July 1, 2010

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

RE: Quarterly 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 Quarterly 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 Quarterly Enterprise Projects Report summarizes the status of the California State Teachers’ Retirement System (CalSTRS) enterprise projects, as of the third quarter 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 $16.3 million is allocated for the current fiscal year, and a total of $7.6 million has been expended as of the third quarter of Fiscal Year (FY) 2009-10.

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,

Jack Ehnes
Chief Executive Officer

Attachment

Our Mission: Securing the Financial Future and Sustaining the Trust of California’s Educators
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**
  - Acting General Counsel

**Total Enterprise Projects’ 2009/2010 Budget: $20 Million**

As of March 31, 2010

<table>
<thead>
<tr>
<th>Total 2009/2010 Allocated:</th>
<th>Total 2009/2010 Expended:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16,339,728</td>
<td>$7,631,691</td>
</tr>
</tbody>
</table>

- **53% Expended**
- **47% Remaining**
## Enterprise Projects
### Fiscal Year 2009/2010 - Third Quarter

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Duration</th>
<th>Project Total ¹</th>
<th>2009/2010 Budget</th>
<th>2009/2010 Expended</th>
<th>Schedule</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Valuation</td>
<td>Apr 08 – Jul 10</td>
<td>$1,857,340</td>
<td>$912,010</td>
<td>$235,365</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Earnings and Annuity Credit</td>
<td>Feb 08 – Jan 10</td>
<td>$1,232,017</td>
<td>$141,402</td>
<td>$132,580</td>
<td></td>
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</tr>
<tr>
<td>Annual Update</td>
<td>Jun 09 – Jun 10</td>
<td>$120,888</td>
<td>$120,888</td>
<td>$59,328</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Effectiveness Measurement</td>
<td>Jul 09 – Jun 00</td>
<td>$50,880</td>
<td>$50,880</td>
<td>$16,560</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuous Improvement Team 'Proof of Concept'</td>
<td>Oct 05 – June 10</td>
<td>$1,955,235</td>
<td>$812,000</td>
<td>$587,957</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer Reporting</td>
<td>Jul 05 – June 10</td>
<td>$11,307,059</td>
<td>$2,064,186</td>
<td>$1,333,224</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future State Architecture</td>
<td>Jul 07 – June 1</td>
<td>$1,873,087</td>
<td>$1,183,549</td>
<td>$447,215</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headquarter Facility</td>
<td>Apr 06 – Feb</td>
<td>$2,318,564</td>
<td>$353,659</td>
<td>$295,156</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hosted Contact Center</td>
<td>Feb 10 – June 10</td>
<td>$72,640</td>
<td>$72,640</td>
<td>$23,008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource Management Information System</td>
<td>Oct 06 – Sep 10</td>
<td>$1,743,842</td>
<td>$959,471</td>
<td>$241,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Accounting</td>
<td>Oct 08 – Dec 11</td>
<td>$4,179,000</td>
<td>$933,000</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MyCalSTRS Online Services for Teachers</td>
<td>Jan 09 – Apr 11</td>
<td>$1,730,000</td>
<td>$445,000</td>
<td>$42,982</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalties and Interest</td>
<td>Dec 09 – Oct 11</td>
<td>$6,000,000</td>
<td>$700,000</td>
<td>$4,776</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension Accounting Initiative</td>
<td>May 08 – Apr 11</td>
<td>$6,561,768</td>
<td>$1,955,031</td>
<td>$978,608</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce Files</td>
<td>Mar 08 – Jun 10</td>
<td>$8,409,931</td>
<td>$4,163,727</td>
<td>$2,189,491</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Management Office Program</td>
<td>Ongoing</td>
<td>$1,163,006</td>
<td>$1,163,006</td>
<td>$852,817</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>$190,924</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

**Total Enterprise Projects’ 2009/2010 Budget:** $20 million  
**Total 2009/2010 Allocated:** $16,339,728  
**Total 2009/2010 Expended:** $7,631,691

<table>
<thead>
<tr>
<th>Schedule &amp; Budget Indicators:</th>
<th>Acceptable</th>
<th>Warning</th>
<th>Critical</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Total – amount represents the sum of the projects' prior years' actual expended amount and the current and future years budgeted amounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial Valuation - impacts of furloughs and extensive testing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Update – increased risk due to loss of critical resource</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hosted Contact Center – system stability issues</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce Files – increased time required to complete implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Quarter Ending March 31, 2010
Quarter Ending March 31, 2010

**Project Name** | **Purpose** | **Accomplishments**
--- | --- | ---
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 March 31, 2010:
- Continued testing of the Actuarial Data Mart, high-priority standard actuarial reports.
- Received and provided feedback on the updated draft Data Validation and Process Review Report produced by the Process Review Actuary vendor.

