
CALSTRS

Enterprise Technology Projects Fiscal Year 2012/2013 Second Quarter Report

Enterprise Technology Projects

Fiscal Year 2012/2013 – Second Quarter Report

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 monthly to EPIC and quarterly to the Teachers' Retirement Board.

Enterprise Program Investment Council Members

Jack Ehnes
Chief Executive Officer

Robin Madsen
Chief Financial Officer

Peggy Plett
Deputy Chief Executive Officer
Benefits and Services

Ed Derman
Deputy Chief Executive Officer
Plan Design and Communication

Janice Hanson
Deputy Chief Executive Officer
Enterprise Initiatives and Technology

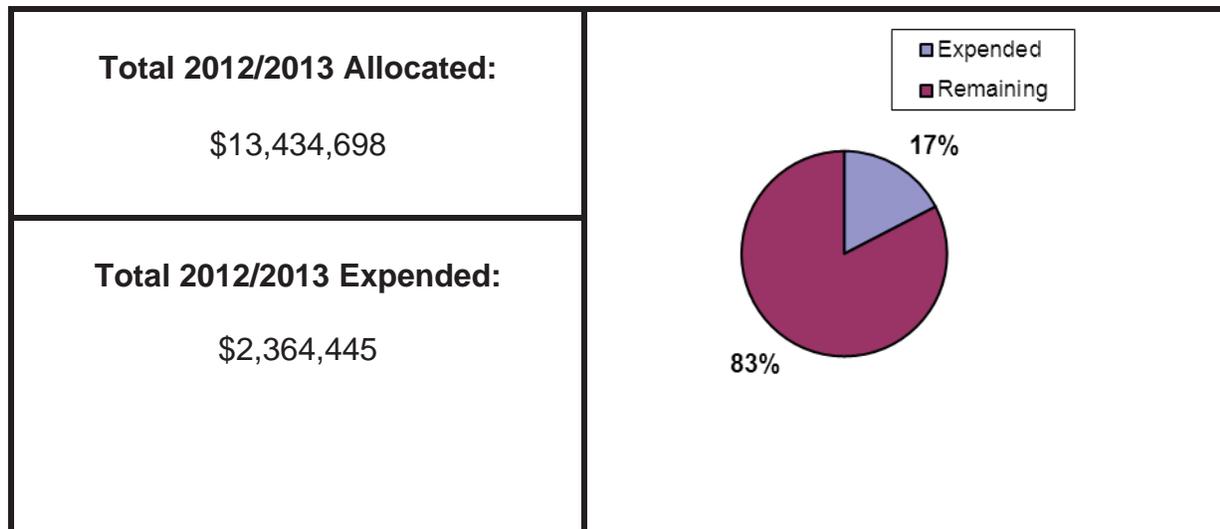
Ray Greenhouse
Chief Technology Officer

Brian Bartow
General Counsel

Cassandra Lichnock
Human Resources Executive Officer

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

As of December 31, 2012



Enterprise Technology Projects Fiscal Year 2012/2013 – Second Quarter

Project Name	Duration	Project Total ¹	2012/2013 Budget	2012/2013 ² Expended	Schedule	Budget
Actuarial Valuation	Apr 08 – Aug 12	\$1,720,777	\$0	\$0	☺	☺
Actuarial Valuation Detailed Procedures Report	Jul 12 - Dec 12	\$181,000	\$181,000	\$71,198	☺	☺
AB 340 Pension Reform	Oct 12 – Jan 13	\$34,675	\$34,675	\$24,059	●	●
Annual Update	Jul 12 – Jun 13	\$0	\$0	\$0	●	●
BusinessRenew						
Corporate Accounting & Resource Management ³	Jan 11 – Aug 13	\$19,061,641	\$2,875,000 ³	\$256,633 ³	⚠ ⁴	●
Data Preparation	Nov 11 – Jun 14	\$6,506,228	\$2,410,599	\$294,982	⚠ ⁵	●
Independent Project Oversight	Sep 11 – Oct 19	\$6,334,412	\$1,057,068	\$247,880	●	●
Pension Solution	Dec 10 – Jun 14	\$6,961,813 ⁶	\$3,147,631	\$1,015,687	●	●
Program	Jan 11 – Jun 14	\$2,937,745	\$1,146,745	\$61,556	●	●
Requirements Management	Aug 11 – Jan 14	\$620,500	\$431,250	\$0	●	●
CalSTRS.com Redesign	Nov 11 – Apr 13	\$844,815	\$825,600	\$339,750	●	●
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 – May 13	\$334,705	\$263,000	\$0	●	●
SchedulePlus	Dec 11 – Jul 12	\$21,630	\$0	\$0	☺	☺
Project Risk Reserve	Ongoing	\$1,000,000	\$1,000,000	\$0	N/A	●
Total Enterprise Technology Projects' 2012/2013 Budget⁷: \$18.5 million		Total 2012/2013 Allocated: \$13,434,698		Total 2012/2013 Expended: \$2,364,445		
Schedule & Budget Indicators:	● Acceptable	⚠ Warning	◆ Critical	☺ Complete		

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

² 2012/2013 Expended – includes project expenses paid and does not reflect expenses that have been accrued.

