for the Penalties and Interest effort.

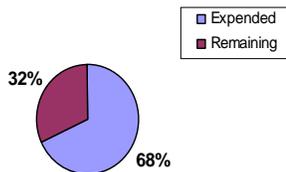
**Planned Deliverables by December 31, 2009:**

- Schedule Continuous Improvement Certification Training as needed.
- Continue to work with business lead to complete a draft procedure manual for the new Blackberry Procure to Pay Process Improvement.
- Complete To-Be workshops for Reduced Files at Move Central Mail and Scan effort.
- Partner with Accounting staff to draft an implementation plan for the Travel Administration Business Process Improvement effort findings.
- Continue to work with business areas to integrate the Business Process Improvement recommendations with CalSTRS Governance Councils and Strategic Planning processes.
- Initiate new Business Process Improvement efforts as required.

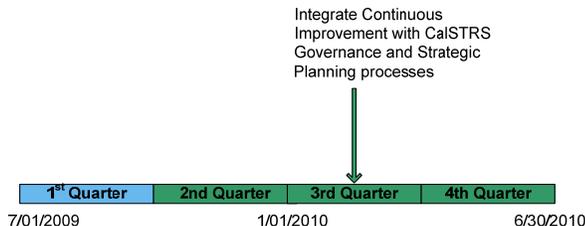
**2009/2010 Project Budget \$832 Thousand**



**Total Project Budget \$2 Million**



**Major Fiscal Year 2009/2010 Milestones**



**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.

**Period Ending September 30, 2009:**

- Presented final CEM Benchmarking Report findings to Executives, managers and staff.
- Hosted CEM West Coast Workshop.
- Developed draft Project Charter.

**Planned Deliverables by December 31, 2009:**

- Conduct 2008/2009 CEM Project kick off meeting.
- Complete 2008/2009 CEM Benchmarking Survey.
- Complete the Full Time Equivalent (FTE) Cost by Activity Survey.

Note: The Cost Effectiveness Measurement project was formerly combined with Annual Update under the Enterprise Process Management project.

**Strategic Fit**

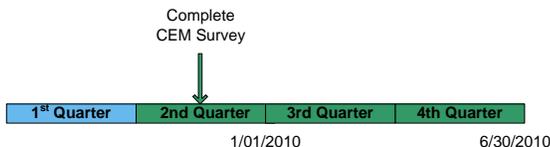
**Goal:** Customer Service (No Surprises)

**Objective:** Improve Member and Employer Services

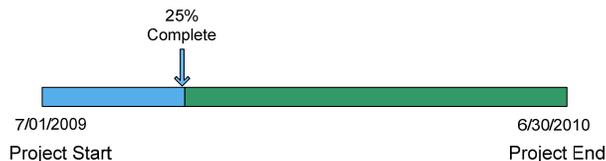
**Goal:** Internal Process (One & Done)

**Objective:** Increase Efficiency of Operations

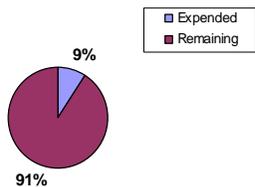
**Major Fiscal Year 2009/2010 Milestones**



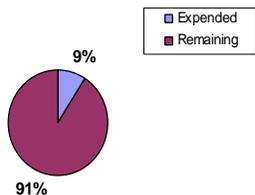
**Project Schedule Status Timeline**



**2009/2010 Project Budget \$51 Thousand**



**Total Project Budget \$51 Thousand**



**Employer Reporting Project**

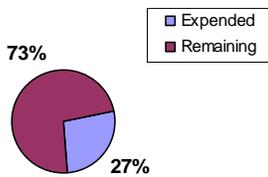
The Employer Reporting Project will improve the employer reporting process and provide technologies in order to gain ongoing efficiencies and to increase the quality of member account data.

