
CALSTRS

Enterprise Projects Fiscal-Year 2012/2013 Year End Report

Enterprise Projects

Fiscal Year End 2012/2013

The Enterprise Program Investment Council (EPIC) is responsible for governance of all enterprise technology projects which includes prioritizing, allocating resources and providing oversight of the \$18.5 million annual EPIC technology projects budget.

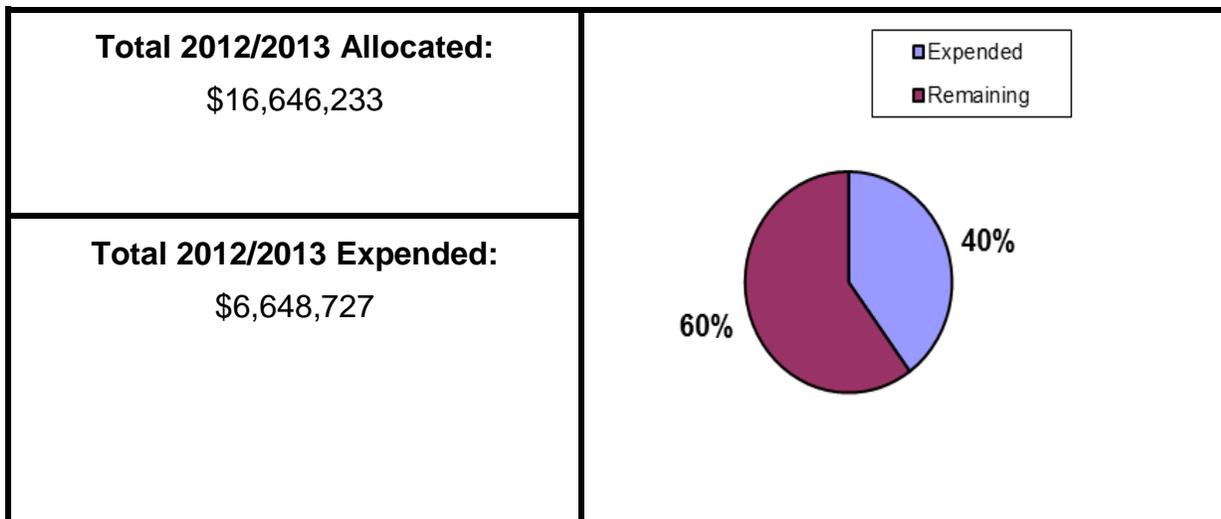
The Project Management Office (PMO) monitors and reports on the EPIC Technology Projects Budget and enterprise technology projects on a monthly basis to EPIC and a quarterly basis to the Teachers' Retirement Board.

Enterprise Program Investment Council Members

Jack Ehnes Chief Executive Officer	
Robin Madsen Chief Financial Officer	Cassandra Lichnock Chief Operating Officer
Ed Derman Deputy Chief Executive Officer Plan Design and Communication	Peggy Plett Deputy Chief Executive Officer Benefits and Services
Ray Greenhouse Chief Technology Officer	Brian Bartow General Counsel
Chris Caietti BusinessRenew Executive Officer	Ray Greenhouse Deputy Chief Technology Officer

Total Enterprise Technology Projects' 2012/2013 Budget: \$18.5 Million

As of June 30, 2013



Enterprise Technology Projects Fiscal Year 2012/2013

Project Name	Duration	Project Total ¹	2012/2013 Budget	2012/2013 Expended
AB 340 Pension Reform	Oct 12 – Jul 13	\$780,675	\$780,675	\$24,059
Actuarial Valuation	Apr 08 – Aug 12	\$1,720,777	\$0	\$0
Actuarial Valuation Detailed Procedures Report	Jul 12 - Dec 12	\$181,000	\$181,000	\$138,297
Annual Update	Jul 12 – Jun 13	\$0	\$0	\$0
BusinessRenew				
BusinessDirect ²	Jan 11 – Nov 13	\$21,005,503 ²	\$3,718,505	\$865,807
Data Preparation	Nov 11 – Jun 14	\$6,001,428	\$2,824,599	\$924,915
Enterprise Information Management	Feb 13 – Jun 13	\$422,000	\$422,000	\$173,951
Independent Project Oversight	Sep 11 – Oct 19	\$6,454,412	\$1,105,098	\$985,995
Pension Solution	Dec 10 – Jun 14	\$7,939,159 ³	\$3,147,631	\$1,015,687
Program	Jan 11 – Jun 14	\$4,148,911	\$1,146,745	\$237,156
Requirements Management	Aug 11 – Jan 14	\$620,500	\$431,250	\$0
CalSTRS.com Redesign	Nov 11 – May 13	\$844,815	\$825,600	\$645,325
GASB 67/68	Oct 13 – Feb 14	\$488,000	\$488,000	\$0
Omnibus Bill	Oct 11 – Nov 12	\$65,508	\$0	\$0
Penalties and Interest	Dec 09 – Aug 12	\$11,067,189	\$62,130	\$52,700
Pension Accounting Initiative	May 08 – Jul 12	\$6,372,839	\$0	\$0
Priority Management Project Portfolio Management Tool	Aug 11 – Dec 13	\$584,705	\$513,000	\$0
SchedulePlus	Dec 11 – Jul 12	\$21,630	\$0	\$0
Project Risk Reserve	Ongoing	\$1,000,000	\$1,000,000	\$0
Total Enterprise Technology Projects' 2012/2013 Budget⁴: \$18.5 million		Total 2012/2013 Allocated: \$16,646,233	Total 2012/2013 Expended: \$6,648,727	

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

² BusinessRenew BusinessDirect (previously known as Corporate Accounting & Resource Management) – \$15.5 million funded through Board and contingency funds and is excluded from the Enterprise Projects' stated Total Budget, Allocated and Expended information. Received EPIC funds of \$1,774,680 for fiscal year 2011/2012 and \$3,718,505 for fiscal year 2012/2013.