³ BusinessRenew Corporate Accounting & Resource Management – \$15.5 million funded through Board and contingency funds and is excluded from the Enterprise Projects' stated Total Budget, Allocated and Expended information. Received EPIC funds of \$1,774,680 for fiscal year 2011/2012 and \$2,875,000 for fiscal year 2012/2013.

⁴ BusinessRenew Corporate Accounting & Resource Management - schedule warning due to delays in launching Release 1 and impact to date for Release 2.

⁵ BusinessRenew Data Preparation –schedule delay due to the delayed Data Analysis vendor procurement and on boarding due to receiving no qualified bids for the first Request for Proposal released.

⁶ BusinessRenew Pension Solution - amount includes funds for project phases beyond the defined discovery and requirements phases.

⁷ 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. 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.

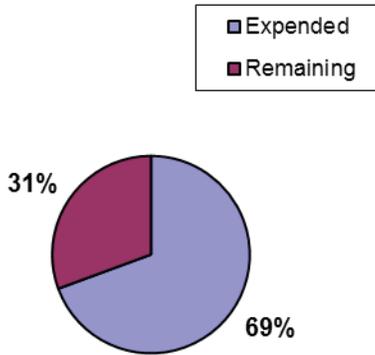
Period Ending December 31, 2012:

- Completed the preliminary project assessment.
- Implemented Phase 1, new member retirement formula and ability to prevent prohibited special compensation.
- Initiated updates to member communication publications and directives to reflect AB 340 changes.
- Conducted special Employer Advisory Committee meeting.

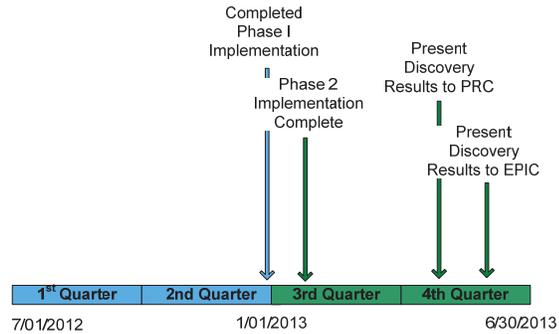
Planned Deliverables by March 31, 2013:

- Implement Phase 2, the functionality to limit to post-retirement benefits; display the new retirement formula on additional screens and add the new formula to the accounting system interface.
- Complete Discovery document for remaining nine (9) identified items affected by AB 340.
- Complete updates to publications and directives.
- Provide information at the Employer Advisory Committee meeting.

**2012/2013 Project Budget
\$35 Thousand**



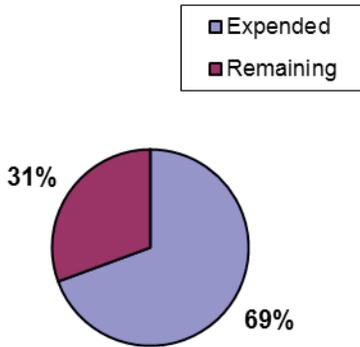
Major Fiscal Year 2012/2013 Milestones



Project Schedule Status Timeline



**Total Project Budget
\$35 Thousand**



Actuarial Valuation

The Actuarial Valuation project provides CalSTRS with verification of the actuarial valuation processes, improves the current valuation process through the use of both technology and process improvement.

Period Ending December 31, 2012:

- Continued project close-out report review.

Planned Deliverables by March 31, 2013:

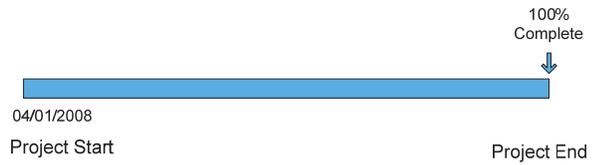
- Finalize project close-out report.

