



Enterprise Technology Projects

Fiscal Year 2013–14
Year End Report

Enterprise Technology Projects

Fiscal Year End 2013/2014

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. An additional \$4.4 million, not expended during fiscal year 2012/2013 was available for use during fiscal year 2013/2014. As of the end of the fourth quarter, of the \$4.4 million, \$4,358,828 has been encumbered and, of the encumbered, \$173,950 has been expended. An additional \$12 million, not expended during fiscal year 2013/2014 is available for use two additional years as a result of the new appropriate that began in fiscal year 2012/2013..

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

Cassandra Lichnock
Chief Operating Officer

Ed Derman
Deputy Chief Executive Officer
Plan Design and Communication

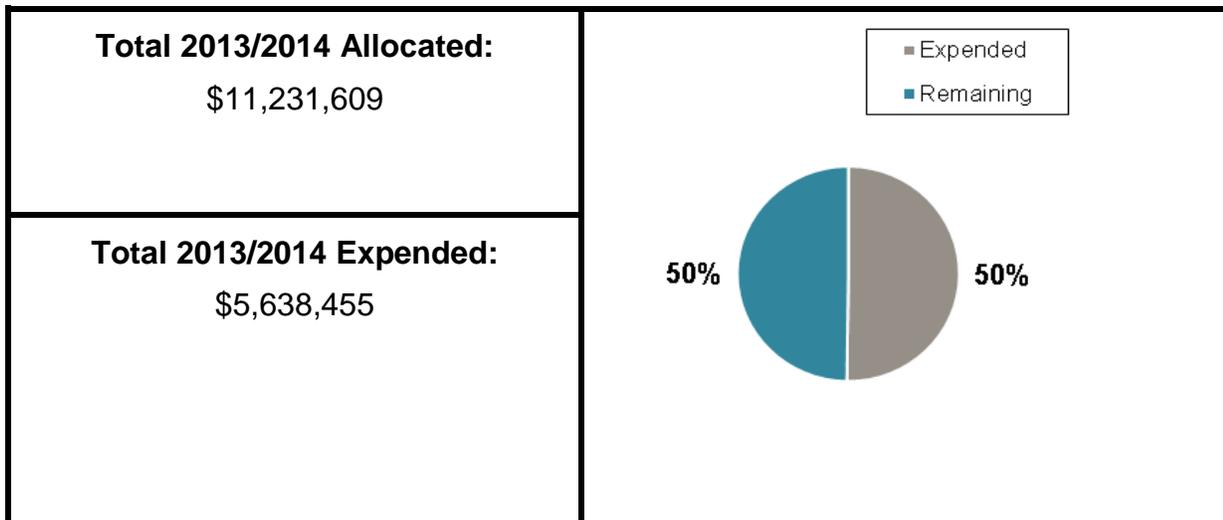
Peggy Plett
Deputy Chief Executive Officer
Benefits and Services

Chris Caietti
BusinessRenew Executive Officer

Ashish Jain
Chief Technology Officer

Total Enterprise Technology Projects' 2013/2014 Budget: \$18.5 Million

As of June 30, 2014



Enterprise Technology Projects Fiscal Year 2013/2014

Project Name	Duration	Project Total ¹	2013/2014 Budget	2013/2014 Expended	Schedule	Budget
AB 340 Pension Reform	Oct 12 – Jul 14	\$784,675	\$0	\$0		
Annual Update	Jul 13 – Jun 14	\$0	\$0	\$0		
BusinessRenew						
BusinessDirect ³	Jan 11 – Feb 14	\$20,621,863	\$0	\$0		
Data Preparation	Nov 11 – Jun 15	\$7,576,750	\$2,139,116	\$1,585,489		
Enterprise Information Management	Feb 13 – Jun 15	\$973,000	\$155,000	\$0		
Independent Project Oversight	Sep 11 – Oct 19	\$6,454,412	\$1,112,877	\$879,252		
Pension Solution	Dec 10 – Feb 15	\$8,351,014	\$3,217,986	\$1,848,701		
Program	Jan 11 – Jun 15	\$7,101,391	\$2,203,620	\$1,256,833		
Requirements Management	Aug 11 – Oct 15	\$753,100	\$189,250	\$0		
GASB 67/68	Oct 13 – Apr 14	\$860,000	\$335,000	\$0		
Pension Program Classification Study	Feb 14 – Jan 15	\$124,800	\$124,800	\$41,766		
Priority Management Project Portfolio Management Tool	Aug 11 – Dec 14	\$1,230,705	\$0	\$0		
Project Risk Reserve	Ongoing	\$1,000,000	\$1,000,000	\$0	N/A	
Total Enterprise Technology Projects' 2013/2014 Budget⁶: \$18.5 million		Total 2013/2014 Allocated: \$11,231,609	Total 2013/2014 Expended: \$5,638,455			
Schedule & Budget Indicators:	 Acceptable	 Warning	 Critical	 Complete	 Not Started	