³ BusinessRenew Pension Solution – amount includes initial funds for project phases beyond the defined discovery and requirements.

⁴ Enterprise Technology Projects Budget – Beginning with fiscal year 2012/13 a new appropriation in the amount of \$18.5 million was created for the EPIC enterprise technology projects. The funds not expended during fiscal year 2012/13 will continue to be available for use for two additional years. The maximum 2012/13 amount approved for carry over through the budget act is \$6.7 million. A portion of the remaining \$1.5 million is used to support the Project Management Office and the remaining amount will remain available for use as needed.

AB 340 Pension Reform

The Pension Reform Project will implement Assembly Bill 340 (Furitani), enacted as Chapter 296, Statutes of 2012, an extensive revision to California public pension plans.

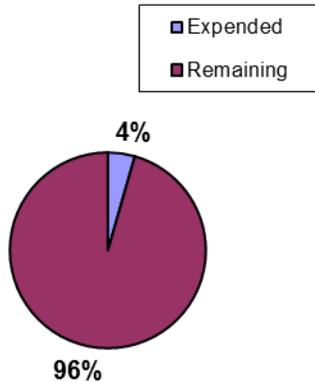
Fiscal Year 2012/2013 :

- Implemented Phase 1 – Identify member retirement formula as 2% @60 or 2% @ 62; display retirement formula on limited screens; prevent special compensation; updates to *myCalSTRS* and *CalSTRS.com*.
- Updated publications and directives and held Employer Advisory Committee meetings.
- Identified and drafted bill cleanup language and urgency bill.
- Implemented Phase 2, the functionality to limit post-retirement benefits; display the new retirement formula on additional screens and add the new formula to the accounting system interface.
- Completed Discovery efforts for remaining nine (9) identified items affected by AB 340.
- Identified and compiled high-level requirements for future phases.
- Commenced Phase 2.1, the functionality to prevent a benefit stream from authorizing if under the new retirement formula, unless a specific override has been applied.
- Received Enterprise Program Investment Council (EPIC) approval to extend the Discovery schedule by two months.
- Received Enterprise Program Investment Council (EPIC) approval to reserve funding for the BusinessDirect enhancements needed to support AB 340.
- Developed recommended solution and plan for implementation project.

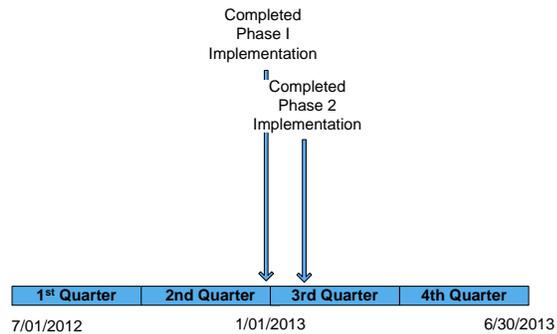
Planned Deliverables for Fiscal Year 2013/2014 :

- Request Enterprise Program Investment Council (EPIC) approval of the Discovery results recommendation for a three-phase implementation project over 13 months.
- Continue updates to publications and directives.
- Implement all remaining AB 340 Pension Reform functionality.

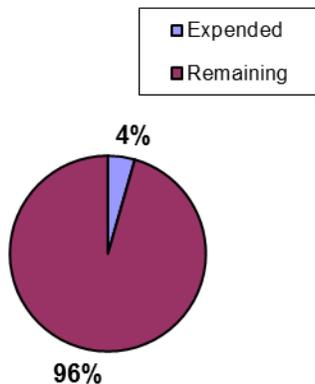
2012/2013 Project Budget
\$781 Thousand



Major Fiscal Year 2012/2013 Milestones



Total Project Budget
\$781 Thousand



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.

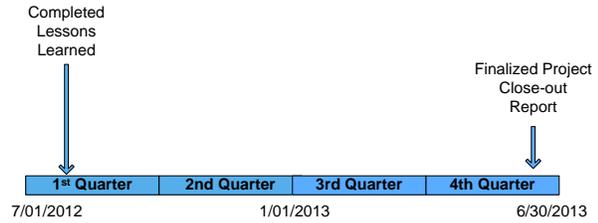
Fiscal Year 2012/2013:

- Completed project close-out activities.

Planned Deliverables for Fiscal Year 2013/2014:

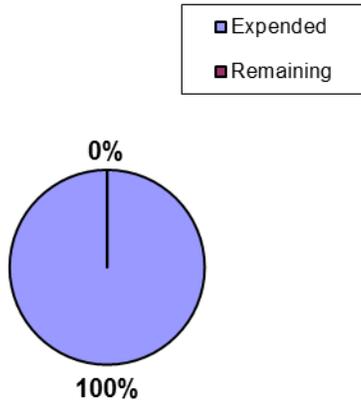
- Receive final project close-out report approval.