Major Fiscal Year 2012/2013 Milestones

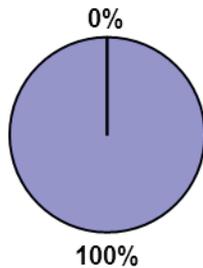
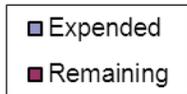


2012/2013 Project Budget
No Budget

Project Schedule Status Timeline



Total Project Budget
\$1.7 Million

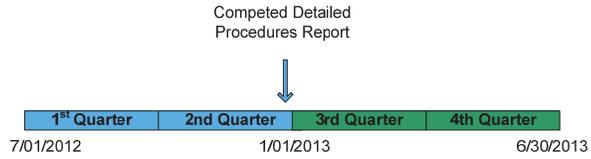


Actuarial Valuation Detailed Procedures Report

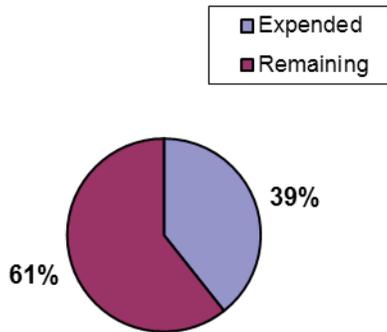
The Actuarial Valuation Detailed Procedures Report project will provide CalSTRS with a detailed procedures manual of the current Actuarial Valuation processes that now utilize the technology provided with the Actuarial Valuation project.

- Period Ending December 31, 2012:**
- Completed final detailed procedures report.
- Planned Deliverables by March 31, 2013:**
- Project complete.

Major Fiscal Year 2012/2013 Milestones



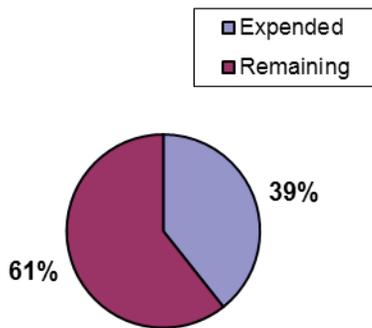
**2012/2013 Project Budget
\$ 181 Thousand**



Project Schedule Status Timeline



**Total Project Budget
\$ 181 Thousand**



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 and produces the *Retirement Progress Reports* (annual member statements).

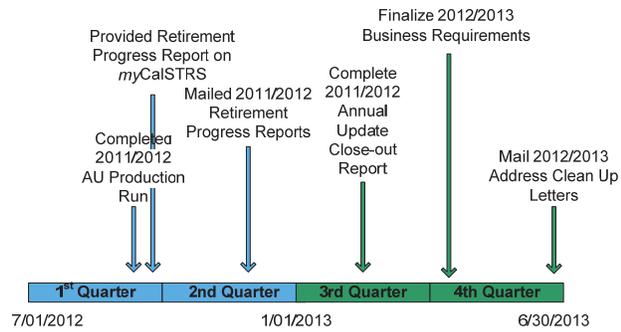
Period Ending December 31, 2012:

- Provided Retirement Progress Report (RPR) samples at the Teachers' Retirement Board meeting.
- Mailed Retirement Progress Reports (410,025) to members.
- Compiled survey results from members who elected to receive an electronic RPR.
- Developed high level timelines for 2012/2013 Annual Update process.
- Received Project Review Council (PRC) approval of four (4) new 2012/2013 project enhancements.
- Conducted 2011/2012 Lessons Learned with project vendor.

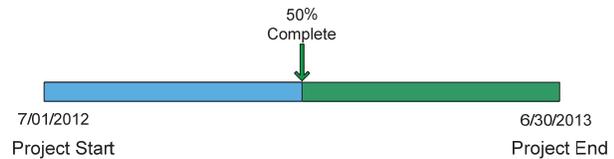
Planned Deliverables by March 31, 2013:

- Complete the 2011/2012 Annual Update Close-out report.
- Initiate the 2012/2013 Project kick-off.
- Finalize the 2012/2013 Project Charter and Schedule.
- Develop business requirements for the 2012/2013 enhancements.

Major Fiscal Year 2012/2013 Milestones



Project Schedule Status Timeline



BusinessRenew Corporate Accounting & Resource Management

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

Period Ending December 31, 2012:

- Reset the Release 1 project schedule and the target go-live date to January with an accounting effective date of 1/1/2013.
- Completed system configuration
- Completed functional design for all custom development objects.
- Completed development of all custom objects.
- Completed 99% of unit testing.
- Completed 26 of 29 integration test scripts in Integration Test Cycle 1.
- Completed Data Conversion Cycle 1 and commenced Cycle 2.
- Developed draft cut-over plan.
- Completed Change Impact Analysis with Action Plan.
- Conducted "Demofest" open house providing demonstrations of specific functionality and eLearning training.

