

# CALSTRS

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## **Enterprise Technology Projects**

Fiscal Year 2013–14

Third Quarter Report

Quarter Ending March 31, 2014

# Enterprise Technology Projects

## Fiscal Year 2013/2014 – Third 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, is available for two additional years for new or existing projects as a result of the new appropriation that began in fiscal year 2012/2013. As of the end of the third quarter, of the \$4.4 million, \$27,930 has been expended and \$467,710 has been encumbered. The portion of the \$4.4 million allocated to projects is included in the project totals.

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

**Cassandra Lichnock**  
Chief Operating Officer

**Ed Derman**  
Deputy Chief Executive Officer  
Plan Design and Communication

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

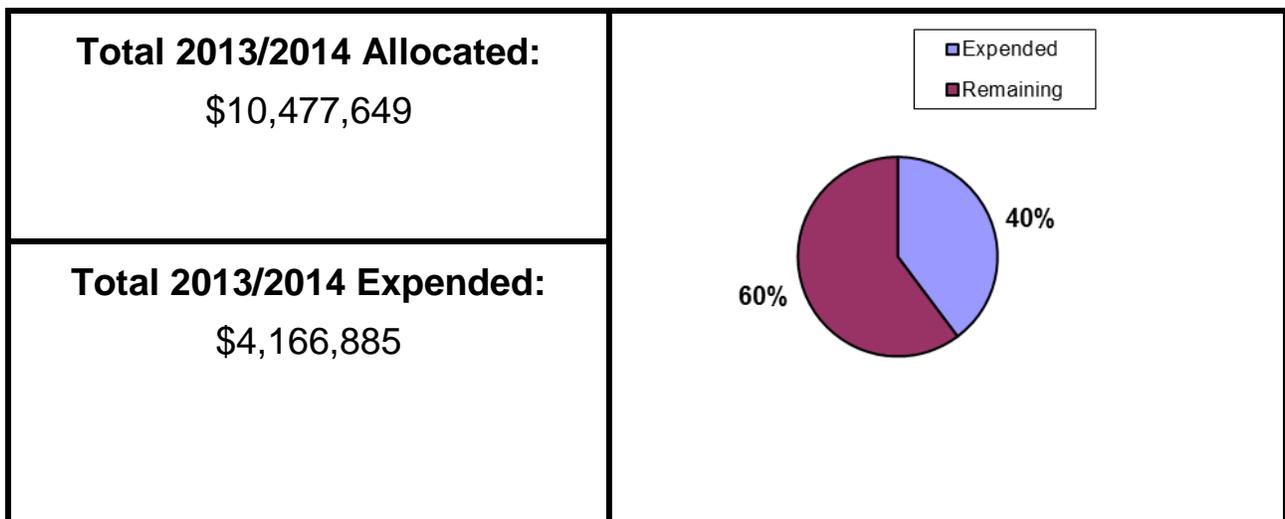
**Robin Madsen**  
Chief Financial Officer

**Chris Caietti**  
BusinessRenew Executive Officer

**Ashish Jain**  
Chief Technology Officer

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

As of March 31, 2014



# Enterprise Technology Projects

## Fiscal Year 2013/2014 – Third Quarter

Project Name	Duration	Project Total <sup>1</sup>	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 <sup>2</sup>	Jan 11 – Feb 14	\$20,405,503 <sup>2</sup>	\$0	\$0	☺	☺
Data Preparation	Nov 11 – Jun 15	\$7,577,014	\$2,139,116	\$1,215,629	●	●
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	\$625,483	●	●
Pension Solution	Dec 10 – Feb 15	\$8,351,014	\$3,217,986	\$1,448,169	●	●
Program	Jan 11 – Jun 14	\$4,098,911	\$2,203,620	\$822,404	●	●
Requirements Management	Aug 11 – Oct 15	\$620,500	\$189,250	\$0	●	●
GASB 67/68	Oct 13 – Apr 14	\$695,000	\$335,000	\$55,200	●	●
Pension Program Classification Study	Feb 14 - Jan 15	\$124,800	\$124,800	\$0	●	●
Priority Management Project Portfolio Management Tool	Aug 11 – Jul 14	\$1,230,705	\$0	\$0	☐ <sup>3</sup>	●
Project Risk Reserve	Ongoing	\$1,000,000	\$1,000,000	\$0	N/A	●
<b>Total Enterprise Technology Projects<sup>4</sup> 2013/2014 Budget<sup>4</sup>: \$18.5 million</b>		<b>Total 2013/2014 Allocated: \$10,477,649</b>		<b>Total 2013/2014 Expended: \$4,166,885</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> 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>3</sup> Priority Management Project Portfolio Management Tool – schedule slippage due to delays in procurement activities