Major Fiscal Year 2012/2013 Milestones



2012/2013 Project Budget
No Budget

Total Project Budget
\$1.7 Million



Actuarial Valuation Detailed Procedures Report

The Actuarial Valuation Detailed Procedures Report project provides CalSTRS with a detailed procedures manual of the current Actuarial Valuation processes that now utilize the technology provided with the Actuarial Valuation project.

Fiscal Year 2012/2013 :

- Completed final detailed procedures report.

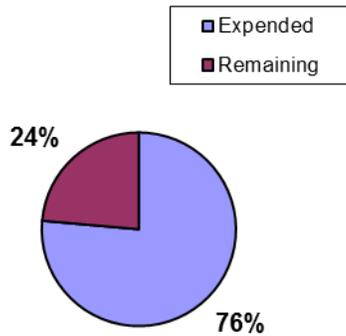
Planned Deliverables for Fiscal Year 2013/2014 :

- Project complete.

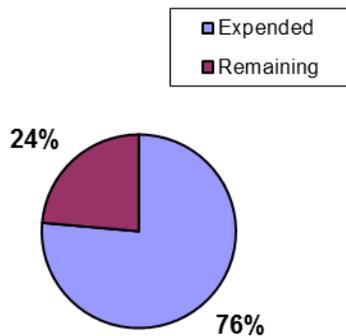
Major Fiscal Year 2012/2013 Milestones



2012/2013 Project Budget
\$ 181 Thousand



Total Project Budget
\$ 181 Thousand



Project Name	Purpose	Accomplishments
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Annual Update

The Annual Update process calculates fiscal year-end contributions, interest and yearly service credit; transfers all necessary funds between the Defined Benefit and Defined Benefit Supplement accounts; as well as produces the *Retirement Progress Reports* (annual member statements).

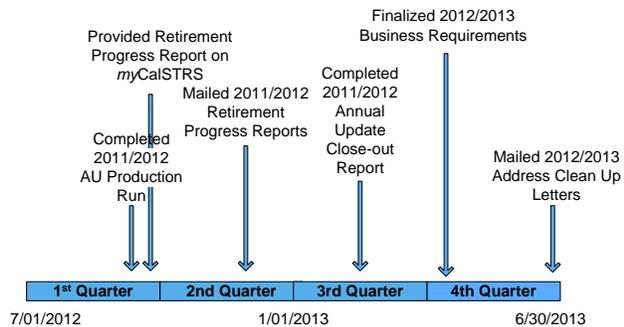
Fiscal Year 2012/2013:

- Developed and implemented 2011/2012 Retirement Progress Report enhancements.
- Completed address cleanup mailing effort for members receiving a benefit for both the 2011/2012 and the 2012/2013 *Retirement Progress Reports*.
- Created and mailed 2011/2012 Cash Balance and Defined Benefit *Retirement Progress Reports* and posted member information to myCalSTRS website.
- Gathered data through the 2011/2012 Retirement Progress Reports Customer Satisfaction Survey.
- Completed 2011/2012 Annual Update project close-out report.
- Defined and completed the 2012/2013 Retirement Progress Report enhancements.

Planned Deliverables for Fiscal Year 2013/2014:

- Complete the 2012/2013 Annual Update corporate database production run.
- Create and mail 2012/2013 Cash Balance and Defined Benefit *Retirement Progress Reports* and post member information to myCalSTRS website.
- Gather data on 2012/2013 Retirement Progress Reports Customer Satisfaction Survey.
- Complete the 2012/2013 Annual Update close-out report.
- Create and mail letters for member confirmation of a new US Postal Service provided address.
- Finalize the 2013/2014 Annual Update system modifications and enhancements.
- Develop functionality to provide Online *Retirement Progress Report* as the default for 2013/2014 .

Major Fiscal Year 2012/2013 Milestones



**BusinessRenew
BusinessDirect**

The BusinessRenew BusinessDirect project --previously known as Corporate Accounting and Resource Management (CARM) project-- improves 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.

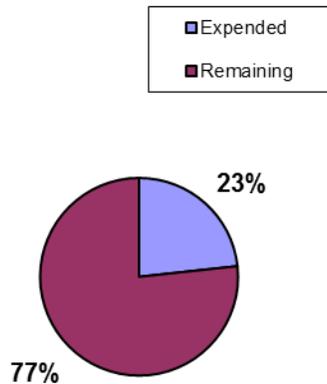
Fiscal Year 2012/2013:

- Completed Realization (build and test) phase of Release 1.0 for the core functionality of accounting, budgeting and procurement.
- Completed implementation activities of Release 1.0 with deployment of BusinessDirect into production in January 2013.
- Initiated Phase 1.5 activities to include year-end closing reports and other remaining functionality.
- Initiated activities to migrate the Development, Test and Training systems to a separate network for increased security.
- Amended implementation vendor contract to include application maintenance and support.
- Performed change management and end-user stakeholder readiness activities.
- Received \$843,505 in Enterprise Program Investment Council (EPIC) funding for additional contract resources to support changes to BusinessDirect for the implementation of AB340 and GASB 67/68 and to establish a project risk reserve for any additional unplanned tasks.

