



## Enterprise Technology Projects

Fiscal Year 2013–14  
Fourth Quarter Report

Quarter Ending June 30, 2014

# Enterprise Technology Projects

## Fiscal Year 2013/2014–Fourth Quarter

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 appropriation 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

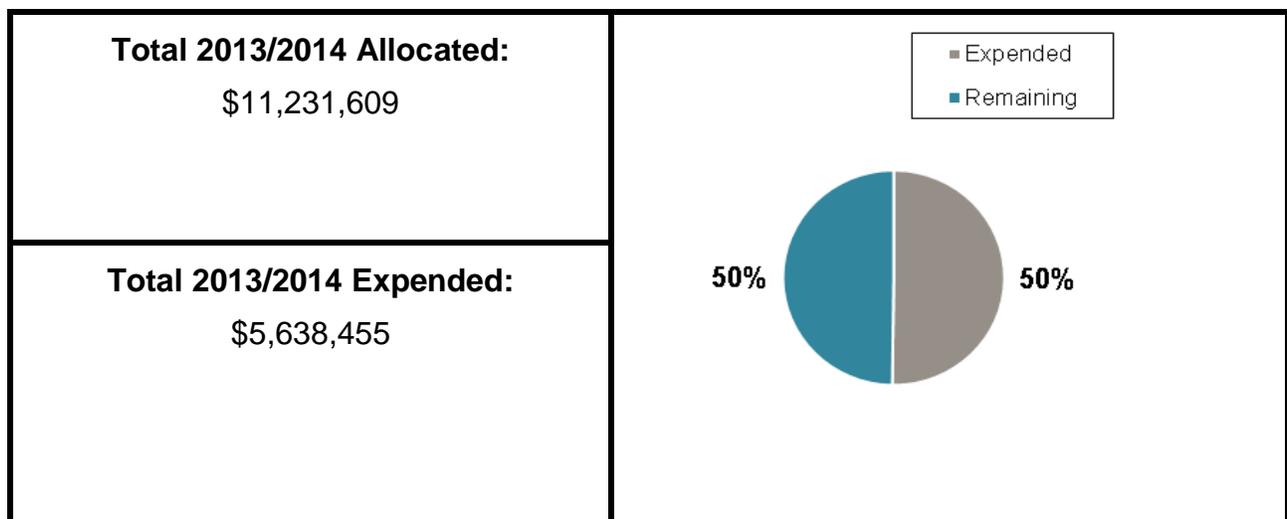
**Peggy Plett**  
Deputy Chief Executive Officer  
Benefits and Services

**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 – Fourth Quarter

Project Name	Duration	Project Total <sup>1</sup>	2013/2014 Budget	2013/2014 Expended	Schedule	Budget
<b>AB 340 Pension Reform</b>	Oct 12 – Jul 14	\$784,675	\$0	\$0		
<b>Annual Update</b>	Jul 13 – Jun 14	\$0	\$0	\$0		
<b>BusinessRenew</b>						
<b>BusinessDirect<sup>3</sup></b>	Jan 11 – Feb 14	\$20,621,863	\$0	\$0		
<b>Data Preparation</b>	Nov 11 – Jun 15	\$7,576,750	\$2,139,116	\$1,585,489		
<b>Enterprise Information Management</b>	Feb 13 – Jun 15	\$973,000	\$155,000	\$0		
<b>Independent Project Oversight</b>	Sep 11 – Oct 19	\$6,454,412	\$1,112,877	\$879,252		
<b>Pension Solution</b>	Dec 10 – Feb 15	\$8,351,014	\$3,217,986	\$1,848,701		
<b>Program</b>	Jan 11 – Jun 15	\$7,101,391	\$2,608,620	\$1,256,833		
<b>Requirements Management</b>	Aug 11 – Oct 15	\$753,100	\$189,250	\$0		
<b>GASB 67/68</b>	Oct 13 – Apr 14	\$860,000	\$335,000	\$0		
<b>Pension Program Classification Study</b>	Feb 14 – Jan 15	\$124,800	\$124,800	\$41,766		
<b>Priority Management Project Portfolio Management Tool</b>	Aug 11 – Dec 14	\$1,230,705	\$0	\$0		
<b>Project Risk Reserve</b>	Ongoing	\$1,000,000	\$1,000,000	\$0	N/A	
<b>Total Enterprise Technology Projects' 2013/2014 Budget<sup>6</sup>: \$18.5 million</b>	<b>Total 2013/2014 Allocated: \$11,231,609</b>		<b>Total 2013/2014 Expended: \$5,638,455</b>			
<b>Schedule &amp; Budget Indicators:</b>	 <b>Acceptable</b>	 <b>Warning</b>	 <b>Critical</b>	 <b>Complete</b>	 <b>Not Started</b>	

<sup>1</sup> 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.

