



## Enterprise Technology Projects

Fiscal Year 2017–18  
Year End Report

# Enterprise Projects

## Fiscal Year 2017/2018

CalSTRS had four major enterprise projects and 12 additional projects of under \$1 million in fiscal year 2017-18. One of the four major projects, Space Optimization, was completed during the first quarter within scope, schedule and budget. Of the under \$1M projects, four have been completed, six are on track within schedule and budget, and the remaining two have schedule adjustments forthcoming.

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

### Enterprise Program Investment Council Members

**Jack Ehnes**  
Chief Executive Officer

**Cassandra Lichnock**  
Chief Operating Officer

**Vacant**  
Chief Financial Officer

**Lisa Blatnick**  
Chief of Administrative Services

**Grant Boyken**  
Public Affairs  
Executive Officer

**Ashish Jain**  
Chief Technology Officer

**Andrew Roth**  
Benefits and Services  
Executive Officer

**Debra Smith**  
Chief Operating  
Investment Officer

# Major Enterprise Projects Fiscal Year 2017/2018

Project Name	Duration	Project Total <sup>1</sup>	Total Expended <sup>2</sup>	Schedule	Budget
<b><u>Major Projects</u></b>					
<b>Business Transformation</b>	Jul 2016 – Jun 2021	\$16,416,930	\$3,846,675	●	●
<b>Data Preparation</b>	Nov 2011 – Jun 2020	\$25,981,894	\$15,609,053	●	●
<b>Pension Solution</b>	Jul 2014 – Jan 2023	\$251,800,000 <sup>3</sup>	\$105,293,533	●	⚠ <sup>4</sup>
<b>Space Optimization</b>	Nov 2015 – Sep 2017	\$2,001,605	\$2,001,605	◆	◆

<b>Schedule &amp; Budget Indicators:</b>	● <b>On Track</b>	⚠ <b>Warning</b>	◆ <b>Critical</b>	◆ <b>Complete</b>	◆ <b>Cancelled</b>	📅 <b>Not Started</b>
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<sup>1</sup> Project Total – Amount represents the sum of the projects' prior years' actual expended and remaining encumbrance amounts, and current and future years budgeted amounts.

<sup>2</sup> Total Expended – Amount represents the total expended amount captured in our financial systems for each project.

<sup>3</sup> Pension Solution – Represents the total board approved budget beginning July 2014.

<sup>4</sup> Pension Solution – Warning status pending formal board approval of budget changes at July 2018 board meeting.

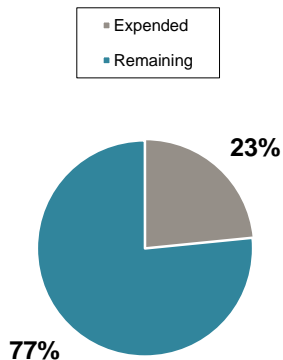
Project Name	Purpose	Accomplishments/Progress
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**Business Transformation**

The Business Transformation project will support business areas and prepare staff for impacts, changes and benefits from large enterprise modernization efforts.

**Total Project Budget**

**\$16.4 Million**



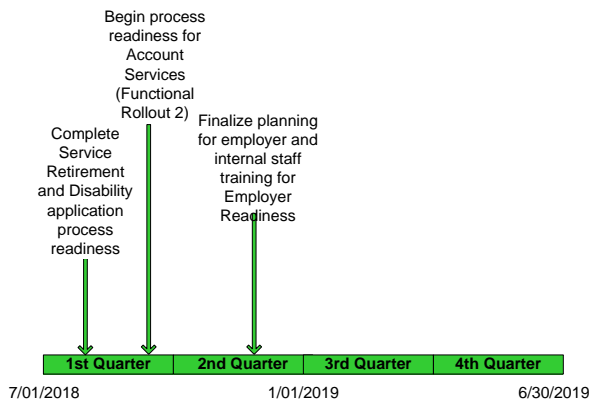
**Period Ending June 30, 2018:**

- Revised training plan to reflect project scope and schedule updates.
- Developed and piloted training activities.
- Began business process readiness work for business areas affected by the Pension Solution project.
- Provided change management training to leaders and sponsors throughout organization.

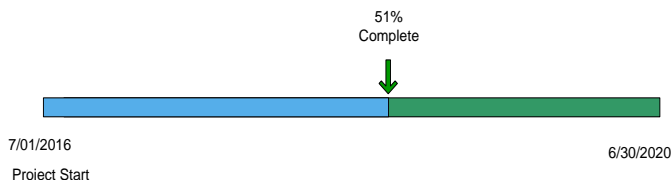
**Planned Deliverables for Fiscal Year 2018/2019:**

- Complete training development for employers and internal staff impacted by the earliest phase of the project, currently scheduled to begin in late 2019 / early 2020.
- Complete first phase of process readiness activities for business areas preparing for second phase of the project.
- Launch change management communications about benefits or project.