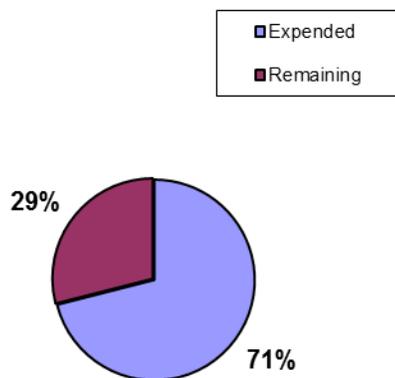
Planned Deliverables in FY 2013/2014:

- Complete close-out activities for Release 1.0 for the core functionality of accounting, budgeting and procurement.
- Complete Release 1.5 activities to include year-end closing reports and other remaining functionality.
- Complete activities to migrate the Development, Test and Training systems to a separate network for increased security.
- Continue Change Management and Training activities.
- Request Enterprise Program Investment Council (EPIC) approval to extend schedule for the remainder of Phase 1.5, network migration and close-out activities and Release 2.0 (cost accounting) activities.

**2012/2013 Project Budget
\$3.7 Million**



**Total Project Budget
\$21 Million**



Note: Project is funded from FY2011/2012 Operating Budget one time funds and contingency funds and is utilizing Enterprise Program Investment Council (EPIC) funding for supplementing the base budget.

Major Fiscal Year 2012/2013 Milestones



**BusinessRenew
Data
Preparation**

The Renew Data Preparation project acquired the services of a Data Analysis Services vendor to assist in analyzing CalSTRS pension data and developing a plan for preparing the data for conversion to a new pension solution.

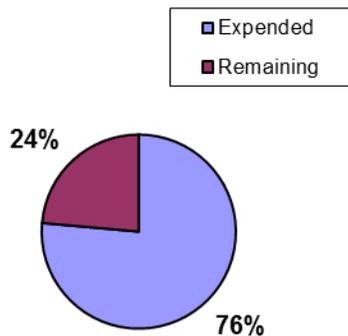
Fiscal Year 2012/2013:

- Re-released the Request for Proposal for a data analysis services vendor and awarded contract to SoftSol Technologies Inc.
- Received Enterprise Program Investment Council (EPIC) approval to remove the Enterprise Information Management scope from the Data Preparation project and initiated as a separate discovery effort.
- Received EPIC approval to extend the schedule to June 2014.
- Developed data analysis approach.
- Commenced data profiling and analysis activities.
- Continued the Complete Account Review and Evaluation (CARE) team's work on reviewing and correcting cases and producing a quarterly progress report for presentation to the Enterprise Program Investment Council (EPIC).

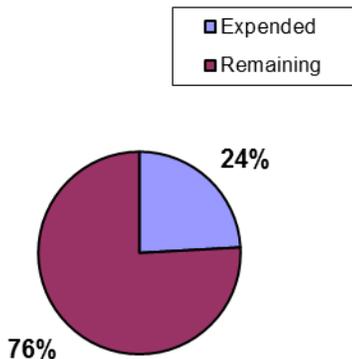
Planned Deliverables for Fiscal Year 2013/2014:

- Complete Data Analysis and Profiling with the support of the Data Analysis vendor.
- Deliver Data Analysis Report.
- Request Enterprise Program Investment Council (EPIC) approval of data analysis recommendations.

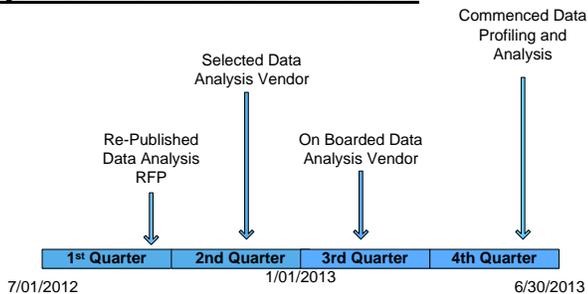
**2012/2013 Project Budget
\$2.8 Million**



**Total Project Budget
\$6 Million**



Major Fiscal Year 2012/2013 Milestones



Project Name	Purpose	Accomplishments
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BusinessRenew Enterprise Information Management

The Renew Enterprise Information Management (EIM) project utilizes the services of an experienced EIM vendor to capture enterprise data risks and opportunities, and develop a roadmap to achieve the EIM goals set.

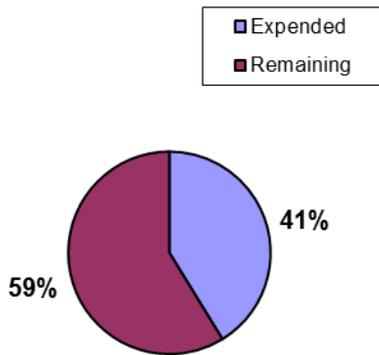
Fiscal Year 2012/2013 :

- Complete staff training on Enterprise Information Management concepts and practices.
- Finalized current state and target state assessments.
- Finalized the GAP analysis.
- Initiated Enterprise Information Management roadmap and associated business case.