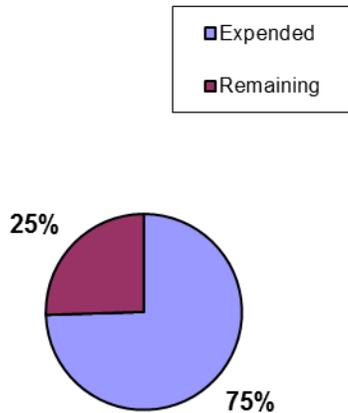
<sup>4</sup> Enterprise Technology Projects Budget – Beginning with fiscal year 2012/13, a new appropriation in the amount of \$18.5 million was created for the EPIC enterprise technology projects for each fiscal year. Funds in the amount of \$4.4 million, not expended during fiscal year 2012/13, are 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.

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

**Total Project Budget  
\$785 Thousand**



**Period Ending March 31, 2014:**

- Continued updates to member communication publications and directives to reflect AB 340 changes.
- Continued development of procedures for Felony Conviction manual processes.
- Implemented CalSTRS corporate database changes for Service Credit Purchase release (Phase 3).
- Completed development and System Integration Testing (SIT) for BusinessDirect Extracts release (Phase 3).
- Completed configuration for BusinessDirect system changes.
- Completed Integration testing for BusinessDirect system changes.
- Completed development for Compensation Cap release (Phase 3).
- Commenced System Integration Testing (SIT) for Compensation Cap release.
- Commenced requirements for development of Phase 4 releases- Effective-Dated Contribution Rates and Misc. (AB 340) systems changes.
- Completed requirements for development of Phase 5 releases- online Benefit Estimate Calculator and online Permissive Service Credit Purchase Calculator.
- Commenced development of online Benefit Estimate Calculator.
- Commenced development of Actuarial Extracts release (Phase 3).

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

- Continue updates to member communication publications and directives to reflect AB 340 changes.
- Secure additional information technology resources to support the project.
- Finalize processes & procedures for Felony Convictions.
- Implement remaining Phase 3 releases-Compensation Cap, Purchase, Business Direct extracts, BusinessDirect (system) changes and Actuarial Extracts.
- Complete development and commence testing for Phase 4 releases.
- Implement multiple minor and independent releases for Phase 4.
- Complete development and System Integration Testing (SIT) for Phase 5 releases.

**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).

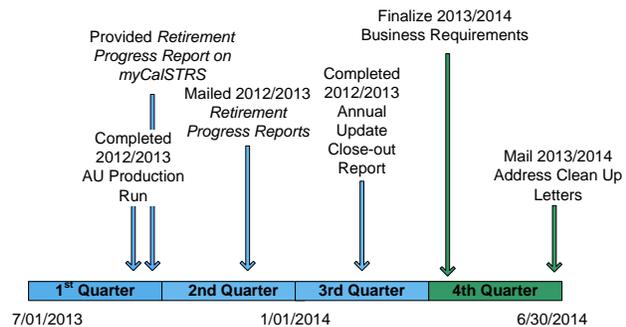
**Period Ending March 31, 2014:**

- Completed 2012/2013 Annual Update close-out report.
- Continued with the procurement process to amend the vendor contract and revise the Retirement Progress Reports print and mailing pricing for 2013/2014.
- Obtained approval of 2013/2014 Annual Update Project Charter and Risk Log.
- Commenced Requirements and Design Specifications for the 2013/2014 Retirement Progress Reports.

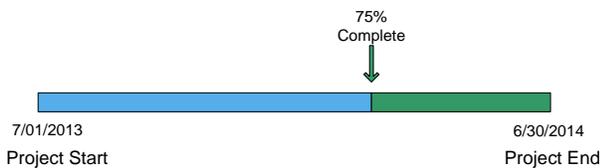
**Planned Deliverables by June 30, 2014:**

- Finalize Requirements and Design Specifications for the 2013/2014 Retirement Progress Reports.
- Finalize the procurement process to amend the vendor contract and revise the Retirement Progress Report print and mailing pricing for 2013/2014.
- Finalize 2013/2014 business requirements.
- Complete the development of 2013/2014 Annual Update enhancements.
- Complete code and unit test in preparation for System Integration Testing (SIT).
- Submit initial test data to print vendor.
- Mail 2013/2014 address clean up letters.