¹ Project Total – amount represents the sum of the projects' prior years' actual expended amount, the 2012/2013 re-allocated budgeted amount, and current and future years budgeted amounts.

² AB 340 Pension Reform – schedule delay due to resource constraints

³ 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.

⁴ BusinessRenew Data Preparation – high risk for schedule slippage due to aggressive schedule and resource availability

⁵ BusinessRenew Pension Solution – high risk for schedule slippage due to issues with adherence to project governance processes and delays in the procurement process

⁶ 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 for each fiscal year. Funds in the amount of \$4.4 million, not expended during fiscal year 2012/13, are available for two additional years for new or existing projects.

AB 340 Pension Reform

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

Fiscal Year 2013/2014:

- Implemented Phase 2.1 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 for a three-phased implementation project over 13 months.
- Implemented all but one of the enhancements included in Phase 3.
- Implemented misc. web changes- *myCalSTRS.com* and Schedule Direct Prep Sheet (Phase 4).
- Continued updates to member communication publications and directives to reflect AB 340 changes.
- Continued development of procedures for Felony Conviction manual processes.

2013/2014 Project Budget
No 2013/2014 Funding

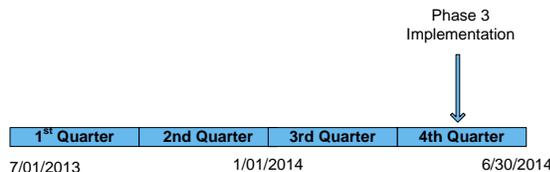
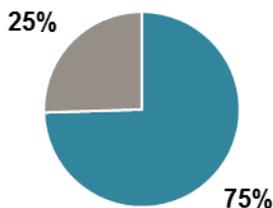
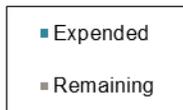
Planned Deliverables for Fiscal Year 2014/2015:

- Request Enterprise Program Investment Council (EPIC) approval for a two-month schedule extension through September 2014.
- Complete updates to publications and directives.
- Complete procedures for Felony Conviction manual processes.
- Implement the remaining Phase 3 requirement Defined Benefit Transfer.
- Implement the remaining miscellaneous CalSTRS corporate database changes for Phase 4.
- Implement web changes for Phase 5 - online Benefit Estimate Calculator and online Permissive Service Credit Purchase Calculator.
- Complete close-out report.

🚩 Schedule Warning: Project is behind schedule due to resource contention and additional time needed for testing.

Major Fiscal Year 2013/2014 Milestones

Total Project Budget
\$781 Thousand



Project Schedule Status Timeline



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).

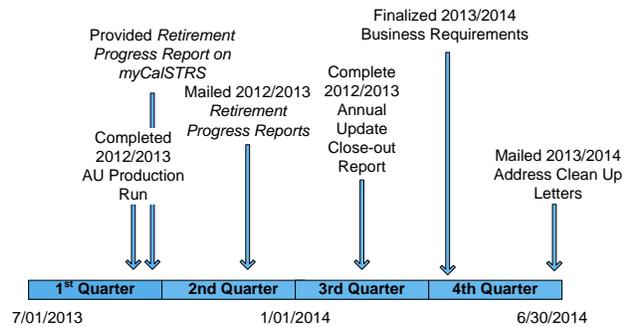
Fiscal Year 2013/2014:

- Developed and implemented 2012/2013 *Retirement Progress Report* enhancements.
- Created and mailed address cleanup letters for members with confirmation of a new US Postal Service provided address.
- Created and mailed 2012/2013 Cash Balance and Defined Benefit *Retirement Progress Reports* and posted member information to myCalSTRS website.
- Gathered data through the 2012/2013 *Retirement Progress Reports* Customer Satisfaction Survey.
- Completed 2012/2013 Annual Update project close-out report.
- Defined and completed the 2013/2014 *Retirement Progress Report* enhancements.
- Amended the print and mail vendor contract to accommodate a reduced print quantity as a result of the Assembly Bill requiring providing the reports online as the default delivery method.