<sup>2</sup> AB 340 Pension Reform – schedule delay due to resource constraints

<sup>3</sup> 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.

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

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

<sup>6</sup> 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 (Furitani), enacted as Chapter 296, Statutes of 2012, an extensive revision to California public pension plans.

**Period Ending June 30, 2014:**

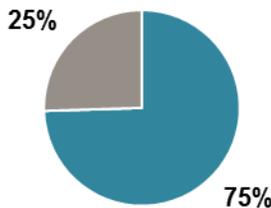
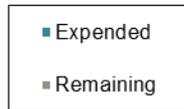
- Continued updates to member communication publications and directives to reflect AB 340 changes.
- Continued development of procedures for Felony Conviction manual processes.
- Implemented all but one of the items remaining in Phase 3 .
- Implemented miscellaneous web site changes including *myCalSTRS.com* and Schedule Direct Preparation Sheet changes (Phase 4).

**Planned Deliverables by September 30, 2014:**

- Acquire Enterprise Program Investment Council (EPIC) approval to extend the project schedule through September 2014 and secure additional information technology resources.
- Complete updates to member communication publications and directives to reflect AB 340 changes.
- Complete development of procedures for Felony Conviction manual processes.
- Implement the remaining Phase 3 requirement - Defined Benefit Supplement 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 project close-out report.

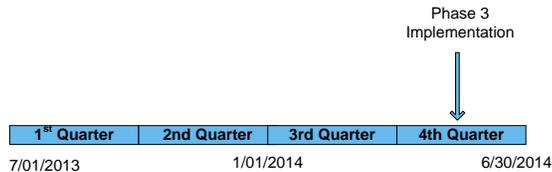
**2013/2014 Project Budget**  
**No 2013/2014 Funding**

**Total Project Budget**  
**\$785 Thousand**



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

**Major Fiscal Year 2013/2014 Milestones**



**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).

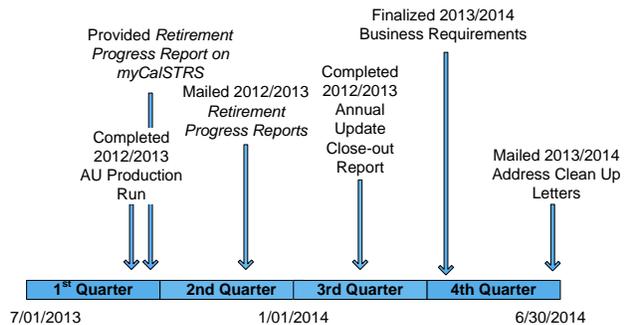
**Period Ending June 30, 2014:**

- Finalized Requirements and Design Specifications for the 2013/2014 *Retirement Progress Reports*.
- Finalized the procurement process to amend the vendor contract and revise the *Retirement Progress Report* print and mailing pricing for 2013/2014.
- Finalized business requirements for 2013/2014.
- Completed the development of 2013/2014 Annual Update enhancements.
- Completed code and unit test in preparation for System Integration Testing (SIT).
- Submitted initial test data to print vendor.
- Mailed 24,906 Address Clean Up letters for 2013/2014.
- Commenced Request for Proposal (RFP) documentation in preparation for new 2015/2016 print vendor contract.

**Planned Deliverables by September 30, 2014:**

- Complete 2013/2014 Annual Update production run.
- Post *Retirement Progress Reports* on myCalSTRS.
- Conduct press check with print vendor.
- Send out the *Retirement Progress Report* Customer Satisfaction Survey.