**Strategic Fit**
- **Goal:** Financial (Risk and Reward)
- **Objective:** Responsibly Manage Risk

**2009/2010 Project Budget**
- **Total Project Budget:** $1.9 Million
- **2009/2010 Project Budget:** $912 Thousand

**2009/2010 Project Budget**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Expenditure</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>2nd Quarter</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>3rd Quarter</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>4th Quarter</td>
<td>82%</td>
<td>18%</td>
</tr>
</tbody>
</table>

**Planned Deliverables by June 30, 2010:**
- Request Enterprise Program Investment Council (EPIC) approval to extend project schedule due to furloughs and extensive testing activities.
- Complete testing and implementation activities for the Actuarial Data Mart, high-priority standard actuarial reports.
- Finalize, review and approve Data Validation and Process Review Report produced by the Process Review Actuary vendor.

**Schedule Warning:** The Actuarial Valuation project is in warning status due to impacts of furloughs, extensive testing and additional time required by the technical services vendor and process review actuary vendor to complete deliverables.

**2009/2010 Project Budget**

**Major Fiscal Year 2009/2010 Milestones**

- 04/30/09: Project Start
- 07/01/10: Project End

**Project Schedule Status Timeline**

- 1st Quarter: 26% Complete
- 2nd Quarter: 51% Complete
- 3rd Quarter: 49% Complete
- 4th Quarter: 82% Complete

- Complete Data Validation and Process Review Report
- Implement First Release

**Quarter Ending March 31, 2010**

**Expended**

- $912 Thousand

**Remaining**

- 74%
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional</td>
<td>The Additional Earnings &amp; Annuity Credit Project will distribute payments and credits to eligible members.</td>
<td>Period Ending March 31, 2010:</td>
</tr>
<tr>
<td>Earnings &amp; Annuity</td>
<td></td>
<td>• Monitored 2009 1099’s for the Additional Earnings/Additional Annuity credits.</td>
</tr>
<tr>
<td>Credit</td>
<td></td>
<td>• Completed Project Closeout Report.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Completed Lessons Learned Report.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planned Deliverables by June 30, 2010:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Project is complete.</td>
</tr>
<tr>
<td>Strategic Fit</td>
<td></td>
<td><strong>Total Project Cost:</strong> Project was completed within budget.</td>
</tr>
<tr>
<td></td>
<td>CalSTRS Board declaration for Additional Earnings &amp; Annuity Credit at June 2007 Board Meeting</td>
<td><strong>Schedule and Scope:</strong> Project was completed within the approved schedule and scope.</td>
</tr>
</tbody>
</table>

### 2009/2010 Project Budget

**$141 Thousand**

- **6%** Expended
- **94%** Remaining

### Major Fiscal Year 2009/2010 Milestones

- **1st Quarter:** Issued Rollover Payments
- **2nd Quarter:** Completed Lessons Learned
- **3rd Quarter:** Completed Project Closeout
- **4th Quarter:**

### Total Project Budget

**$1.2 Million**

- **1%** Expended
- **99%** Remaining

### Project Schedule Status Timeline

- **2/1/2009** Project Start
- **10/1/2010** Project End
- **100% Complete**

---

Quarter Ending March 31, 2010
**Annual Update**  
Annual Update is the process that creates and distributes the annual member Retirement Progress Reports.

**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

- **Expended**: 51%
- **Remaining**: 49%

**Major Fiscal Year 2009/2010 Milestones**

<table>
<thead>
<tr>
<th><strong>Period Ending March 31, 2010:</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Conducted 2008/2009 Lessons Learned sessions with business staff, technical staff and Direct Mail Express (DME) vendor.</td>
<td></td>
</tr>
<tr>
<td>- Identified 2009/2010 Annual Update project scope.</td>
<td></td>
</tr>
</tbody>
</table>

**Planned Deliverables by June 30, 2010:**

- Conduct 2009/2010 project kick off.  
- Finalize requirements and begin coding Annual Update enhancements.