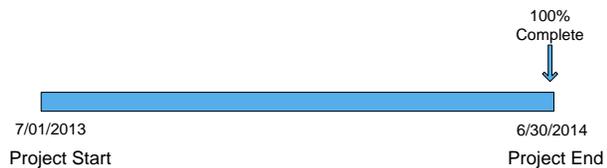
Planned Deliverables for Fiscal Year 2014/2015:

- Complete the 2013/2014 Annual Update corporate database production run.
- Create and mail 2013/2014 Cash Balance and Defined Benefit *Retirement Progress Reports* and post member information to myCalSTRS website.
- Gather data with the 2013/2014 *Retirement Progress Reports* Customer Satisfaction Survey.
- Complete the 2013/2014 Annual Update close-out report.
- Create and mail letters for member confirmation of a new US Postal Service provided address.
- Finalize the 2014/2015 Annual Update system modifications and enhancements.
- Release Request for Proposal (RFP) for a new print and mail vendor contract.

Major Fiscal Year 2013/2014 Milestones



Project Schedule Status Timeline



**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 2013/2014:

- Completed close-out activities for Release 1.0 for the core functionality of accounting, budgeting and procurement and closed out all associated deliverables.
- Completed Release 1.5 activities to include year-end closing reports and other remaining functionality and closed out all associated deliverables.
- Completed activities to migrate the Development, Test and Training systems to a separate network for increased security and closed out all associated deliverables.
- Continued Change Management and Training activities.
- Completed the project close-out for both Releases 1 and 1.5.

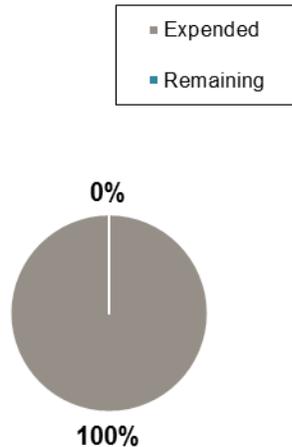
Planned Deliverables in FY 2014/2015:

- Return to EPIC in December with revised schedule and budget request for Release 2.

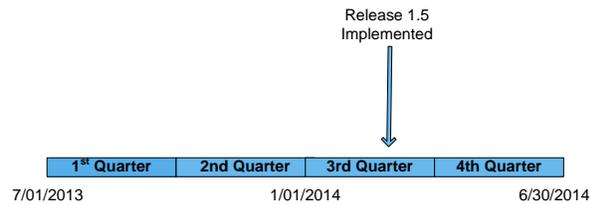
Notes: Project was funded from FY2011/2012 Operating Budget one time funds and contingency funds and is utilizing Enterprise Program Investment Council (EPIC) funding for supplementing the base budget. The remaining budget is allocated for Release 2 that has not yet been approved to begin.

2013/2014 Project Budget

\$216 Thousand



Major Fiscal Year 2013/2014 Milestones

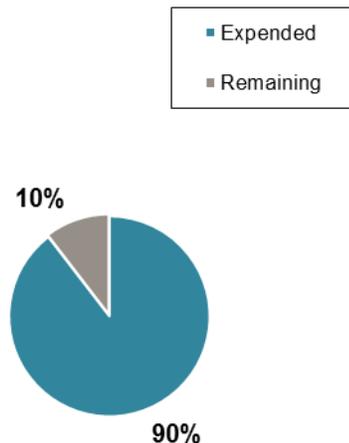


Project Schedule Status Timeline



Total Project Budget

\$21 Million



**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 2013/2014:

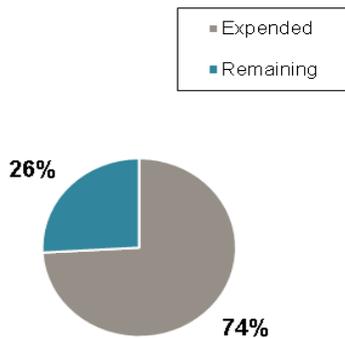
- Received Enterprise Program Investment Council (EPIC) approval to extend the schedule to September 2014.
- Continued data profiling and analysis activities.
- Continued the Complete Account Review and Evaluation (CARE) team's work on reviewing and correcting.