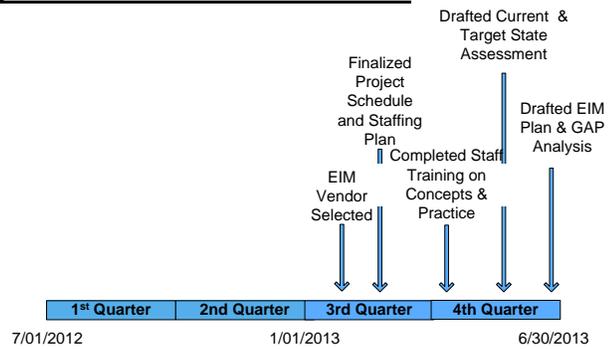
Planned Deliverables for Fiscal Year 2013/2014:

- Finalize Enterprise Information Management roadmap and business case.
- Request Enterprise Program Investment Council (EPIC) approval to proceed with the roadmap recommendations.

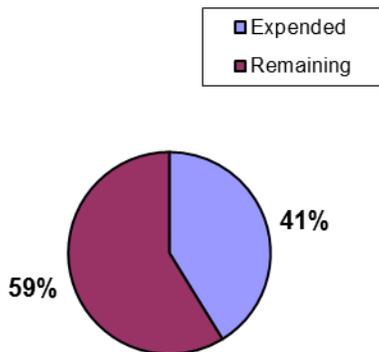
2012/2013 Project Budget \$422 Thousand



Major Fiscal Year 2012/2013 Milestones



Total Project Budget \$422 Thousand



Project Name	Purpose	Accomplishments
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BusinessRenew Independent Project Oversight

The BusinessRenew Independent Project Oversight delivers an independent, un-biased assessment of significant BusinessRenew projects progress, outcomes, project and risk management, including but not limited to compliance with established governance and project management processes and best practices on the progress of significant BusinessRenew projects, including risk management, project outcomes, and compliance with established governance and project management processes and best practices.

Fiscal Year 2012/2013:

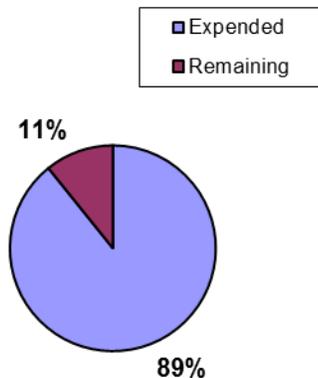
- Completed monthly comprehensive status reports for BusinessDirect, Pension Solution, Data Preparation, and Enterprise Information Management.
- Reviewed and provided feedback on BusinessDirect, Pension Solution, Data Preparation, and Enterprise Information Management project deliverables.
- Developed board presentations for board meetings on BusinessRenew project status.
- Provided advisory services to the Enterprise Program Investment Council (EPIC) on information technology project management best practices.
- Provided input and feedback on BusinessRenew Program governance model.
- Provided input and feedback on Pension Solution procurement process.

Planned Deliverables for Fiscal Year 2013/2014:

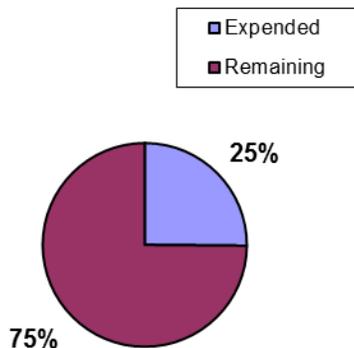
- Complete comprehensive monthly reports for BusinessDirect, Pension Solution, Data Preparation, Enterprise Information Management, and Requirements Management.
- Provide oversight and guidance on Pension Solution procurement and project planning activities.
- Provide oversight on BusinessRenew Program governance activities.
- Provide advisory services to the Enterprise Program Investment Council (EPIC) on information technology project management best practices.

Major Fiscal Year 2012/2013 Milestones

2012/2013 Project Budget
\$1 Million



Total Project Budget
\$6.5 Million



BusinessRenew Pension Solution

The BusinessRenew Pension Solution project will replace our existing pension administration system in order to strengthen automated internal controls and bring consistent and sustainable business processes for member data. The project is currently approved through the procurement phase.

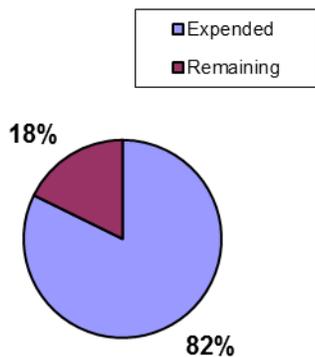
Fiscal Year 2012/2013:

- Hosted fifteen (15) vendor presentations to learn about the companies and their solutions and published a market research summary document.
- Finalized the strategy for engaging the Technology Services branch in the Pension Solution project and conducted small group discussions.
- Completed the Request for Information process and gained feedback from nine (9) vendors on items that will be published in the upcoming Request for Proposal (i.e. business requirements, contract terms and conditions).
- Completed the Business Requirements documentation.
- Completed a draft of the non-functional requirements documentation for the Pension Solution Request for Proposal.
- Completed the Readiness Assessments for Service Retirement, Client Outreach and Guidance, and Disability and Survivor Benefits staff.
- Completed a draft of the Pension Solution Selection Criteria and Evaluation Methodology document.