**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.

**Period Ending June 30, 2014:**

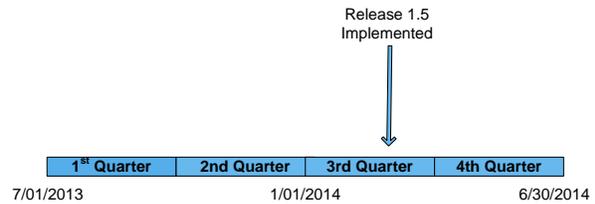
- Project completed.

**Planned Deliverables by September 30, 2014:**

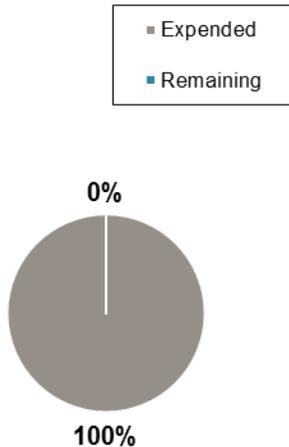
- None - project complete.

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. The remaining budget is allocated for Release 2 that has not yet been approved to begin.

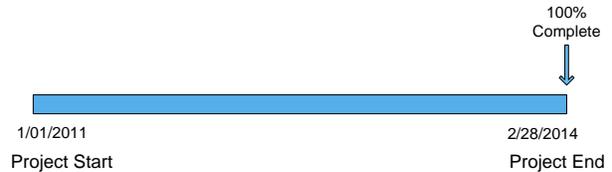
**Major Fiscal Year 2013/2014 Milestones**



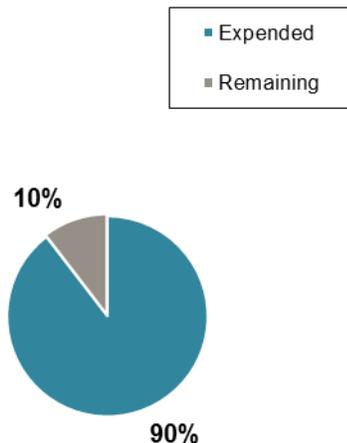
**2013/2014 Project Budget**  
\$216 Thousand



**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.

**Period Ending June 30, 2014:**

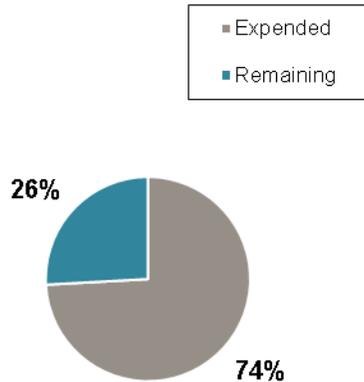
- Continued data profiling activities.
- Developed deliverable expectation documents for Data Analysis Report and Completed Alternative Data Issue Resolution Report.
- Conducted vendor contract negotiations to determine path forward to complete project by the contract due date of August 28, 2014.

**Planned Deliverables by September 30, 2014:**

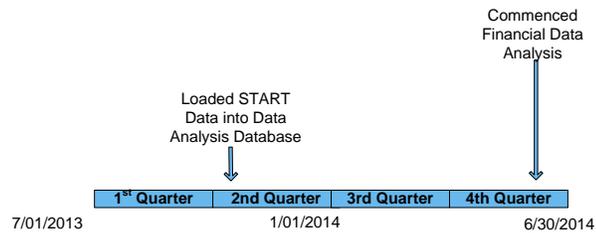
- Complete Retirement and Financial Data Analysis.
- Complete Data Analysis Report.
- Complete Alternative Data Issue resolution Report.
- Present findings and recommendations to the Enterprise Program Investment Council (EPIC) for approval.
- Commence development of data fix phase plan.

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

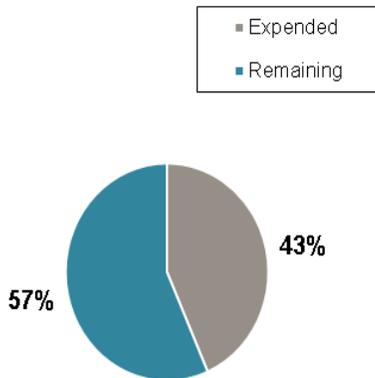
**2013/2014 Project Budget**  
**\$2.1 Million**