**Strategic Fit**

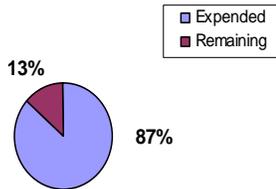
**Goal:** *Internal Process (One & Done)*

**Objective:** **Increase Efficiency of Operations**

**2009/2010 Project Budget**  
**\$2.1 Million**



**Total Project Budget**  
**\$11.3 Million**



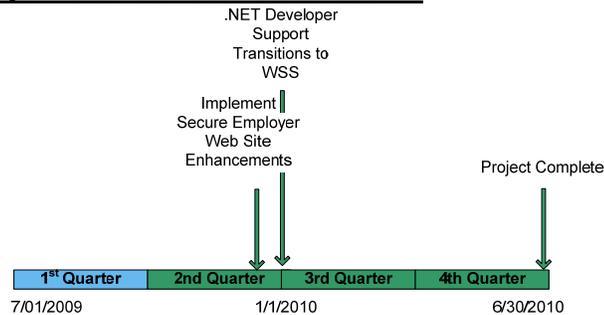
**Period Ending September 30, 2009:**

- Continued enforcement of all counties for non-complex Defined Benefit edits resulting in a 60% improvement in exceptions for this category of edits.
- Finalized the strategy for county enforcement of the complex Defined Benefit edits.
- Finalized the Riverside County Employer Reporting Case Study for the Teacher's Retirement Board meeting in October.
- Completed Systems Integration Testing for the final release scheduled for December 2009.
- Continued developing user acceptance test execution checklists.
- Continued to transition activities and artifacts to the appropriate business and program areas within CalSTRS.
- Provided articles for the Employer Reporting STAR newsletter.
- Presented information on the upcoming Secure Employer Web site enhancements at the August 5, 2009 Employer Advisory Committee meeting.
- Drafted the final release internal and external training objectives.

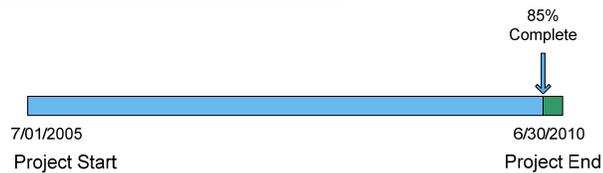
**Planned Deliverables by December 31, 2009:**

- Enforce all counties for all non-complex Defined Benefit edits except Los Angeles County Office of Education, which is scheduled for completion February 2010.
- Develop county enforcement plans for the Defined Benefit complex edits.
- Complete development of user acceptance test execution checklists.
- Complete user acceptance testing.
- Develop and deliver final release training for staff and employers.
- Implement the final Secure Employer Web site enhancement release.
- Prepare for the final Southern and Northern California in-person Employer Forum meetings.
- Continue to transition activities and artifacts to the appropriate business and program areas within CalSTRS.
- Provide articles for the Employer Reporting STAR newsletter.

**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.

**Period Ending September 30, 2009:**

- Added project resources.
- Clarified project scope with the Enterprise Program Investment Council (EPIC).
- Created draft discovery document to address future pension system alternatives.
- Began drafting the Solutions Framework document (formerly referred to as the Long Range Architecture Plan).

**Strategic Fit**

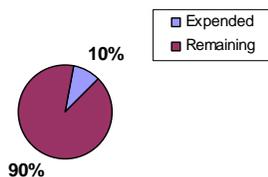
**Goal:** *Internal Process (One& Done)*

**Objective:** Increase Efficiency of Operations

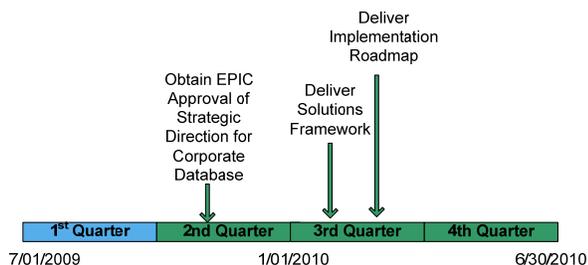
**Planned Deliverables by December 31, 2009:**

- Obtain Enterprise Program Investment Council (EPIC) approval of direction for future pension system.
- Complete initial draft of Solutions Framework document.
- Kick off strategic initiatives in preparation for Solutions Framework implementation.