Warning: The Annual Update project is in warning status due to the high risk associated with the loss of a critical project resource.

**Project Schedule Status Timeline**

- **Complete 2009/2010 Project Kick Off**
- **Complete 2009/2010 Annual Update Close Out**
- **Processed 2008/2009 Employer Report**
- **Mailed Retirement Progress Reports**
- **1st Quarter**
- **2nd Quarter**
- **3rd Quarter**
- **4th Quarter**
- **75% Complete**
- **Project Start**
- **Project End**

**Total Project Budget**  
$121 Thousand

- **Expended**: 51%
- **Remaining**: 49%
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

### 2009/2010 Project Budget

<table>
<thead>
<tr>
<th>$812 Thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expended</td>
</tr>
<tr>
<td>28%</td>
</tr>
</tbody>
</table>

### Total Project Budget

<table>
<thead>
<tr>
<th>$2 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expended</td>
</tr>
<tr>
<td>11%</td>
</tr>
</tbody>
</table>

**Period Ending March 31, 2010:**

- Completed Continuous Improvement Methodology training for the Project Management Office (PMO) and Support Accounting.
- Completed the Cost Benefit Analysis, GAP Analysis, Best Practice Research and Findings and Recommendations documents for the Internal Transfer Process Business Process Improvement effort.
- Partnered with accounting staff to draft an implementation plan for the Travel Administration Business Process Improvement (BPI) effort recommendations.
- Completed an Impact Assessment of the Department of General Services statewide travel management services contract on the CalSTRS travel administration BPI effort.
- Worked with business areas to integrate the BPI recommendations with CalSTRS Governance Councils and Strategic Planning processes.
- Finalized success criteria for the new Alternative Investment Solicitation process improvement.
- Initiated the CalSTRS Policy Process Review.
- Initiated the Benefit Factor Tables process review.

**Planned Deliverables by June 30, 2010:**

- Schedule and execute Future State Architecture As-Is Process Documentation workshops.
- Implement the new Travel Administration Business Process Improvement effort recommendations.
- 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.
- Complete the Single Point of Failure process documentation service for Survey Research and Analysis and Account Segregation.
- Finalize the Procure to Pay Business Process Improvement effort.
- Complete final transition of project to program.
- Complete the Benefit Factor Tables process review.

**Major Fiscal Year 2009/2010 Milestones**

**Project Schedule Status Timeline**

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
</table>

Complete Transition of Project to Program

95% Complete

10/1/2005

Project Start

6/30/2010

Project End

Quarter Ending March 31, 2010
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.

### 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

**2009/2010 Project Budget**

- **Total Project Budget:** $51 Thousand
- **33% Expended**
- **67% Remaining

### Accomplishments

**Period Ending March 31, 2010:**
- Responded to questions received back from CEM Inc.
- Reviewed CEM, Inc draft report and responded with comments.
- Received final 2009 CEM Benchmarking Report.

**Planned Deliverables by June 30, 2010:**
- CEM Inc. presentation to CalSTRS Executives.
- Conduct Lessons Learned session.

### Project Schedule Status Timeline

- **1st Quarter:**
  - Completed CEM Survey
- **2nd Quarter:**
  - Received Final CEM Report
- **3rd Quarter:**
  - CEM Presentation to CalSTRS Executives
- **4th Quarter:**
  - 75% Complete

**Quarter Ending March 31, 2010**
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**
- 65% Expended
- 35% Remaining

**Total Project Budget**

- **$11.3 Million**
- 6% Expended
- 94% Remaining

**Period Ending March 31, 2010:**

- Continued county enforcement for the Defined Benefit complex edits.
- Completed a minor Secure Employer Web site clean-up release.
- Developed and delivered final release training for staff and employers.
- Conducted the final Southern and Northern California in-person Employer Forum meetings.
- Conducted the final Employer Reporting Project (ERP) presentation to internal stakeholders and extended team members.
- Continued to transition activities and artifacts to the appropriate business and program areas within CalSTRS.
- Completed the transition of the developers to the information technology program area.
- Provided articles for the Employer Reporting STAR newsletter.

**Planned Deliverables by June 30, 2010:**

- Fully enforce DB complex edits for all but six counties.
- Complete a Secure Employer Web site release to enhance Manage Deposits.
- Conduct online Vendor Forum.
- Provide final project update for Audits and Risk Management (ARM) Board committee.
- Document the process to allow a report unit (district) to become a report source.
- Complete the transition activities.
- Complete the Transition Document.
- Complete the Close-Out Report.
- Complete the Systems Management Guide.