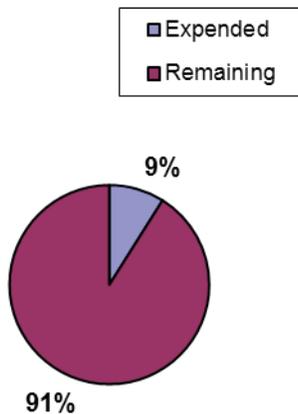
Planned Deliverables by March 31, 2013:

- Complete Integration Testing (including User Acceptance Testing).
- Complete Data Conversion activities.
- Complete Train the Trainer process.
- Complete Training materials and facilitate training sessions.
- Perform cut-over activities.
- Launch Release 1 functionality to include the core functionality of accounting, budgeting, and procurement.
- Commence Release 1.5 and Network Migration initiatives.

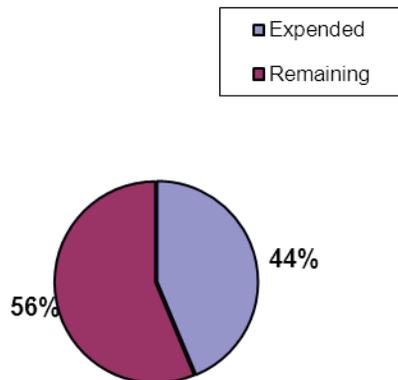
⚠ Schedule Warning: Project is at risk of schedule slippage due to delays in launching Release 1 and impacting the planned date for Release 2 which includes cost accounting, project accounting and activity based costing.

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.

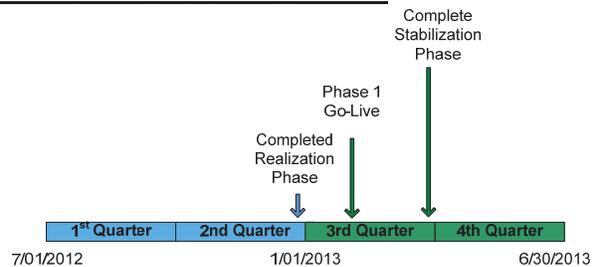
2012/2013 Project Budget \$2.9 Million



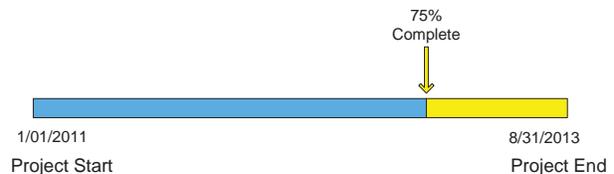
Total Project Budget \$19 Million



Major Fiscal Year 2012/2013 Milestones



Project Schedule Status Timeline



BusinessRenew Data Preparation

The Renew Data Preparation project will acquire 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.

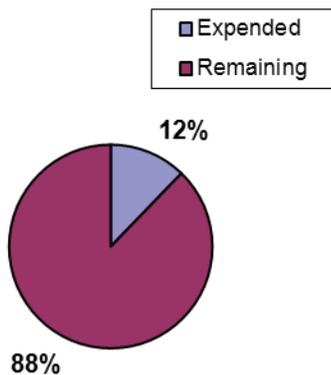
Period Ending December 31, 2012:

- Delivered the Complete Account Review and Evaluation (CARE) team's progress report, for the quarter ending September 31, 2012 to the Enterprise Program Investment Council (EPIC).
- Selected the Data Analysis Services vendor and submitted request for the board approval of the contract.
- Selected Enterprise Information Management (EIM) vendor and received board approval of the contract.

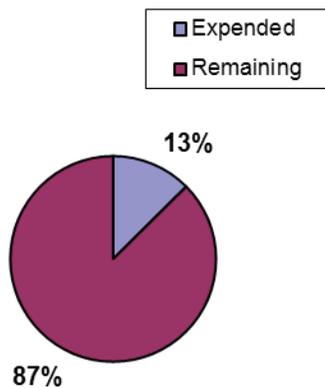
Planned Deliverables by March 31, 2013:

- Commence activities with Data Analysis Services vendor.
- Deliver project schedule and staffing plan.
- Commence activities with Enterprise Information Management vendor. Deliver Enterprise Information Management project schedule and staffing plan.
- Request Enterprise Program Investment Council approval to remove the Enterprise Information Management scope of work and associated budget from the project and initiate it as a separate BusinessRenew discovery effort.

2012/2013 Project Budget
\$2.4 Million

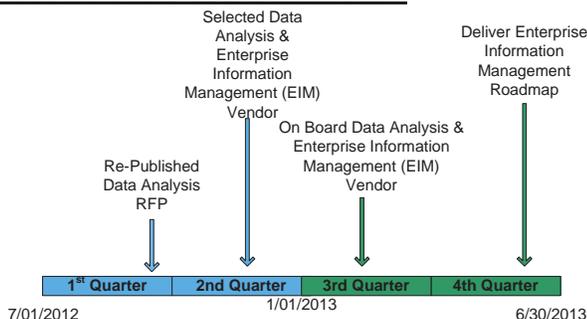


Total Project Budget
\$6.5 Million

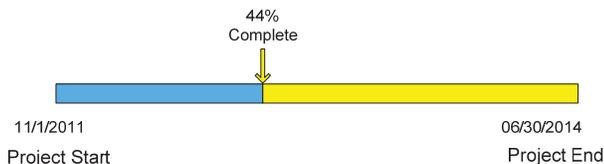


Schedule Warning: The project is behind schedule due to the delayed Data Analysis vendor procurement and on boarding as a result of receiving no qualified bids for the initial Request for Proposal.