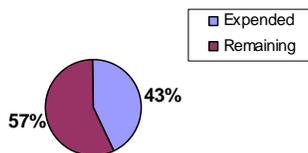
**2009/2010 Project Budget  
\$916 Thousand**



**Major Fiscal Year 2009/2010 Milestones**



**Total Project Budget  
\$1.4 Million**



**Project Schedule Status Timeline**



**Headquarter Facility Project**

The Headquarter Facility Project is completing 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. In addition to meeting the expanding and long term needs of the organization, the construction provided an opportunity to upgrade the technology infrastructure.

**Period Ending September 30, 2009:**

- Finalized Move Activity Schedule.
- Completed relocation of staff, technology and reused furniture for move phases three and four.
- Finalized salvage requirements with landlords and prepared for final turnover.
- Completed Life and Safety training classes for all staff.
- Completed trouble ticket collection and resolution process.
- Completed programming of Audio Visual equipment.
- Identified additional furniture needs/revisions and power/data requirements.

**Planned Deliverables by December 31, 2009:**

- Complete training of staff on Audio Visual equipment.
- Resolve outstanding Audio Visual items.
- Validate resolution of outstanding furniture items.
- Continue integrating the Building Security System into the Converged Network.
- Develop new contract with furniture vendor for on-going furniture maintenance and services.
- Implement new Contact Center system for intake of member calls.
- Obtain approval of all milestones for Converged Network System.
- Provide final acceptance of Contact Center and Converged Network Systems.

**Strategic Fit**

**Goal:** *Customer Service (No Surprises)*

**Objective:** **Improve Member and Employer Services**

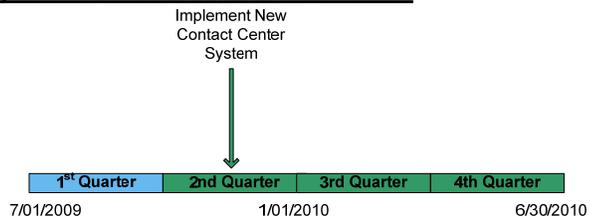
**Goal:** *Internal Process (One & Done)*

**Objective:** **Increase Efficiency of Operations**

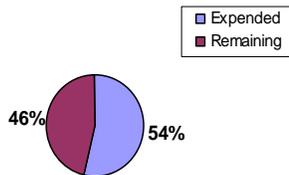
**Goal:** *Learning and Growth (Rock Solid)*

**Objective:** **Be an Employer of Choice**

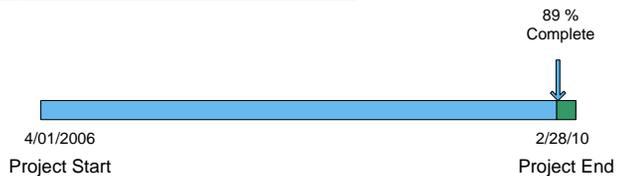
**Major Fiscal Year 2009/2010 Milestones**



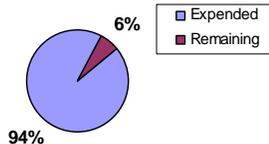
**2009/2010 Project Budget**  
\$311 Thousand



**Project Schedule Status Timeline**



**Total Project Budget**  
\$2.3 Million



**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.

**Period Ending September 30, 2009:**

- Released the Request for Proposal (RFP) for Human Resource Technology Vendor selection.
- Completed inventory of critical positions for Phase One of the CalSTRS Succession Plan.

**Planned Deliverables for Period Ending December 31, 2009:**

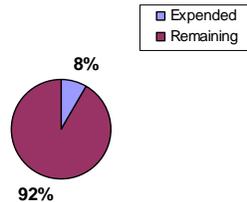
- Complete Request for Proposal (RFP) process and select a vendor for Human Resource Technology.
- Develop and present to Executive Staff the first phase of the CalSTRS Succession Plan.
- Complete Communication Plan for Human Resource Management Information System Rollout.