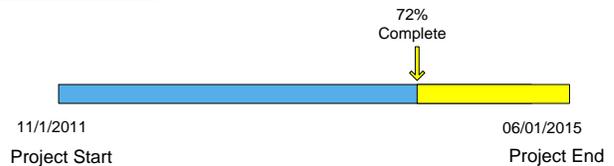
**Major Fiscal Year 2013/2014 Milestones**



**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.

**Period Ending June 30, 2014:**

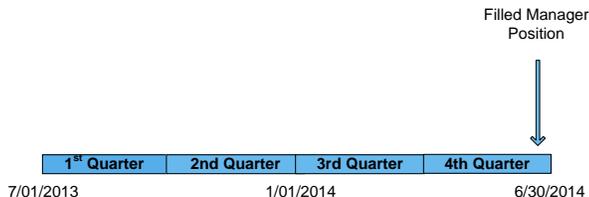
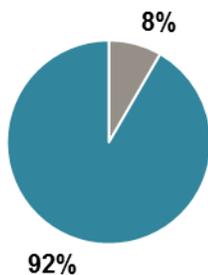
- Hired one of the two Enterprise Program Investment Council (EPIC) funded positions within the new Enterprise Information Management program.

**Planned Deliverables by September 30, 2014:**

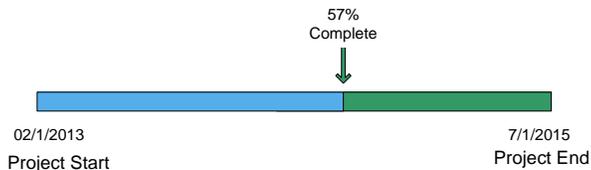
- Hire the three additional Enterprise Program Investment Council (EPIC) funded positions within the new Enterprise Information Management program.
- Begin to implement the first two phases of the Enterprise Information Management program as identified in the roadmap to include both short-term and long-term initiatives.

**Major Fiscal Year 2013/2014 Milestones**

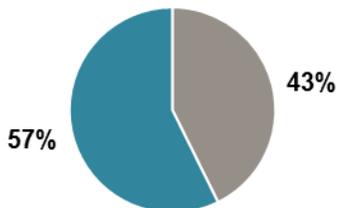
**2013/2014 Project Budget  
\$155 Thousand**



**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.

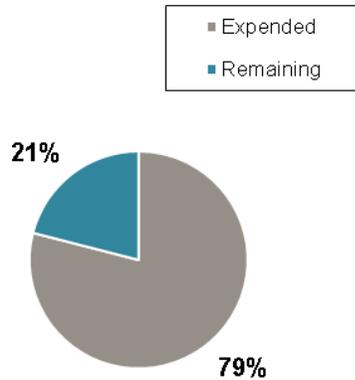
**Period Ending June 30, 2014:**

- Completed monthly comprehensive status reports for Pension Solution, and Data Preparation.
- Reviewed and provided feedback on Pension Solution, and Data Preparation 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 oversight and guidance on Pension Solution procurement project planning and procurement activities.
- Provided program level reporting to board.

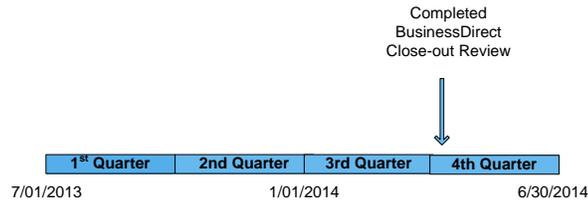
**Planned Deliverables by September 30, 2014:**

- Complete comprehensive project closeout assessment report for BusinessDirect.
- Review and provide feedback on Pension Solution (including Requirements Management and Priority Management – Project Portfolio Management Tool), and Data Preparation project deliverables.
- Provide oversight and guidance on Pension Solution project planning and procurement activities.
- Develop board presentations on BusinessRenew project status

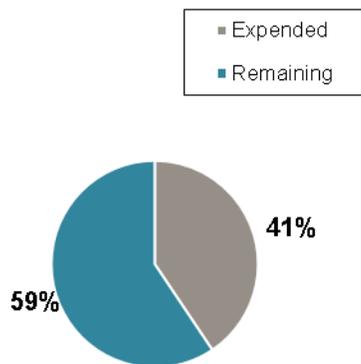
**2013/2014 Project Budget  
\$1.1 Million**