Planned Deliverables for Fiscal Year 2014/2015:

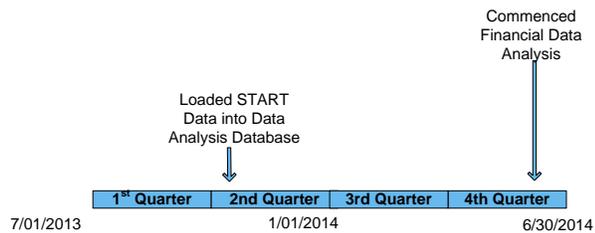
- Complete remaining data analysis and profiling with the support of the data analysis vendor.
- Deliver Data Analysis and Alternative Data Issue Reports.
- Request Enterprise Program Investment Council (EPIC) approval of data analysis recommendations and next steps.
- Commence phase 1 of data cleansing activities.

🚩 Schedule Warning: Project is at high risk for a schedule delay due to an extremely aggressive schedule and resource availability issues.

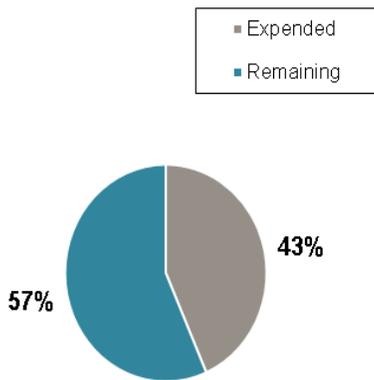
**2013/2014 Project Budget
\$2.1 Million**



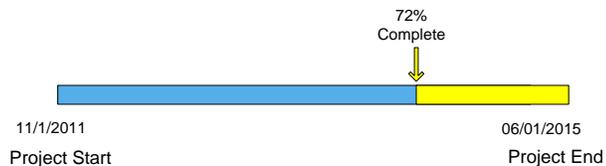
Major Fiscal Year 2013/2014 Milestones



**Total Project Budget
\$7.6 Million**



Project Schedule Status Timeline



BusinessRenew Enterprise Information Management

The BusinessRenew Enterprise Information Management (EIM) Project utilized the services of an experienced EIM vendor to capture enterprise data risks and opportunities, and develop a roadmap to achieve the EIM goals set. The program is now being launched within the General Counsel's Office.

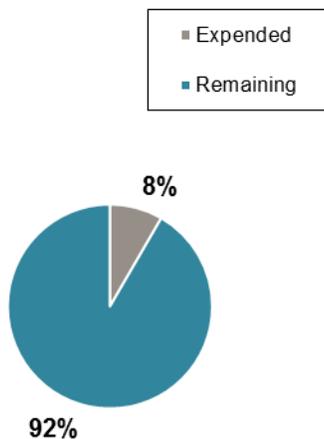
Fiscal Year 2013/2014:

- Completed staff training on Enterprise Information Management concepts and practices.
- Finalized current state and target state assessments.
- Finalized the GAP analysis.
- Finalized Enterprise Information Management roadmap and associated business case.
- Hired one of the two Enterprise Program Investment Council (EPIC) funded positions within the new Enterprise Information Management program.

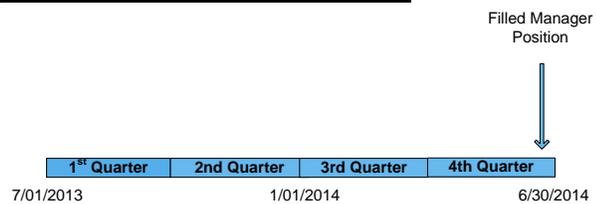
Planned Deliverables for Fiscal Year 2014/2015:

- Hire the three Enterprise Program Investment Council (EPIC) funded positions within the new Enterprise Information Management program.
- Implement Phase 1 of the Enterprise Information Management program to include five initiatives to be implemented relatively quickly and provide immediate value.
- Initiate Phase 2 of the Enterprise Information Management program to include seven longer term initiatives.