**Strategic Fit**

**Goal:** *Learning and Growth (Rock Solid)*

**Objectives:** Increase Competency-Based Performance

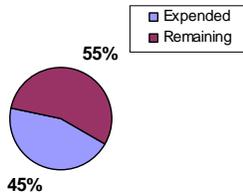
**2009/2010 Project Budget**  
\$769 Thousand



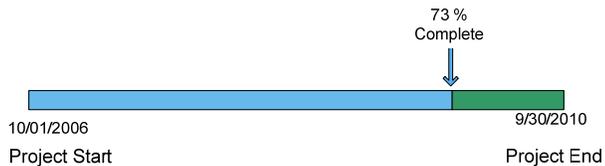
**Major Fiscal Year 2009/2010 Milestones**



**Total Project Budget**  
\$1.7 Million



**Project Schedule Status Timeline**



**Pension Accounting Initiative**

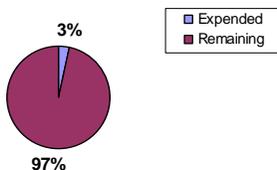
The Pension Accounting Initiative will improve internal controls by addressing gaps between current and best practices in accounting policy, planning, treatment, chart of accounts, analysis, availability of financial information, use of the general ledger, communication of fiscal impacts, and training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

**Strategic Fit**

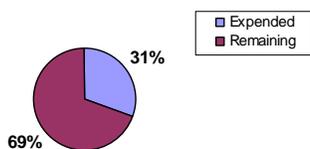
**Goal:** Financial (Risk and Reward)

**Objective:** Responsibly Manage Risk

**2009/2010 Project Budget**  
\$1.2 Million



**Total Project Budget**  
3.4 Million



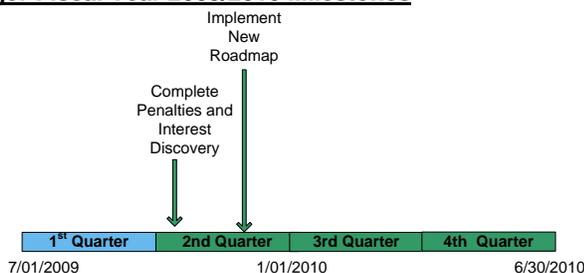
**Period Ending September 30, 2009:**

- Accounting Policies & Treatment
  - Developed a risk assessment and overall strategic vision for the Accounting Division to facilitate implementation of recommendations from each of the work components.
- Penalties and Interest Discovery
  - Developed a discovery document that explores alternatives to automating penalties and interest charges for employer late reporting and remittances in conjunction with current regulation efforts.
- Financial Management Reporting Enhancement
  - Identified leading practices for Financial Management Reporting and developed a leading practices report to address identified gaps in accounting reporting infrastructure.

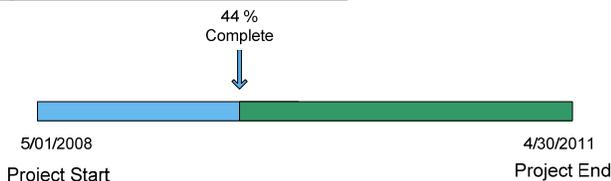
**Planned Deliverables by December 31, 2009:**

- Accounting Policies & Treatment
  - Develop recommendations and implementation plans for addressing audit findings, strengthening internal controls and creating efficiencies in Accounting processes
- Penalties and Interest Discovery
  - Present the Discovery results and recommendation to the Enterprise Program Investment Council (EPIC) for approval to move forward with implementation.
- Recruitment, Retention, and Training
  - Continue implementation of quick wins and communications efforts through the newly created Change Management Operations committee for preparation of future changes.
  - Begin implementation of the recruitment and retention recommendations to address the identified skills and knowledge gaps.

**Major Fiscal Year 2009/2010 Milestones**



**Project Schedule Status Timeline**



**Reduce Files at Move**

The Reduce Files at Move 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.