**Major Fiscal Year 2018/2019 Milestones**



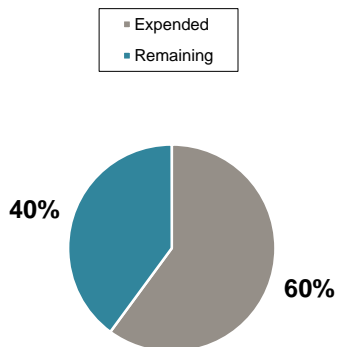
**Project Schedule Status Timeline**



**Data Preparation**

The Data Preparation project is in the second phase of data cleansing to include data clean-up and preparation for conversion to a new pension administration system.

**Total Project Budget  
\$26 Million**



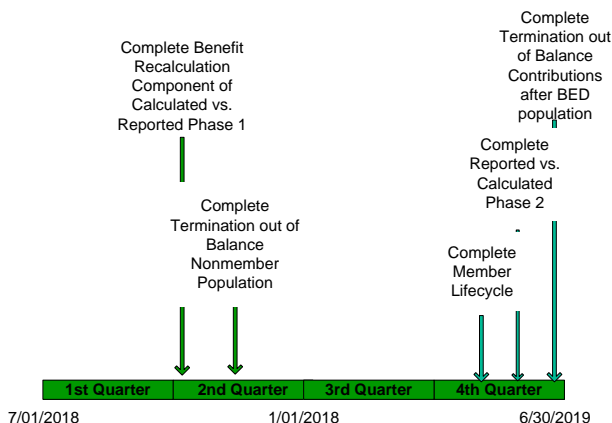
**Period Ending June 30, 2018:**

- 4<sup>th</sup> Quarter Activity:
  - Implemented Archive Flag<sup>1</sup> Phase 2. Implemented the line fix component of Phase 1 Reported vs. Calculated<sup>2</sup>.
  - Onboarded one new tester.
- Other Fiscal Year 17/18 Activity:
  - Completed Archive Flag Phase 1 and 2.
  - Completed the line fix component of Phase 1 Reported vs. Calculated.
  - Completed Multiple Subsequent Year Contribution Line Adjustment.<sup>3</sup>
  - Onboarded one tester and two developers.

**Planned Deliverables for Fiscal Year 2018/2019:**

- Complete:
  - Benefit recalculation component of Phase 1 of Reported vs. Calculated.
  - Member Lifecycle.<sup>4</sup>
  - Termination Out of Balance<sup>5</sup> nonmember and contributions after benefit effective date populations.
  - Phase 2 of Reported vs Calculated.

**Major Fiscal Year 2018/2019 Milestones**



**Project Schedule Status Timeline**



<sup>1</sup> Archive Flag - Records that are in START (CalSTRS legacy pension administration system) and flagged as obsolete will not be converted into BenefitConnect. These records will be archived in the post-conversion (view only) version of START.

<sup>2</sup> Reported vs. Calculated - Ensure the contribution amounts on individual employer reporting lines are calculated amounts rather than incorrectly reported amounts, with a tolerance of one-cent variance.

<sup>3</sup> Multiple Subsequent Year Contribution Line Adjustment - Finalized account adjustments related to a prior Data Integrity Project (DIP) fix which resolved discrepancies on subsequent year reporting lines from employers.

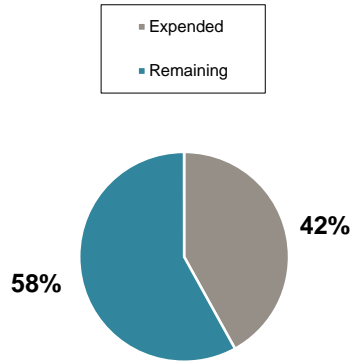
<sup>4</sup> Member Lifecycle - Changes to membership dates and/or employer reporting lines which will not convert successfully because they do not occur within begin and end dates of member lifecycles as defined in BenefitConnect.

<sup>5</sup> Termination Out of Balance - Correction of erroneous contribution and interest amounts on accounts that have not closed out correctly after benefit inception or there should not be contributions and interest.

**Pension Solution**

The Pension Solution project will replace CalSTRS legacy pension administration system in order to increase the organization's ability to respond to business and customer needs; enhance services to members, beneficiaries, staff and employers; gain long-term operational efficiencies; and improve internal controls.