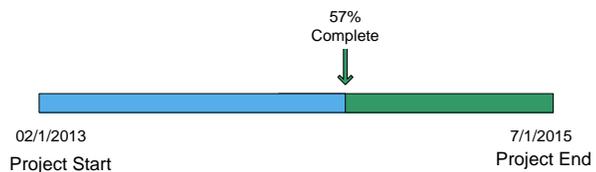
2013/2014 Project Budget
\$155 Thousand



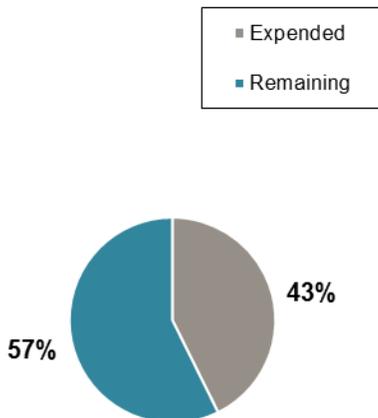
Major Fiscal Year 2013/2014 Milestones



Project Schedule Status Timeline



Total Project Budget
\$973 Thousand



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 2013/2014:

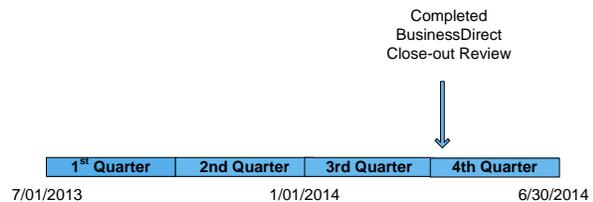
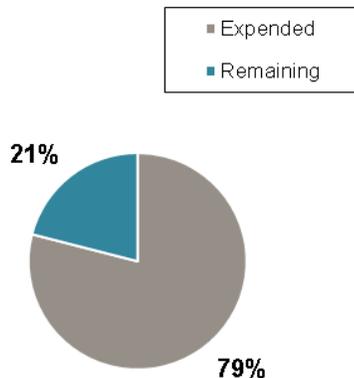
- Completed monthly comprehensive status reports for BusinessDirect, Pension Solution, and Data Preparation.
- Reviewed and provided feedback on BusinessDirect, Pension Solution, and Data Preparation project deliverables.
- Developed board presentations for board meetings on BusinessRenew project status.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

Planned Deliverables for Fiscal Year 2014/2015:

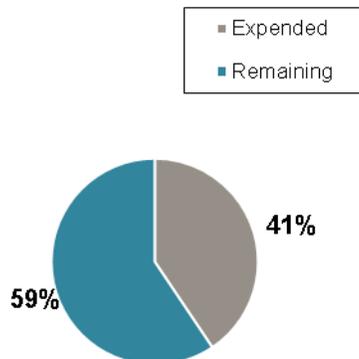
- Complete comprehensive monthly reports for BusinessDirect, Pension Solution, and Data Preparation projects.
- Provide oversight and guidance on Pension Solution procurement and project planning activities.
- Provide oversight on BusinessRenew program and governance activities.
- Provide advisory services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

Major Fiscal Year 2013/2014 Milestones

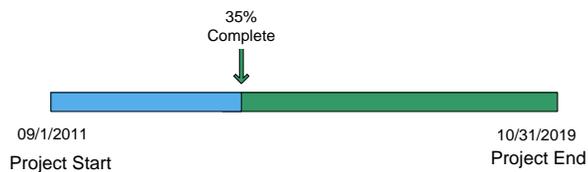
**2013/2014 Project Budget
\$1.1 Million**



**Total Project Budget
\$6.5 Million**



Project Schedule Status Timeline



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 2013/2014:

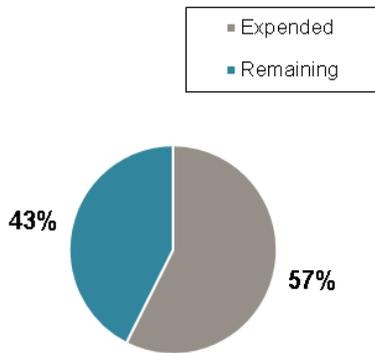
- Published the Pension Solution Request for Proposal.
- Conducted the procurement process up to the final evaluation process.
- Began Employer Readiness activities with the employers.
- Finalized the Strengthening Internal Controls Plan for the resolution of inconsistent business practices.