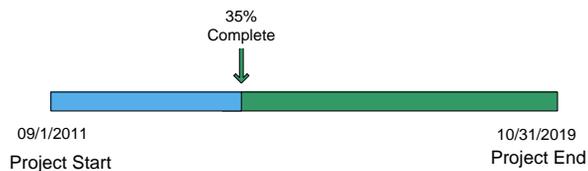
**Major Fiscal Year 2013/2014 Milestones**



**Total Project Budget  
\$6.5 Million**



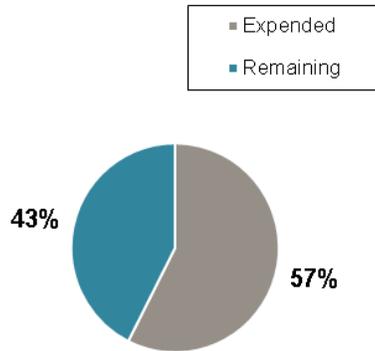
**Project Schedule Status Timeline**



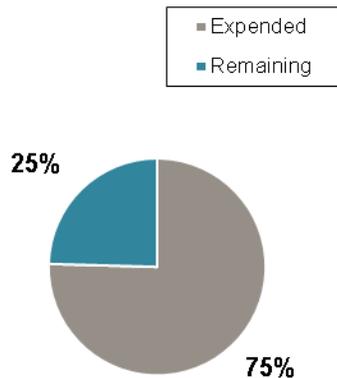
**BusinessRenew Pension Solution**

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.

**2013/2014 Project Budget**  
**\$3.2 Million**



**Total Project Budget**  
**\$8.4 Million**



**Period Ending June 30, 2014:**

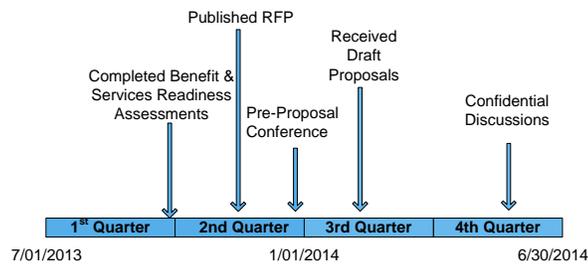
- Conducted the Confidential Discussions with each vendor.
- Incorporated Technology Pricing Analyst recommendations in the Solution Request for Proposal (RFP) via an addendum.
- Adjusted the procurement timeline to accommodate the addendum following the Confidential Discussions.
- Vetted the Employer Reporting requirements with the County Offices of Education.
- Finalized the Strengthening Internal Controls Plan to resolve the inconsistent business practices.

**Planned Deliverables by September 30, 2014**

- Receive the Final Proposals and begin the final proposal evaluation.
- Finalize the Pension Solution Governance Plan.

**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.

**Major Fiscal Year 2013/2014 Milestones**



**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.

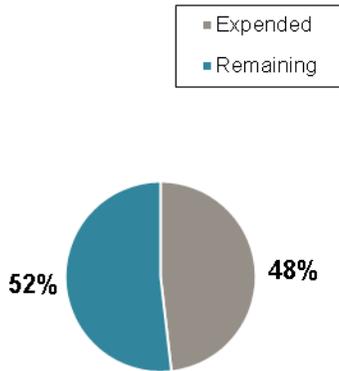
**Period Ending June 30, 2014:**

- Provided on-going communications and cultural change management support for large BusinessRenew projects (Pension Solution, Data Preparation, and Requirements Management).
- Provided BusinessRenew Program risk issue and schedule management.

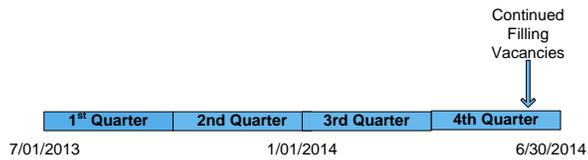
**Planned Deliverables by September 30, 2014:**

- Finalize program governance model and program plan.
- Provide on-going communications and cultural change management support for large BusinessRenew projects (Pension Solution, Data Preparation and Requirements Management).
- Provide ongoing BusinessRenew Program risk, issue, and schedule management.
- Begin recruitment and hiring process for 2014-15 BusinessRenew program resources.