Major Fiscal Year 2012/2013 Milestones



Project Schedule Status Timeline



BusinessRenew Independent Project Oversight

The BusinessRenew Independent Project Oversight will deliver 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.

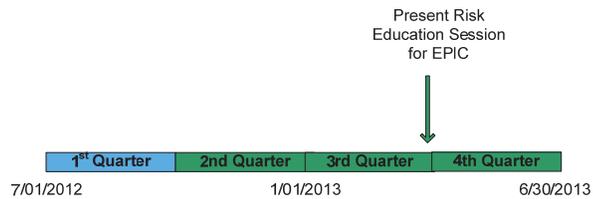
Period Ending December 31, 2012:

- Completed monthly comprehensive status reports for Corporate Accounting and Resource Management, Pension Solution and Data Preparation.
- Reviewed and provided feedback on Corporate Accounting and Resource Management and Pension Solution project deliverables.
- Developed board presentations 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 Pension Solution procurement process.

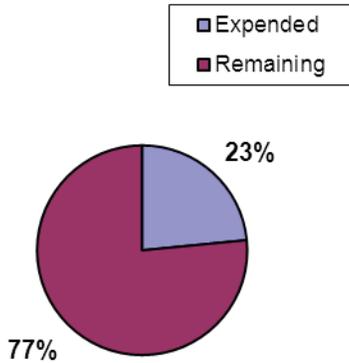
Planned Deliverables by March 31, 2013:

- Complete comprehensive monthly status reports for Corporate Accounting and Resource Management, Pension Solution, Data Preparation and Enterprise Information Management.
- Provide oversight and guidance on Pension Solution requirements and procurement project planning activities.

Major Fiscal Year 2012/2013 Milestones



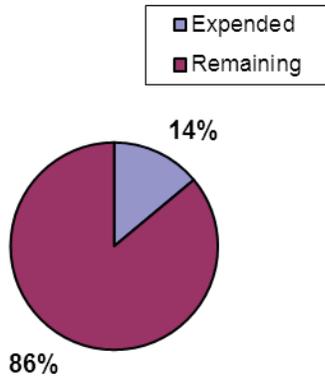
2012/2013 Project Budget \$1.1 Million



Project Schedule Status Timeline



Total Project Budget \$6.3 Million



BusinessRenew Pension Solution

The Renew Pension Solution project will complete the planning for the new pension solution through the procurement of the solution. The project is currently documenting business requirements and starting some of the procurement activities.

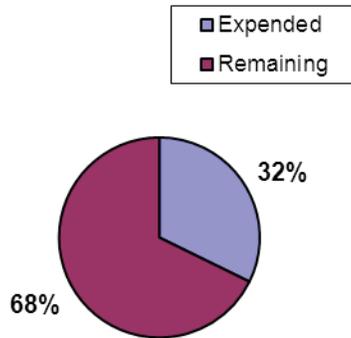
Period Ending December 31, 2012:

- Finalized the project staffing plan.
- Hosted fifteen (15) vendor presentations to learn about the companies and their solutions and published a market research summary document.
- Conducted requirements gathering sessions with the business area Subject Matter Experts.
- Conducted the Enterprise Initiatives and Technology (EIT) small group discussions as part of the EIT engagement strategy.
- Began the first stage of the Request for Proposal development process.
- Developed the draft Request for Information for Pension Solution vendor services.

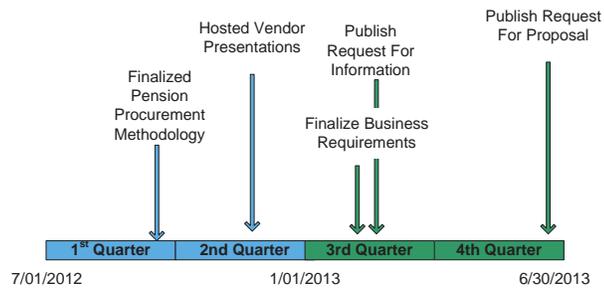
Planned Deliverables by March 31, 2013:

- Finalize the Market Research Vendor Presentation Summary Report.
- Complete the requirements gathering sessions with the business area Subject Matter Experts.
- Complete the Enterprise Initiatives and Technology (EIT) small group discussions as part of the EIT engagement strategy.
- Publish the Request for Information for Pension Solution vendor services.