Planned Deliverables for Fiscal Year 2014/2015:

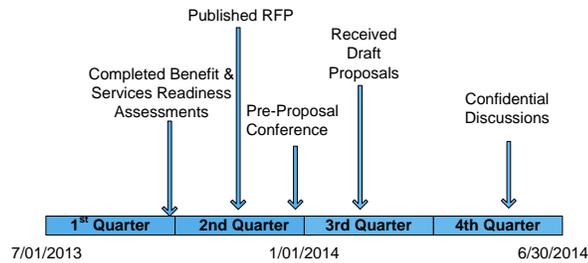
- Conduct the final evaluation process and select the successful proposal.
- Gain all approvals, finalize and execute the contract with the pension solution contractor.
- On-board the contractor and begin the project Start-Up phase, finalizing the various plans and schedules.

🚩 Schedule Warning: Project is at risk due to lack of adherence to the project governance process and procurement delays. Adherence to the project governance process is being enforced and monitored.

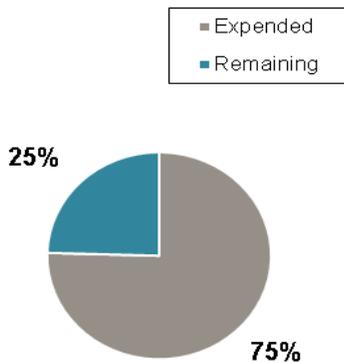
2013/2014 Project Budget
\$3.2 Million



Major Fiscal Year 2013/2014 Milestones



Total Project Budget
\$8.4 Million



Project Schedule Status Timeline



BusinessRenew Program

The BusinessRenew program provides centralized governance, and coordination of all BusinessRenew project activities to achieve the strategic benefits and objectives outlined in the CalSTRS Strategic and Business plans by facilitating the optimization of costs, resources and staffing, risk management, and the integration of BusinessRenew component project dependencies and deliverables. BusinessRenew program services include project management and support, including cultural change and communications management.

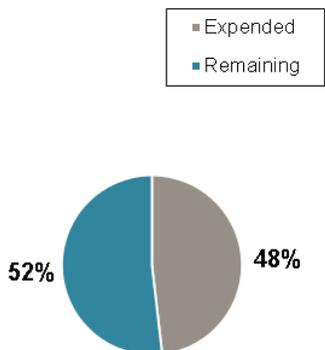
Fiscal Year 2013/2014:

- Provided board overviews and updates on BusinessRenew program; including long term budget projections.
- Hired additional program resources.
- Provided on-going organizational change management support for large BusinessRenew projects (BusinessDirect, Pension Solution, Data Preparation, and Requirements Management).
- Provided BusinessRenew Program risk and issue management.
- Participated in Assembly and Senate budget hearings on the Pension Solution Budget Request Proposal (BCP) for inclusion in the governor's budget.
- Assisted in the development of competitive procurement documents and processes for Pension Solution and Data Preparation projects.

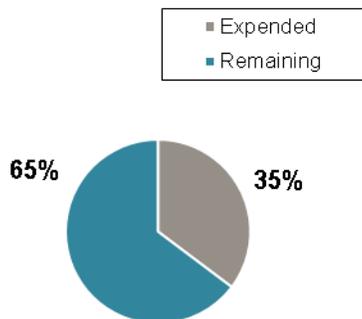
Planned Deliverables for Fiscal Year 2014/2015:

- Collaborate with CalSTRS Financial Services to develop requirements for program and project accounting.
- Complete BusinessRenew program plans.
- Establish program vendor and contract management for management and oversight of BusinessRenew contracts.
- Complete key program and project support procurements including IV&V oversight services and additional project management support.
- Provide organizational change management support for large BusinessRenew projects (Pension Solution, Data Preparation, 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.

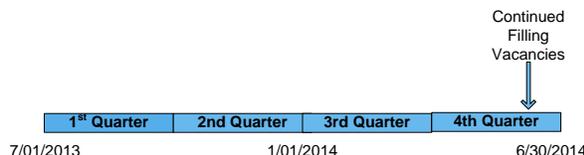
2013/2014 Project Budget
\$2.6 Million



Total Project Budget
\$ 7.1 Million



Major Fiscal Year 2013/2014 Milestones



Project Schedule Status Timeline



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.

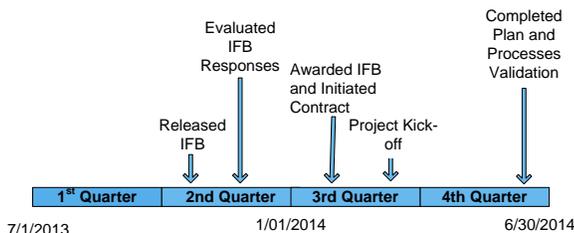
Fiscal Year 2013/2014:

- Procured the Requirements Management tool.
- Completed environment set up and tool installation.
- Finalized the Requirements Management Plan.
- Procured project resources to assist with the configuration and implementation of the requirements process and roles.