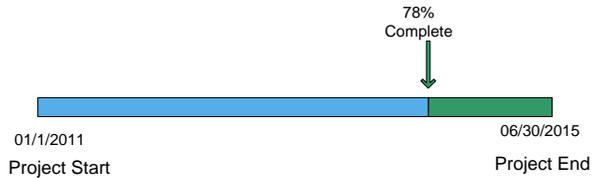
**2013/2014 Project Budget  
\$2.6 Million**



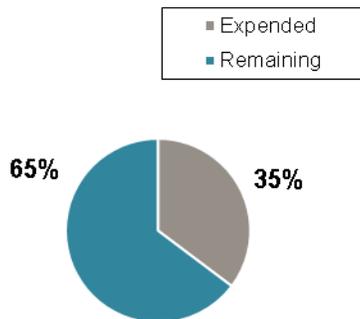
**Major Fiscal Year 2013/2014 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget  
\$7.1 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.

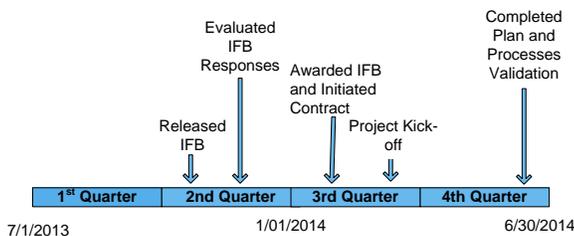
**Period Ending June 30, 2014:**

- Completed server environment set up and requirements management tool installation.
- Selected contractor resources to assist with the tool implementation.
- Validated CalSTRS Requirements Management plan and process, Requirements Migration overview and Training plan.
- Completed legacy systems data migration analysis.

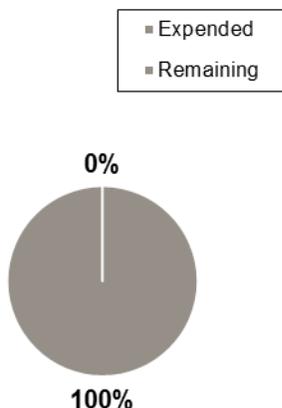
**Planned Deliverables by September 30, 2014:**

- Complete requirements management tool configuration for Pension Solution processes and roles.
- Initiate Pension Solution requirements conversion.

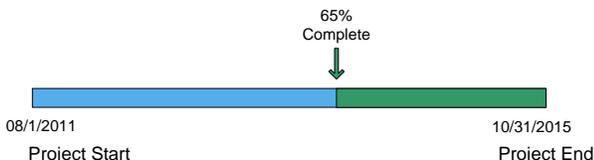
**Major Fiscal Year 2013/2014 Milestones**



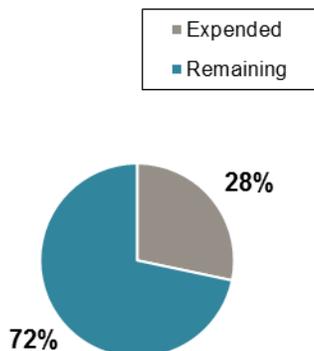
**2013/2014 Project Budget \$190 Thousand**



**Project Schedule Status Timeline**



**Total Project Budget \$750 Thousand**



**GASB 67/68**

This project scope includes only the 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.

**Period Ending June 30, 2014:**

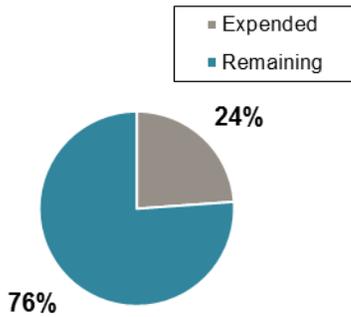
- Completed BusinessDirect system and Contributions Account Portal changes.
- Completed conversion activities.