**Major Fiscal Year 2009/2010 Milestones**

**Project Schedule Status Timeline**

Quarter Ending March 31, 2010
Quarter Ending March 31, 2010

**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.

### Strategic Fit
**Goal:** Internal Process (One& Done)
**Objective:** Increase Efficiency of Operations

### 2009/2010 Project Budget
**Total Project Budget** $1.9 Million
- **$1.2 Million**
  - **38% Expended**
  - **62% Remaining**

### Planned Deliverables by June 30, 2010:
- Complete Solutions Framework final document and request the Enterprise Program Investment Council (EPIC) approval.
- Initiate Foundational Work Efforts.

### Major Fiscal Year 2009/2010 Milestones
- **Period Ending March 31, 2010:**
  - Implemented initial Communications Plan activities.
  - Finalized Foundational Work Effort Charters.
  - Received project sponsors' approval of the Future State Architecture (FSA) Partnership Agreement and the Deliverable Expectation Documents.
  - Completed Solutions Framework draft document.

- **Future State Architecture**
- **Period Ending March 31, 2010:**
  - Implemented initial Communications Plan activities.
  - Finalized Foundational Work Effort Charters.
  - Received project sponsors' approval of the Future State Architecture (FSA) Partnership Agreement and the Deliverable Expectation Documents.
  - Completed Solutions Framework draft document.

### Project Schedule Status Timeline
- **Total Project Budget** $1.9 Million
- **69% Complete**

- **7/1/2007** Project Start
- **6/30/2010** 1st Quarter
- **6/30/2010** 2nd Quarter
- **6/30/2010** 3rd Quarter
- **6/30/2010** 4th Quarter
- **6/30/2010** Finalize Solutions Framework
- **6/30/2010** Obtained EPIC Approval of Strategic Direction for Corporate Database
- **6/30/2010** 1st Quarter
- **6/30/2010** 2nd Quarter
- **6/30/2010** 3rd Quarter
- **6/30/2010** 4th Quarter
- **6/30/2010** Finalize Solutions Framework
- **6/30/2010** Obtained EPIC Approval of Strategic Direction for Corporate Database
- **6/30/2010** 1st Quarter
- **6/30/2010** 2nd Quarter
- **6/30/2010** 3rd Quarter
- **6/30/2010** 4th Quarter
- **6/30/2010** Finalize Solutions Framework
- **6/30/2010** Obtained EPIC Approval of Strategic Direction for Corporate Database

- **Project End** 6/30/2011
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.

**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

**Total Project Cost:** Project was completed within budget.

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

**Major Fiscal Year 2009/2010 Milestones**

- 1st Quarter: 7/01/2009
- 2nd Quarter: 1/01/2010
- 3rd Quarter: 6/30/2010
- 4th Quarter: Project Completed

**Project Schedule Status Timeline**

- Project Start: 4/1/2009
- Project End: 2/29/2010
- 100% Complete

**2009/2010 Project Budget**

- $354 Thousand
- 17% Expended
- 83% Remaining

**Total Project Budget**

- $2.3 Million
- 2% Expended
- 98% Remaining

**Period Ending March 31, 2010:**

- Resolved outstanding Audio Visual issues.
- Completed staff training on Audio Visual equipment.
- Completed integrating the Building Security System into the Converged Network.
- Transferred Hosted Contact Center activities, budget and schedule to a separate Hosted Contact Center project.

**Planned Deliverables by June 30, 2010:**

- Project is complete.
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| 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. | Period Ending March 31, 2010:  
- Continued implementation of new Contact Center system for intake of member calls.  
- Initiated a separate Hosted Contact Center project based on activities, budget and schedule transferred from Headquarters Facility project.  

Planned Deliverables by June 30, 2010:  
- Complete implementation of new Hosted Contact Center system for intake of member calls.  
- Provide final acceptance of Hosted Contact Center and Converged Network Systems.  