**Total Project Budget**  
\$251.8 Million



**Period Ending June 30, 2018:**

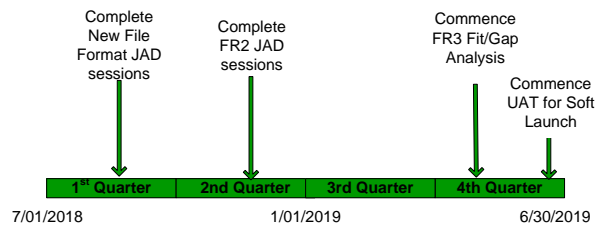
- Continued:
  - Data conversion activities and mock conversions.
  - User acceptance test (UAT) planning activities.
- Continued Functional Rollout 2:
  - Joint Application Development (JAD) sessions.
  - Coding and Unit Testing.
  - Contractor Acceptance Testing planning activities.
- Commenced:
  - External partner engagement regarding interface design and changes.
  - New file format JAD sessions.
- Reviewed and Baseline revised project schedule.

**Planned Deliverables for Fiscal Year 2018/2019:**

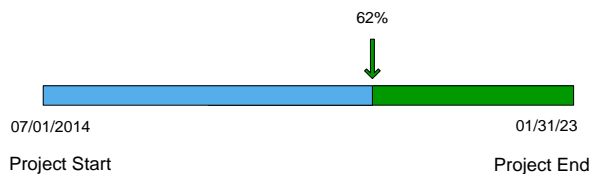
- Continue:
  - Data conversion activities and mock conversions.
  - User acceptance test (UAT) planning activities.
  - External partner engagement regarding interface design and changes.
- Complete
  - New file format JAD sessions.
  - Functional Rollout 2 Joint Application Development (JAD) sessions.
- Continue Functional Rollout 2:
  - Coding and Unit Testing.
  - Contractor Acceptance Testing planning activities.
- Provide demonstration of pension solution functionality.
- Commence:
  - User Acceptance Test activities for Employer Readiness Environment.
  - Employer Training Development activities for Soft Launch.
  - Functional Rollout 2 Contractor Acceptance Testing activities.
  - Functional Rollout 3 Fit/gap sessions.

**Budget Warning:** At the end of the fiscal year the project was in Warning status pending board approval of the re-baselined budget as a result of the schedule extension and agreements between CalSTRS and CGI. The board approved the budget on July 19, 2018. The 2018/19 First Quarter Report will reflect the approved budget and remove the Warning status.

**Major Fiscal Year 2018/2019 Milestones**



**Project Schedule Status Timeline<sup>1</sup>**



<sup>1</sup>Pension Solution Status Timeline represents the project period beginning with the fiscal year 14/15 board approved budget. Pre-implementation project activities date back to 12/1/2010.

Project Name	Purpose	Accomplishments/Progress
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**Space Optimization**

The Space Optimization project optimized workspace throughout the building in order to provide for current business needs and expected short-term growth.