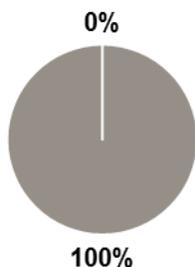
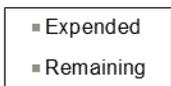
Planned Deliverables for Fiscal Year 2014/2015:

- Configure tool to support processes and roles.
- Retire existing requirements management tools.
- Convert existing Pension Solution requirements.
- Migrate legacy system requirements to the new tool.
- Complete user training on the tool and related processes and roles.

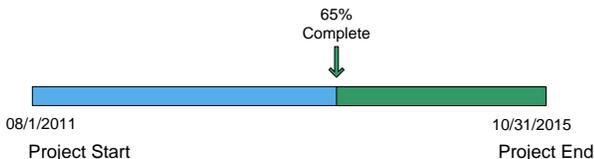
Major Fiscal Year 2013/2014 Milestones



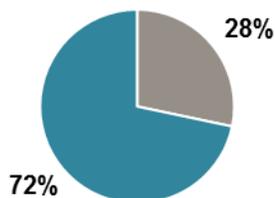
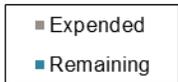
2013/2014 Project Budget \$190 Thousand



Project Schedule Status Timeline



Total Project Budget \$750 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 to provide both CalSTRS and the employers to report information according to the new standard.

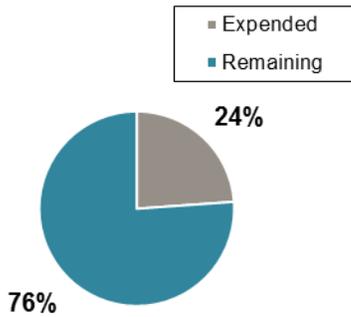
Fiscal Year 2013/2014:

- Received Enterprise Program Investment Council (EPIC) approval for a five month project schedule.
- In January 2014, received Enterprise Program Investment Council (EPIC) approval for a two-month schedule extension through April 2014.
- Received Enterprise Program Investment Council (EPIC) approval to increase the budget and scope to include the processing of converted data
- Completed development of reports (project deliverables).
- Completed BusinessDirect system and Contributions Account Portal changes.
- Completed conversion activities.

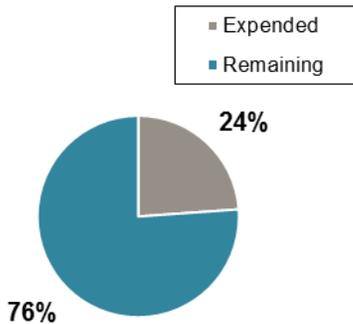
Planned Deliverables for Fiscal Year 2014/2015:

- Complete project close-out report.

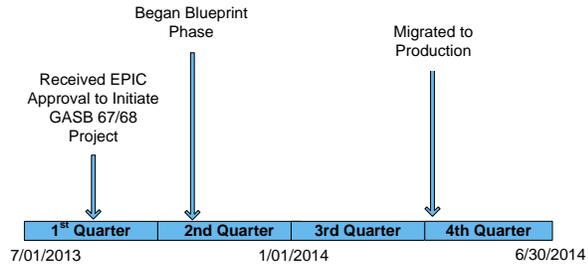
2013/2014 Project Budget
\$335 Thousand



Total Project Budget
\$860 Thousand



Major Fiscal Year 2013/2014 Milestones



Project Schedule Status Timeline



Pension Program Classification Study

The BusinessRenew Pension Program Classification Study will allow CalSTRS to align the Pension Program series responsibilities and functions with current and future needs in order to recruit and retain the right individuals for the right jobs. This project is currently approved for reviewing the Pension Program Series classifications to identify gaps and for conducting a job analysis of each classification.