⚠️ Warning: The Hosted Contact Center project is in warning status due to the system stability issues. |

### 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

#### 2009/2010 Project Budget

- **$73 Thousand**
  - 32% Expended
  - 68% Remaining

#### Project Schedule Status Timeline

- **Project Start:** 2/01/2010
- **Project End:** 6/30/2010
- **20% Complete**

#### Total Project Budget

- **$23 Thousand**
  - 32% Expended
  - 68% Remaining

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Quarter Ending March 31, 2010
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| 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 March 31, 2010:  
- Placed technology acquisition on hold.  
- Completed Risk Replacement document.  
- Received Succession Plan Recommendation for final review.  
- Received Employee Performance Management Recommendation for final review.  
- Received Training Administration Recommendation for review.  

Planned Deliverables by June 30, 2010:  
- Develop Board presentation on Risk Replacement.  
- Develop plan to transition HRMIS deliverables to Human Resources.  
- Request Enterprise Program Investment Council (EPIC) approval to reduce project scope and close out project by June 30, 2010.  
- Provide final approval of the Employee Performance Management, Succession Planning and Training Administration recommendation documents.  
- Complete final classification family competencies identification and validation.  

Strategic Fit  
Goal: Learning and Growth (Rock Solid)  
Objectives: Increase Competency-Based Performance  

Schedule and Budget Warning: The Human Resources Management Information System project is in warning status due to cancellation of the Request for Proposal (RFP) and pending request to reduce project scope.

2009/2010 Project Budget  
$769 Thousand  

Total Project Budget  
$1.7 Million

Quarter Ending March 31, 2010
The Investment Accounting Project will enhance the current accounting procedures and processes as it relates to accounting for CalSTRS’ investment portfolio.

**Project Name**  
Investment Accounting

**Purpose**

**Accomplishments**

**Period Ending March 31, 2010:**
- Received project approval and funding from the Enterprise Program Investment Council (EPIC).
- Finalized project work plan.
- Finalized master project management plan.

**Strategic Fit**

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

**Objective:** Responsibly Manage Risk

**Planned Deliverables by June 30, 2010:**
- Design and develop a prototype to transfer data from CalSTRS’ third party custodians, in support of related analytics, reconciliations and key controls.
- Draft job descriptions and responsibilities for each identified resource within the Investment Accounting structure.
- Draft an updated organizational structure for Investment Accounting, including reporting lines, review protocols and documentation, and communication.
- Propose and finalize a Complex Securities Group and related charter that will analyze and evaluate the accounting implications of CalSTRS’ investment types.

Note: The project was initiated in October 2008 with contingency funds and received Enterprise Program Investment Council (EPIC) funding beginning in January 2010.

**2009/2010 Project Budget**

$933 Thousand

0% 100%

**Total Project Budget**

3.2 Million

0% 100%

**Project Schedule Status Timeline**

10012008 Project Start

46% Complete

12012011 Project End

**Quarter Ending March 31, 2010**
Project Name  | Purpose  | Accomplishments
---|---|---
myCalSTRS Online Services for Teachers  | 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.  |

### Strategic Fit
**Goal:** Learning and Growth (Rock Solid)  
**Objectives:** Increase Competency-Based Performance

#### 2009/2010 Project Budget
$445 Thousand

- **Expended:** 10%
- **Remaining:** 90%

#### Major Fiscal Year 2009/2010 Milestones

**1st Quarter:**
- Completed development of both the new user login process and direct deposit online registration.
- Completed requirements for the death beneficiary online form for both online submission and print, sign and mail.
- Completed requirements for the retirement application.
- Held two Project Status update meetings for CalSTRS staff.

**Planned Deliverables by June 30, 2010:**
- Implement the new user login process and direct deposit online registration process.
- Complete the design phases for the death beneficiary online form as well as the six additional print, sign and mail forms (Releases 2 & 3).
- Request funding from Enterprise Program Investment Council (EPIC) for the project’s temporary Call Center.

**Note:** The project was initiated in January 2009 with contingency funds and received Enterprise Program Investment Council (EPIC) funding beginning in December 2009.

**Project Schedule Status Timeline**

**Total Project Budget**
$1.7 Million

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

**Quarter Ending March 31, 2010**
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| 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. | Period Ending March 31, 2010:  
  - Released a Request For Offer (RFO) to obtain project management services from a vendor with experience in similar software solutions.  
  - Planned Deliverables by June 30, 2010:  
    - Develop, release and evaluate responses to a Request for Proposal for a commercial off-the-shelf (COTS) solution and integration vendor.  
    - Procure project management services. |