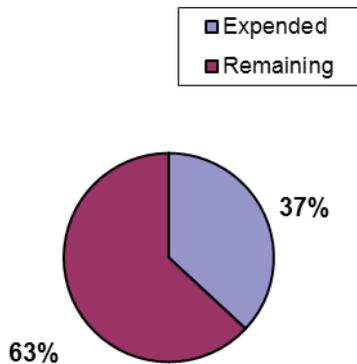
**2012/2013 Project Budget
\$3.1 Million**



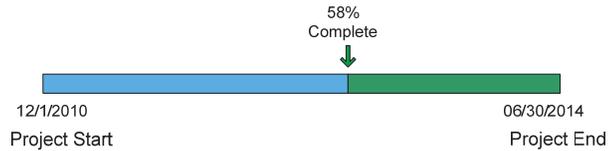
Major Fiscal Year 2012/2013 Milestones



**Total Project Budget
\$7 Million**



Project Schedule Status Timeline



BusinessRenew Program

The BusinessRenew Program will provide project support for all BusinessRenew project efforts including independent project oversight, legal services, program risk and issue management, and cultural change and communications management support.

Period Ending December 31, 2012:

- Implemented the BusinessRenew Program.
- Provided communications and cultural change management support for large BusinessRenew projects (Corporate Accounting and Resource Management, Pension Solution and Data Preparation).

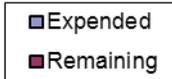
Planned Deliverables by March 31, 2013:

- Hire BusinessRenew Program Executive Officer.
- Develop BusinessRenew program plans.
- Provide on-going communications and cultural change management support for large BusinessRenew projects (Corporate Accounting and Resource Management, Pension Solution, Data Preparation and Enterprise Information Management).
- Provide BusinessRenew Program risk management.

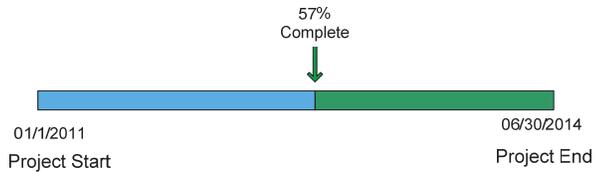
Major Fiscal Year 2012/2013 Milestones



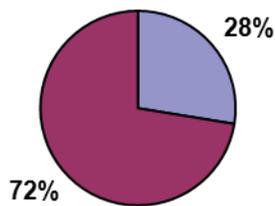
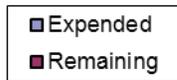
2012/2013 Project Budget
\$1.1 Million



Project Schedule Status Timeline



Total Project Budget
\$2.9 Million



BusinessRenew Requirements Management

The BusinessRenew Requirements Management project will develop the strategy for managing CalSTRS business and system requirements. Upon approval, a second phase of the project will be initiated to implement the plan.

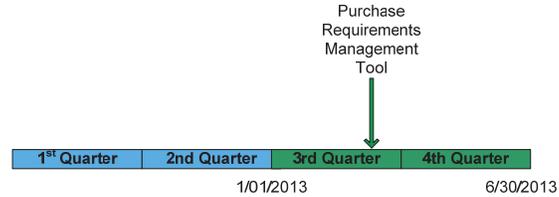
Period Ending December 31, 2012:

- Conducted requirements management tool demonstrations.
- Conducted requirements management tool research.
- Began procurement process for a requirements management tool.

Planned Deliverables by March 31, 2013:

- Purchase requirements management tool.

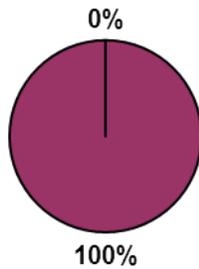
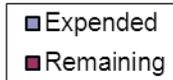
Major Fiscal Year 2012/2013 Milestones



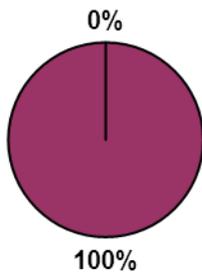
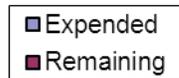
Project Schedule Status Timeline



2012/2013 Project Budget \$431 Thousand



Total Project Budget \$620 Thousand



CalSTRS.com Redesign

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

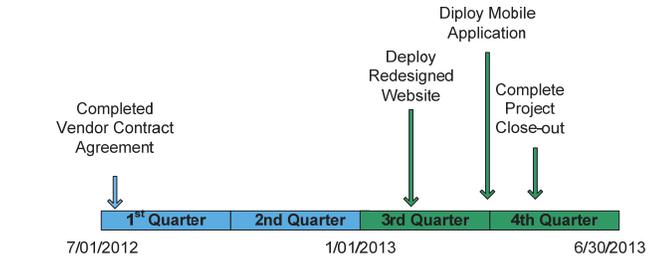
Period Ending December 31, 2012:

- Completed website design development.
- Completed website content refresh and migration.
- Completed required integrations.
- Received Enterprise Project Investment Council (EPIC) approval to expand the scope, and associated schedule and budget, to include a mobile website application.