Planned Deliverables for Fiscal Year 2013/2014:

- Publish the Pension Solution Request for Proposal.
- Complete the Pension Solution Request for Proposal response evaluations and select the successful proposer.

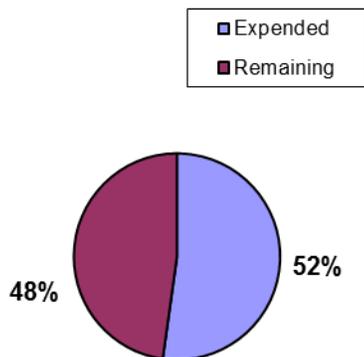
2012/2013 Project Budget
\$3 Million



Major Fiscal Year 2012/2013 Milestones



Total Project Budget
\$8 Million



Project Name	Purpose	Accomplishments
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BusinessRenew Program

The Renew Project Support provides project support for all Renew project efforts including independent project oversight, legal services and cultural change and communications management support.

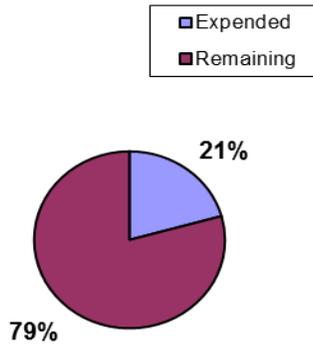
Fiscal Year 2012/2013:

- Received Enterprise Program Investment Council (EPIC) to migrate BusinessRenew Project Support into a BusinessRenew Program and established the program.
- Established the BusinessRenew Program within the newly created strategic operational program: BusinessRenew Executive Office and hired new executive (Chris Caietti).
- Provided communications and cultural change management support for BusinessRenew projects (BusinessDirect, Pension Solution, Data Preparation, and Enterprise Information Management).
- Provided BusinessRenew Program risk and issue management.
- Assisted in the development of competitive procurement documents and processes for Pension Solution and Data Preparation projects.

Planned Deliverables for Fiscal Year 2013/2014:

- Provide communications and cultural change management support for large BusinessRenew projects (Pension Solution, Data Preparation, Enterprise Information Management and Requirements Management).
- Provide BusinessRenew Program risk and issue management.
- Complete next phase of program staffing to expand program level support for all BusinessRenew projects.
- Implement program operational plan including integrated governance.
- Expand program oversight service to include Independent Verification and Validation (IV&V).

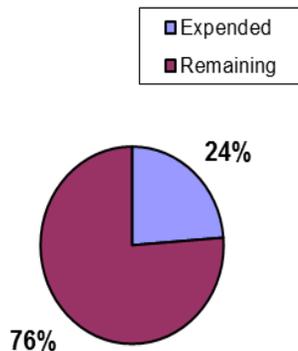
2012/2013 Project Budget
\$1 Million



Major Fiscal Year 2012/2013 Milestones



Total Project Budget
\$4 Million



BusinessRenew Requirements Management

The BusinessRenew Requirements Management Project will purchase and implement a requirements management tool, implement the Requirements Management Plan (RMP), implement a requirements management process, convert the Pension Solution Requirements and migrate existing requirements as identified by the project.

Fiscal Year 2012/2013:

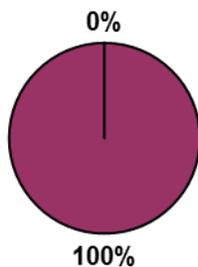
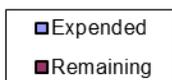
- Received Enterprise Program Investment Council (EPIC) approval to purchase a new tool and implement the requirements management plan.
- Conducted requirements management tool research and held tool demonstrations.
- Developed a Request for Quote to procure a Requirements Management tool.

Planned Deliverables for Fiscal Year 2013/2014:

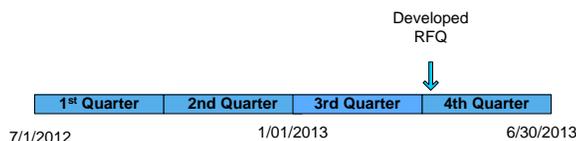
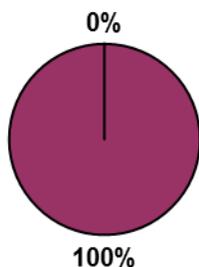
- Procure and implement the Requirements Management tool.
- Finalize Requirements Management Plan.
- Design and Implement the requirements management process.
- Convert the Pension Solution Requirements into the new tool.
- Develop and deploy a communication, change management and training strategy.
- Retire existing requirements management tools.
- Conduct lessons-learned activities from implementation phase.

Major Fiscal Year 2012/2013 Milestones

2012/2013 Project Budget \$431 Thousand



Total Project Budget \$620 Thousand



CalSTRS.com Redesign

The CalSTRS.com Redesign Project provided CalSTRS and its stakeholders with a new CalSTRS.com website design, improved functionality and content management, and provided a new mobile website.