**Strategic Fit**

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

**Objective:** Responsibly Manage Risk

### 2009/2010 Project Budget

$700 Thousand

### Project Schedule Status Timeline

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/01/2009</td>
<td>1/01/2010</td>
<td>4/01/2010</td>
<td>6/30/2010</td>
</tr>
<tr>
<td>Complete 17%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pension Accounting Initiative</strong></td>
<td></td>
<td>- Analyzed and revised the project scope and funding based on current complex business and resource needs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Obtained Enterprise Program Investment Council (EPIC) approval to increase the project budget and schedule for additional vendor services and to address the additional project complexity and lack of available staffing resources.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Accounting policies and treatment: Developed high priority policies and established the review and approval process for policy formulation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Developed the conceptual model of accounting treatment for the business events Business Event Accounting Treatment (BEAT). This model will be used to improve the accounting treatment for the 174 identified business events.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Began examining financial reporting processes which will result in information provided in the Comprehensive Annual Financial Report (CAFR).</td>
</tr>
</tbody>
</table>

#### Strategic Fit

**Goal:** Financial (Risk and Reward)  
**Objective:** Responsibly Manage Risk

#### 2009/2010 Project Budget

<table>
<thead>
<tr>
<th></th>
<th><strong>Expended</strong></th>
<th><strong>Remaining</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$2 Million</strong></td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

#### Total Project Budget

<table>
<thead>
<tr>
<th></th>
<th><strong>Expended</strong></th>
<th><strong>Remaining</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$6.6 Million</strong></td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

#### Period Ending March 31, 2010:

- Analyzed and revised the project scope and funding based on current complex business and resource needs.
- Obtained Enterprise Program Investment Council (EPIC) approval to increase the project budget and schedule for additional vendor services and to address the additional project complexity and lack of available staffing resources.
- Accounting policies and treatment:
  - Developed high priority policies and established the review and approval process for policy formulation.
  - Developed the conceptual model of accounting treatment for the business events Business Event Accounting Treatment (BEAT). This model will be used to improve the accounting treatment for the 174 identified business events.
- Began examining financial reporting processes which will result in information provided in the Comprehensive Annual Financial Report (CAFR).

#### Planned Deliverables by June 30, 2010:

- Accounting Policies and Treatment:
  - Continue to develop high priority policies.
  - Prioritize the newly established policies and develop a work plan for implementation, which includes communication, training, and procedural modification or establishment.
  - Continue to develop the Business Event Accounting Treatment (BEAT) tasks.
- Continue to examine and modify financial reporting processes which result in information provided in the Comprehensive Annual Financial Report (CAFR).
- Recruitment, Retention, and Training:
  - Identify and provide targeted training for accounting personnel based on needs assessment.

#### Major Fiscal Year 2009/2010 Milestones

- Implemented New Roadmap
- Completed Penalties and Interest Discovery
- **1st Quarter:** 7/01/2009 - 9/30/2009
- **2nd Quarter:** 10/01/2009 - 12/31/2009
- **3rd Quarter:** 1/01/2010 - 3/31/2010
- **4th Quarter:** 4/01/2010 - 6/30/2010

#### Project Schedule Status Timeline

- **5/12/2009** Project Start
- **6/1/2010** 61% Complete
- **4/30/2011** Project End

---

Quarter Ending March 31, 2010
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.

Strategic Fit

Goal: Internal Process (One & Done)

Objective: Increase Efficiency of Operations

2009/2010 Project Budget

$4.2 Million

<table>
<thead>
<tr>
<th>Expended</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>47%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Major Fiscal Year 2009/2010 Milestones

1st Quarter
- Deployed Interim Imaging Viewer
- Deployed Enhanced Disaster Recovery System
- Deployed Initial ECMS Release One

2nd Quarter
- Completed Backfile Conversion of Paper
- Completed Backfile Conversion of Fiche/Film
- Deployed Interim Scanning Station

3rd Quarter
- 93% Complete

4th Quarter
- Complete Backfile Conversion of Fiche/Film

Project Schedule Status Timeline

Quarter Ending March 31, 2010
<table>
<thead>
<tr>
<th>Project Management Office Program</th>
<th>Project Name</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>2009/2010 Project Budget</td>
<td>$1.2 Million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expended</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27%</td>
</tr>
</tbody>
</table>

**Period Ending March 31, 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.

**Planned Deliverables by June 30, 2010:**
- Continue to provide direction and project management resources for one project (Future State Architecture).
- Provide direction for one project (Human Resource Management Information System) requesting scope, schedule and budget modifications.
- 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.