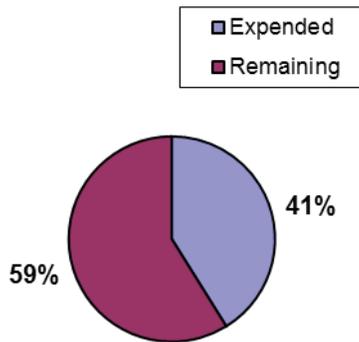
Planned Deliverables by March 31, 2013:

- Complete testing and web standard checks.
- Complete training and program transition efforts.
- Deploy the newly redesigned CalSTRS.com website.
- Initiate development of CalSTRS.com Mobile Application.

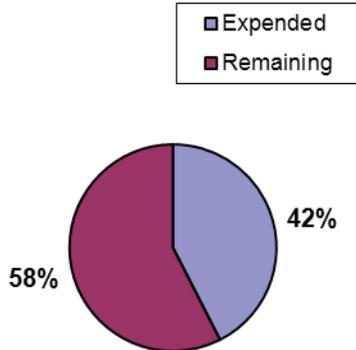
Major Fiscal Year 2012/2013 Milestones



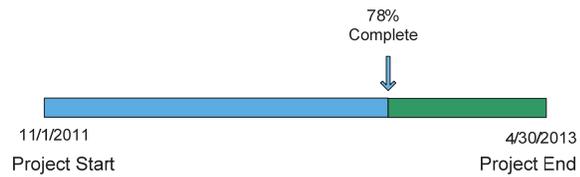
2012/2013 Project Budget
\$826 Thousand



Total Project Budget
\$845 Thousand



Project Schedule Status Timeline



Omnibus Bill

The Omnibus project will implement 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.

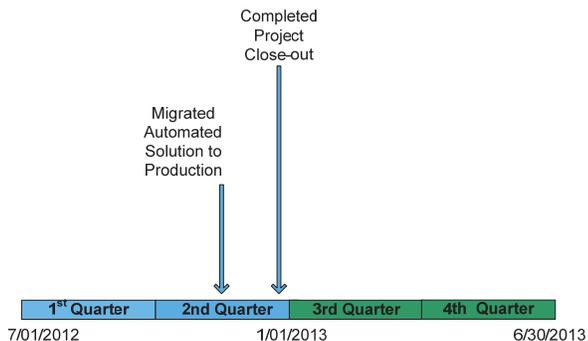
Period Ending December 31, 2012:

- Completed development, system integration and user testing for fully automated solution.
- Completed migration of automated solution to production environments.
- Conducted Lessons Learned and closed project.

Planned Deliverables by March 31, 2013:

- Project complete.

Major Fiscal Year 2012/2013 Milestones



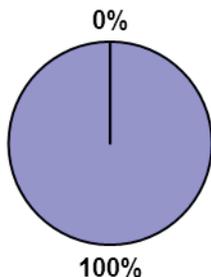
2012/2013 Project Budget
No Budget

Project Schedule Status Timeline



Total Project Budget
\$66 Thousand

- Expended
- Remaining



Project Name	Purpose	Accomplishments
--------------	---------	-----------------

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.

Period Ending December 31, 2012:

- Project complete.

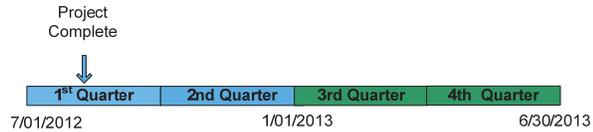
Planned Deliverables by March 31, 2013:

- None.

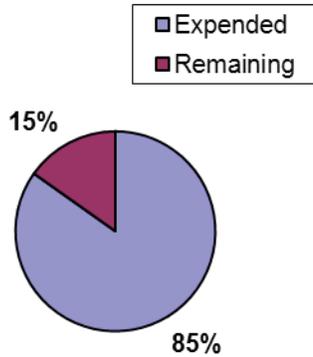
Total Project Cost: Project was completed under budget.