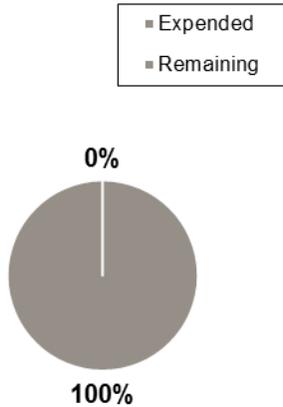
Fiscal Year 2013/2014:

- Received Enterprise Program Investment Council (EPIC) approval to initiate the project with the requested schedule and budget.
- Finalized vendor contract.
- Completed review of current and historical documentation regarding Pension Program Series classifications.
- Drafted preliminary sets of tasks and knowledge, skills, abilities and personal characteristics (KSAPCs) statements.
- Completed interviews with Subject Matter Experts to verify tasks and KSAPCs.
- Commenced group meetings to review tasks and KSAPCs and identify any gaps.

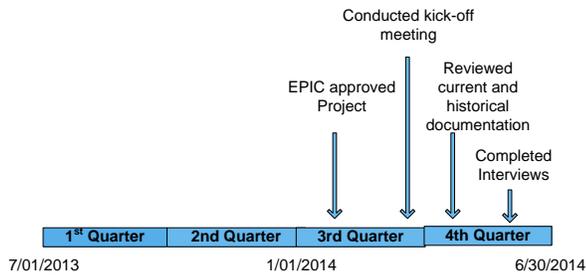
Planned Deliverables for Fiscal Year 2014/2015:

- Complete group meetings to review tasks and KSAPCs and identify any gaps.
- Prepare final sets of tasks and knowledge, skills, abilities and personal characteristics (KSAPCs) statements.
- Conduct job analysis survey for all eight Pension Program series classifications.
- Commence meetings with Subject Matter Experts to link critical tasks with KSAPCs.
- Approve final project deliverables.
- Complete close-out report.

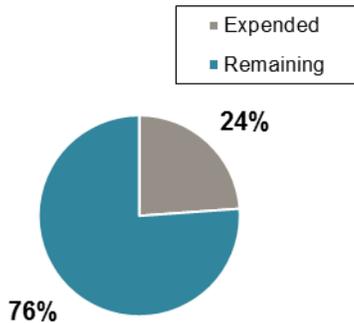
**2013/2014 Project Budget
\$125 Thousand**



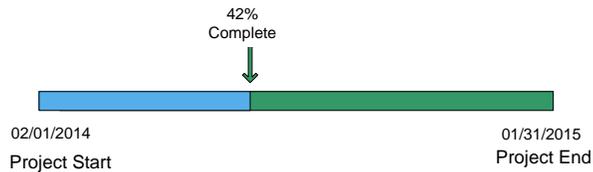
Major Fiscal Year 2013/2014 Milestones



**Total Project Budget
\$125 Thousand**



Project Schedule Status Timeline



Priority Management-Project Portfolio Management (PPM) Tool

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

Fiscal Year 2013/2014:

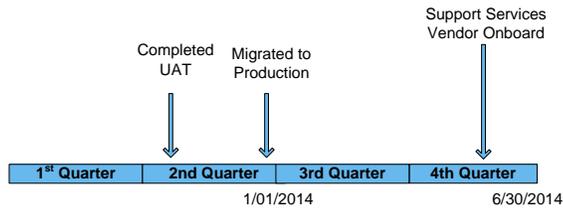
- Completed User Acceptance Testing (UAT) of configuration and custom work flows.
- Completed data load and configuration of production environment.
- Requested and received Enterprise Program Investment Council (EPIC) approval to extend the full tool implementation and rollout schedule through December 2014 and support services and licensing through June 2015

Planned Deliverables for Fiscal Year 2014/2015:

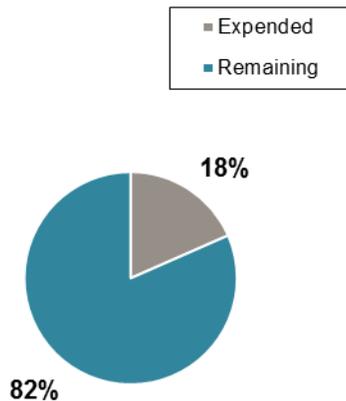
- Complete Clarity/MS Project Schedule integration and testing.
- Complete pilot activities.
- Complete process documentation and training collateral development.
- Complete Clarity project portfolio management tool training and rollout.

**2013/2014 Project Budget
No 2013/2014 Funding**

Major Fiscal Year 2013/2014 Milestones



**Total Project Budget
\$1.2 Million**



Project Schedule Status Timeline