**Planned Deliverables by September 30, 2014:**

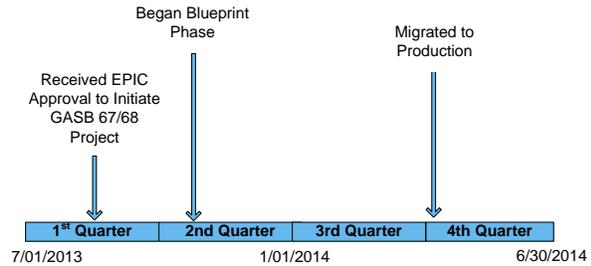
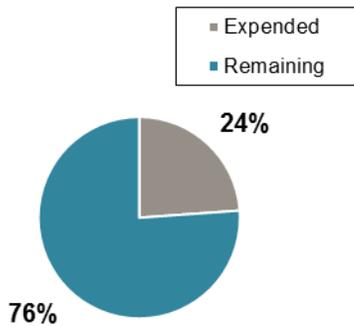
- Complete project close-out report.

**Major Fiscal Year 2013/2014 Milestones**

**2013/2014 Project Budget**  
**\$335 Thousand**



**Total Project Budget**  
**\$860 Thousand**



**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.

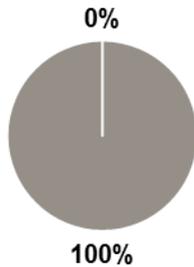
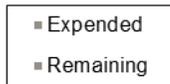
**Period Ending June 30, 2014:**

- Finalized Project Management initiation documents.
- 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.

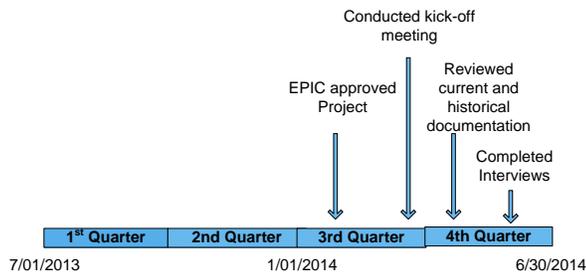
**Planned Deliverables by September 30, 2014:**

- 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.

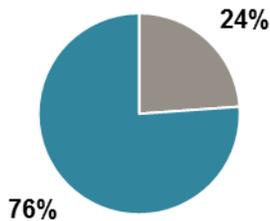
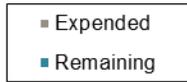
**2013/2014 Project Budget \$125 Thousand**



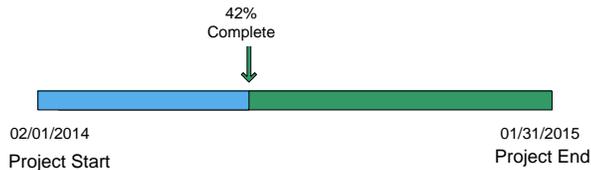
**Major Fiscal Year 2013/2014 Milestones**



**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.

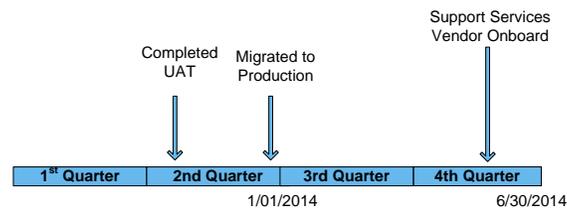
**Period Ending June 30, 2014:**

- Received Enterprise Program Investment Council (EPIC) approval to extend the project schedule through December 2014 to accommodate the delayed procurement activities.
- Completed vendor evaluation & selection for Clarity licenses and support services.
- Completed vendor contract and on-boarding.
- Completed Clarity support model.
- Completed planning for Clarity pilot activities.

**Planned Deliverables by September 30, 2014:**

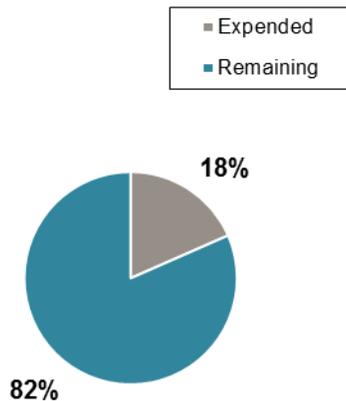
- Complete pilot of MS Project/Clarity Project Schedule integration.
- Conduct pilot training for participants of one Enterprise Program Investment Council (EPIC) project.
- Complete process/training material development for full roll-out.

**Major Fiscal Year 2013/2014 Milestones**



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

**Total Project Budget  
\$1.2 Million**



**Project Schedule Status Timeline**