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

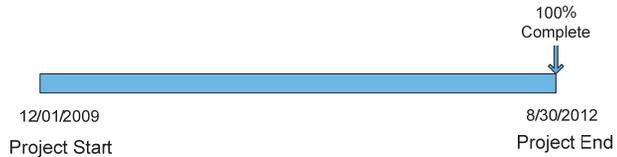
Major Fiscal Year 2012/2013 Milestones



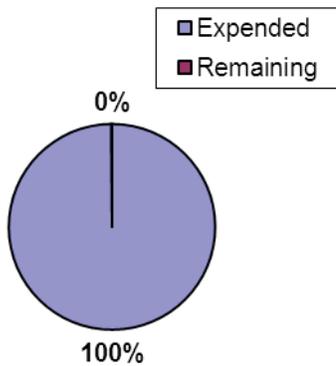
2012/2013 Project Budget
\$62 Thousand



Project Schedule Status Timeline



Total Project Budget
\$11.1 Million



Pension Accounting Initiative

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

Period Ending December 31, 2012:

- None.

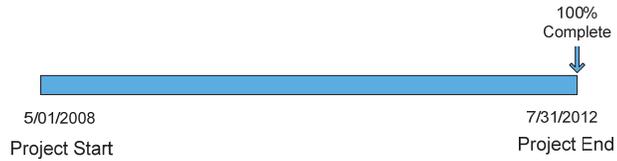
Planned Deliverables by March 31, 2013:

- Complete project close-out report.

Major Fiscal Year 2012/2013 Milestones

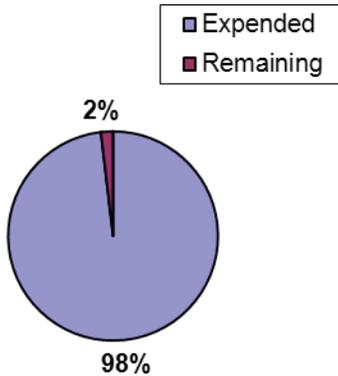


Project Schedule Status Timeline



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.

Period Ending December 31, 2012:

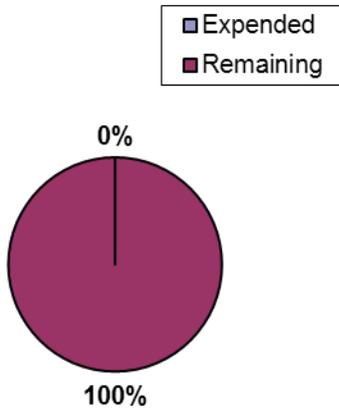
- Completed Project Portfolio Management (PPM) tool vendor onboarding.
- Completed system requirements.
- Received Enterprise Program Investment Council (EPIC) approval to extend the project schedule.
- Initiated system configuration.

Planned Deliverables by March 31, 2013:

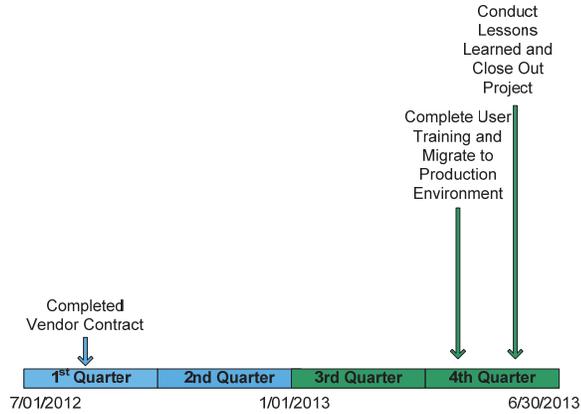
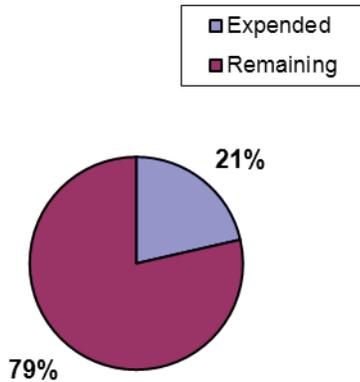
- Complete system configuration.
- Perform system testing.
- Develop training materials.

Major Fiscal Year 2012/2013 Milestones

**2012/2013 Project Budget
\$263 Thousand**



**Total Project Budget
\$335 Thousand**



Project Schedule Status Timeline



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.

Period Ending December 31, 2012:

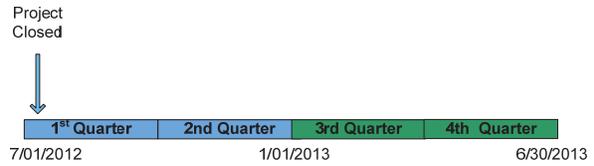
- Project complete.

Planned Deliverables by March 31, 2013:

- None.

Note: Project was stopped before the full scope of work was completed.

Major Fiscal Year 2012/2013 Milestones



2012/2013 Project Budget
No Budget

Project Schedule Status Timeline



Total Project Budget
\$22 Thousand