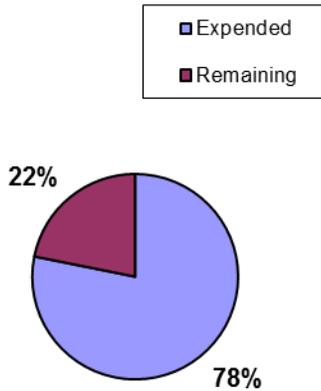
Fiscal Year 2012/2013:

- Executed the contract for website redesign vendor services.
- Launched the redesigned CalSTRS.com in January 2013.
- Received Enterprise Program Investment Council (EPIC) approval to expand the scope, and associated schedule and budget, to include a mobile website application.
- Launched the mobile website application.
- Complete project close-out activities.

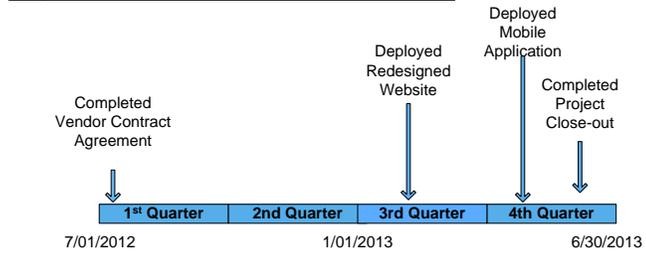
Planned Deliverables for Fiscal Year 2013/2014:

- Project complete.

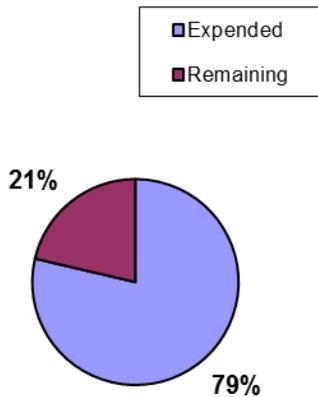
**2012/2013 Project Budget
\$826 Thousand**



Major Fiscal Year 2012/2013 Milestones



**Total Project Budget
\$845 Thousand**



GASB 67/68

This project scope includes only the small portion of GASB 67/68 work effort related to the required, BusinessDirect system changes.

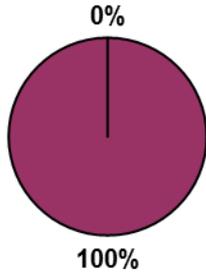
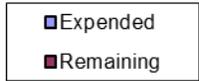
Fiscal Year 2012/2013:

- Received Enterprise Program Investment Council (EPIC) approval for funding to support the vendor provided BusinessDirect system changes required for GASB 67/68.

Planned Deliverables for Fiscal Year 2013/2014:

- Request Enterprise Program Investment Council (EPIC) approval to initiate the GASB 67/68 project.
- Implement the BusinessDirect system functionality.

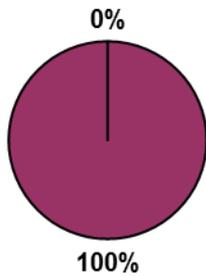
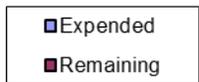
2012/2013 Project Budget
\$488 Thousand



Major Fiscal Year 2012/2013 Milestones

Project Begins in October 2013

Total Project Budget
\$488 Thousand



Omnibus Bill

The Omnibus project implemented high priority/high impact measures in the 2011 Senate Bill 349: Retroactive Service Retirement Benefit effective date; change or cancel option elections and Retirement application changes 30 days after the first payment; and Cash Balance Program contributions not allowed for Defined Benefit retirees.

Fiscal Year 2012/2013:

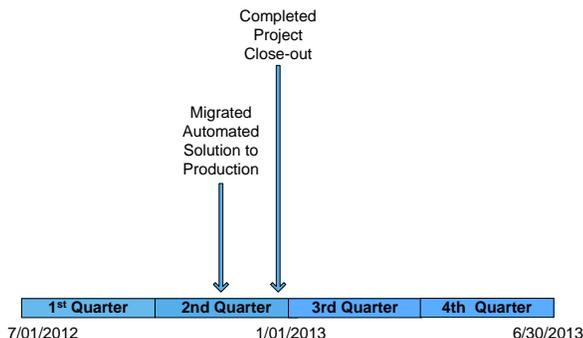
- Developed and implemented automated solution.
- Updated job aides and training materials.
- Conducted Lessons Learned.
- Finalized project close-out report.

Planned Deliverables for Fiscal Year 2013/2014:

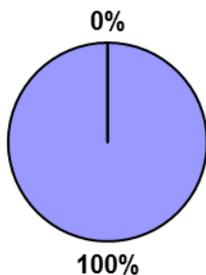
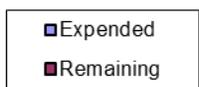
- Project complete.

Major Fiscal Year 2012/2013 Milestones

**2012/2013 Project Budget
No Budget**



**Total Project Budget
\$66 Thousand**



Penalties and Interest

The Penalties and Interest project implemented 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.