**Project completed within scope, schedule and budget during the first quarter.**

**Total Project Budget**

**\$2 Million**

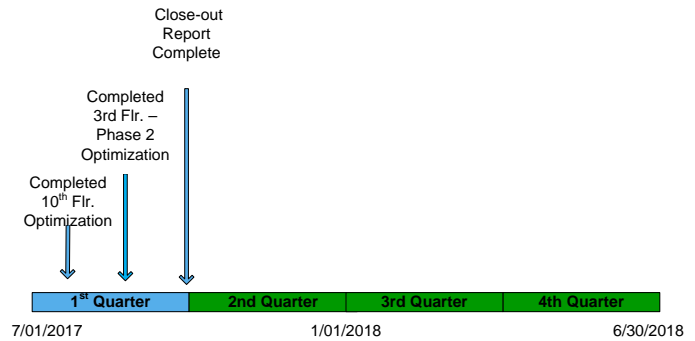
■ Expended ■ Remaining

**0%**



**100%**

**Major Fiscal Year 2017/2018 Milestones**



**Project Schedule Status Timeline**



## Other Enterprise Projects - Under \$1 Million Fiscal Year 2017/2018

<u>Other Projects</u>	<u>Duration</u>	<u>Project Total Budget</u> <sup>1</sup>	<u>Total Expended</u> <sup>2</sup>	<u>Schedule</u>	<u>Budget</u>
<b>AB 1875 Special Needs Trust</b> The Special Needs Trust project will ensure compliance with AB 1875, signed into law effective January 1, 2017, which allows for election of a Special Needs Trust as an option or annuity beneficiary. This project is necessary to ensure the development of accurate and consistent business practices to process AB 1875 cases.	May 2017 – Sep 2017	\$0 <sup>+</sup>	\$0	◆	◆
<b>Contact Center Migration Project</b> The Contact Center Migration project will migrate from the existing Contact Center solution to the new cloud platform with 'like-for-similar' functionality and processes.	Jun 2017 – Aug 2018	\$401,428	\$237,025	●	●
<b>CMS Removal of SSN</b> The Centers for Medicare & Medicaid Services (CMS) Removal of SSN project will update CalSTRS current pension administration system to accommodate the replacement of the SSN with the new Medicare Beneficiary Identifier number as required by the CMS.	Feb 2018 – Jun 2018	\$0 <sup>+</sup>	\$0	◆	◆
<b>EIM Initiatives</b> The Enterprise Information Management (EIM) Initiatives consist of three initiatives achieving CalSTRS' goals of having safe, secure and trusted information. The initiatives are: Mitigate information- and data-related operation and reputational risk details; Contribute to CalSTRS employee productivity through improved information management; and Mature CalSTRS EIM capabilities.	Jan 2017 – Dec 2020	\$643,184	\$238,080	●	●
<b>EIM Software Tool</b> The EIM Software Tool project includes procurement and implementation of a tool that will support effective information management and governance throughout the enterprise's repositories. It will manage and enforce internal controls for unstructured data such as electronic documents and emails related to members and internal enterprise operations.	Jun 2018 – Jan 2020	\$495,000	\$0	●	●
<b>FI\$Cal R17 Changes</b> The FI\$Cal R17 Changes project will update file formats and file transfer processes necessary to support the exchange of files associated with the FI\$Cal project. Note: the State Controller's Office has contacted CalSTRS and is in the process of resuming this effort with limited scope of just two of the six interfaces originally identified.	Dec 2016 – Jan 2019	\$319,965	\$209,926	●	●
<b>Final Compensation (SB 1220/SB 1352)</b> The Final Compensation project will enhance START, CalSTRS legacy pension administration system, to make changes to the calculation of final compensation to comply with SB 1220 and changes to the calculation of disability and survivor benefits to comply with SB 1352.	Apr 2018 - Apr 2019	\$0 <sup>+</sup>	\$0	●	●

<b>Schedule &amp; Budget Indicators:</b>	● <b>On Track</b>	⚠ <b>Warning</b>	◆ <b>Critical</b>	◆ <b>Complete</b>	◆ <b>Cancelled</b>	📅 <b>Not Started</b>
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\* Projects utilize internal resources and operational program budgets.

<sup>1</sup> Project Total Budget– Amount represents the sum of the projects' prior years' actual expended and remaining encumbrance amounts, and current and future years budgeted amounts.

<sup>2</sup> Total Expended – Amount represents the total expended amount captured in our financial systems for each project.



## Other Enterprise Projects- Under \$1 Million Fiscal Year 2017/2018

Other Projects	<u>Duration</u>	<u>Project Total Budget</u> <sup>1</sup>	<u>Total Expended</u> <sup>2</sup>	<u>Schedule</u>	<u>Budget</u>
<b>Fixed Credited Interest</b> The Fixed Credited Interest project will modify START to ensure that Defined Benefit, Defined Benefit Supplement and Cash Balance contribution interest accrues correctly in compliance with SB 1352.	May 2018 – Aug 2018	\$0 <sup>+</sup>	\$0	 <sup>3</sup>	
<b>GASB 74/75</b> The GASB 74/75 project will implement business functionality and processes to comply with new GASB standards that require our employers to book a proportionate share of our Other Post Employment Benefits liability (calculated by our external actuary) in their financial statements.	Jan 2017 - Feb 2018	\$732,500	\$732,500		
<b>IT DR Gap Analysis and Risk Assessment</b> The product of the IT Disaster Recovery (DR) Gap Analysis and Risk Assessment project was a Gap Analysis, Risk Assessment, and a Mitigation Plan for CalSTRS IT Disaster Recovery.	Nov 2016 – Jan 2018	\$500,000	\$498,870		
<b>IT Service Management System</b> The IT Service Management (ITSM) System project will replace the current, unsupported Service Desk system with a modern and hosted ITSM solution.	May 2016 – Jul 2018	\$475,000	\$182,300	 <sup>4</sup>	
<b>LAUSD Systemic Sick Leave Correction</b> The Los Angeles Unified School District (LAUSD) Systemic Sick Leave Correction project will correct the sick leave balances of LAUSD member accounts, as a result of a systemic audit finding, and will ensure that the accurate payment of benefits is documented in the members' account.	Aug 2017 – Jun 2018	\$0 <sup>+</sup>	\$0		

**Schedule & Budget Indicators:**

 **On Track**

 **Warning**

 **Critical**

 **Complete**

 **Cancelled**

 **Not Started**

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<sup>1</sup> Project Total Budget– Amount represents the sum of the projects' prior years' actual expended and remaining encumbrance amounts, and current and future years budgeted amounts.

<sup>2</sup> Total Expended – Amount represents the total expended amount captured in our financial systems for each project.

<sup>3</sup> Project schedule is delayed one month due to competing projects and resource constraints.

<sup>4</sup> ITSM – Implementation delay due to User Interface assessment. Project change request planned for first quarter.