**Strategic Fit**

**Goal:** *Internal Process (One & Done)*

**Objective:** Increase Efficiency of Operations

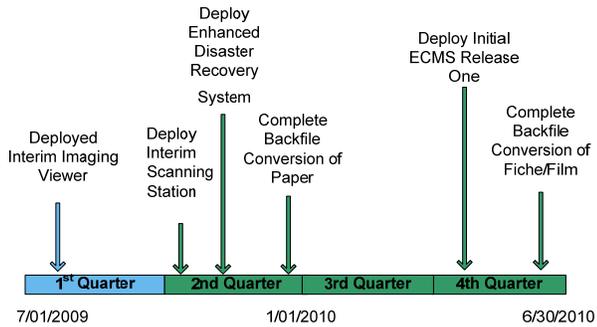
**Period Ending September 30, 2009:**

- Identified representatives from each Division to participate on new Records Governance Council.
- Identified representatives from each Division to participate on new Records Management Liaison Workgroup.
- Deployed interim imaging viewer to view electronic records.
- Determined that the project scope was not impacted by creating division taxonomies instead of one enterprise wide taxonomy.
- Received approval from the Enterprise Program Investment Council (EPIC) to extend the project schedule to June 2010 due to the mandated furlough days.

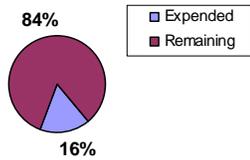
**Planned Deliverables by December 31, 2009:**

- Deploy interim scan station in order to convert new paper documents into an electronic format.
- Deploy Enhanced Disaster Recovery System for all files.
- Complete Backfile Conversion of paper documents.

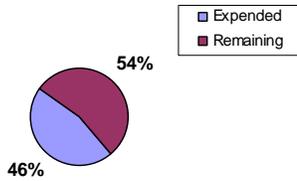
**Major Fiscal Year 2009/2010 Milestones**



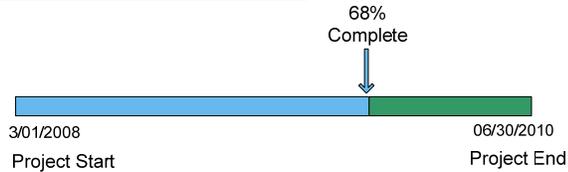
**2009/2010 Project Budget**  
**\$4.1 Million**



**Total Project Budget**  
**\$8.4 Million**



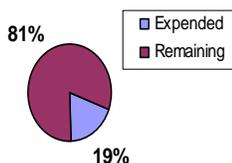
**Project Schedule Status Timeline**



**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**  
**\$1.3 Million**



**Period Ending September 30, 2009:**

- Provided direction for one project (Human Resources Management Information System) requiring schedule and budget modifications.
- Provided direction for two projects (Actuarial Valuation and Additional Earnings) requiring budget modifications.
- Provided direction for one project (Reduce Files at Move) requesting scope, schedule and budget modification.
- Provided direction and project management resources for one project (Future State Architecture) to secure replacement vendor resources to complete project scope.
- Provided oversight and management (i.e. scope, schedule, budget, risk, issue) for ten enterprise projects/discovery efforts.
- Continued piloting Project Portfolio Management practices within the Project Management Office.
- Transitioned Headquarters Information Technology projects to Information Technology staff and assist with close-out activities.
- Developed Project Management forum plan for fiscal year 2009/2010 and conducted first forum.
- Initiated a discovery effort for implementing Project Portfolio Management.

**Planned Deliverables by December 31, 2009:**

- Continue to provide direction and project management resources for one project (Future State Architecture).
- Provide oversight and management (i.e. scope, schedule, budget, risk, issue) for ten enterprise projects/discovery efforts.
- Provide direction for one project (Pension Accounting Initiative) requesting approval of the discovery results recommendation for implementing penalties and interest.
- Provide direction for one project (Future State Architecture) requesting approval of the discovery results recommendation on a long-term strategy for the pension system.
- Initiate discovery effort for implementing Project Portfolio Management.
- Continue piloting Project Portfolio Management practices within the Project Management Office.