Fiscal Year 2012/2013:

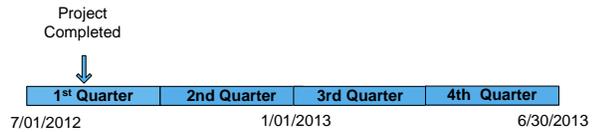
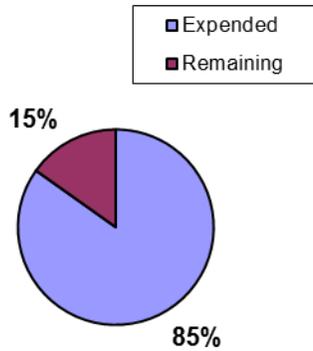
- Began calculating and invoicing penalties and interest on late submissions.
- Activated the dispute resolution functionality and managed employer disputes of penalties and interests charged.
- Completed remaining system integration and user acceptance testing for Direct Reporting functionality and implemented into production.
- Completed employer training and readiness activities.
- Completed lessons-learned and project close-out activities and related report.

Planned Deliverables for Fiscal Year 2013/2014:

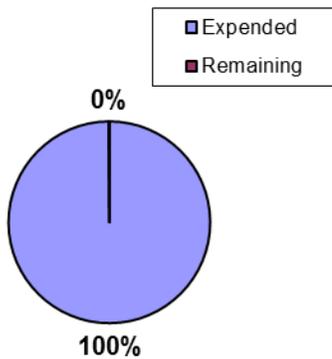
- Project complete.

Major Fiscal Year 2012/2013 Milestones

2012/2013 Project Budget
\$62 Thousand



Total Project Budget
\$11.1 Million



Project Name	Purpose	Accomplishments
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Pension Accounting Initiative

The Pension Accounting Initiative improved 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.

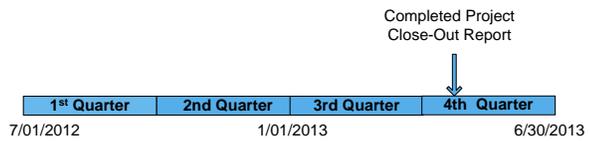
Fiscal Year 2012/2013:

- Received approval by the State Human Resources control agencies on the Accounting Classification Specifications proposal.
- Completed the creation of the financial services branch reorganization model.
- Completed project close-out report.

Planned Deliverables for Fiscal Year 2013/2014:

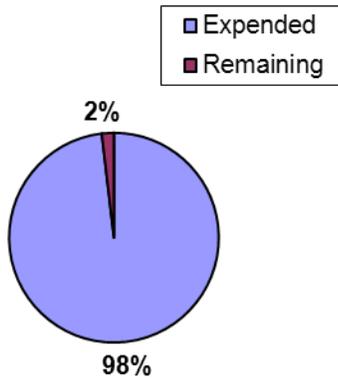
- Project complete.

Major Fiscal Year 2012/2013 Milestones



2012/2013 Project Budget
No Budget

Total Project Budget
\$6.4 Million



Priority Management-Project Portfolio Management (PPM) Tool

The Priority Management - Project Portfolio Management (PPM) Tool will procure and implement a new tool for effective project and resource data collection, management and reporting.

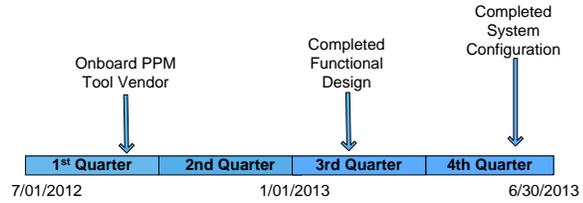
Fiscal Year 2012/2013:

- Completed vendor contract execution process and onboarding.
- Completed tool design and configuration.
- Received Enterprise Program Investment Council (EPIC) approval to extend the schedule by seven months to December 2013 and increase the budget to support the BusinessDirect changes to support interfaces with the tool.

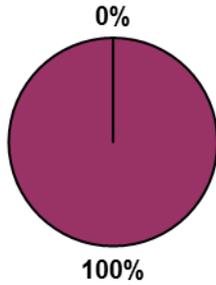
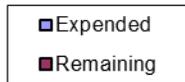
Planned Deliverables for Fiscal Year 2013/2014:

- Complete Clarity project portfolio management tool implementation, rollout and training.

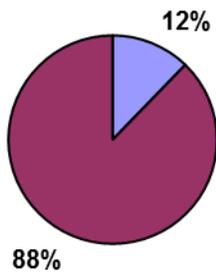
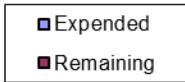
Major Fiscal Year 2012/2013 Milestones



2012/2013 Project Budget
\$513 Thousand



Total Project Budget
\$585 Thousand

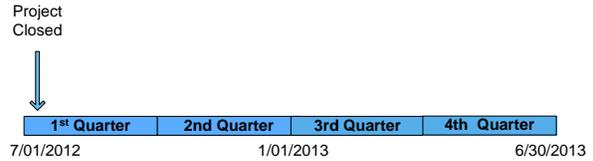


SchedulePlus The SchedulePlus Discovery effort will identify potential comprehensive Software as a Service (SaaS) solutions and implementation plan to support member self-scheduling and internal scheduling of workshops, group and individual counseling sessions, and Pension2 educational services.

- Fiscal Year 2012/2013:**
- Completed discovery lessons learned.
 - Terminated discovery prior to completion.
 - Moved the remainder of the temporary workshop tool implementation activities to the business area.

- Planned Deliverables for Fiscal Year 2013/2014:**
- Project closed.

Major Fiscal Year 2012/2013 Milestones



2012/2013 Project Budget
No Budget

Total Project Budget
\$22 Thousand