**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 March 31, 2014:**

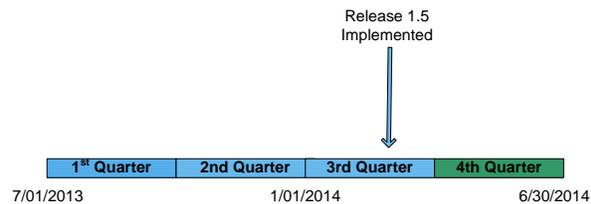
- Completed the remaining Release 1.5 object, the Fund Condition Statement, and closed out all associated deliverables.
- Completed the project close-out for both Releases 1 and 1.5.
- Completed all SRM reports scope and related close-out activities.

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

- 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 Phase 2 that has not yet been approved to initiate.

**Major Fiscal Year 2013/2014 Milestones**

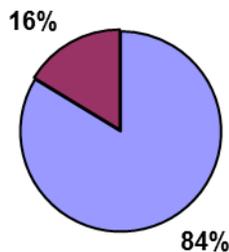
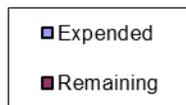


**2013/2014 Project Budget  
No 2013/2014 Funding**

**Project Schedule Status Timeline**



**Total Project Budget  
\$20 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.

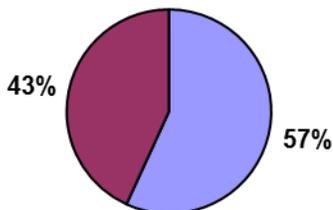
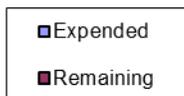
**Period Ending March 31, 2014:**

- Continued the Complete Account Review and Evaluation (CARE) team's working of high priority cases and identifying opportunities to refine/improve processes and procedures.
- Completed Member Account Data Analysis.
- Completed Service Credit and Purchase Data Analysis.
- Commenced Retirement Data Analysis.
- Continued data profiling activities.
- Received Enterprise Program Investment Council (EPIC) approval to extend the Discovery phase through September 2014 for the purposes of presenting the Alternative Data Issue Resolution Report.
- Received Enterprise Program Investment Council (EPIC) approval to extend the schedule to include a nine month Data Preparation Phase I effort with associated budget.

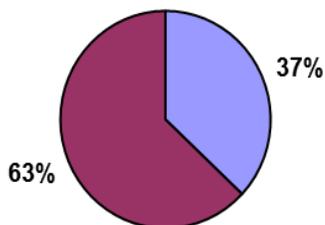
**Planned Deliverables by June 30, 2014:**

- Continue Retirement Data Analysis.
- Commence Financial Data Analysis.
- Commence development of Alternative Data Issue Resolution Report.

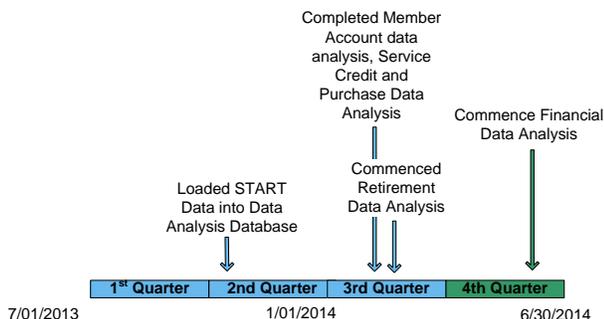
**2013/2014 Project Budget  
\$2.1 Million**



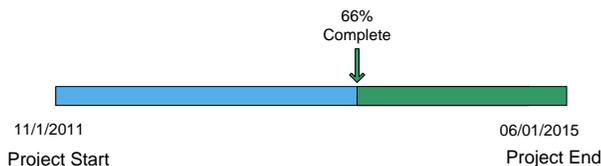
**Total Project Budget  
\$7.6 Million**



**Major Fiscal Year 2013/2014 Milestones**



**Project Schedule Status Timeline**



Project Name	Purpose	Accomplishments
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**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.

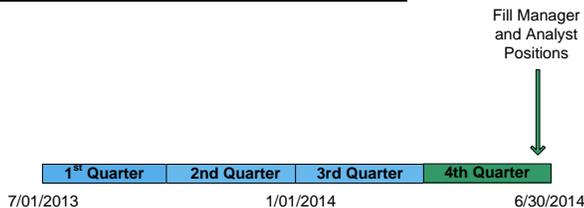
**Period Ending March 31, 2014:**

- Initiated recruitment efforts for Enterprise Information Management program positions.

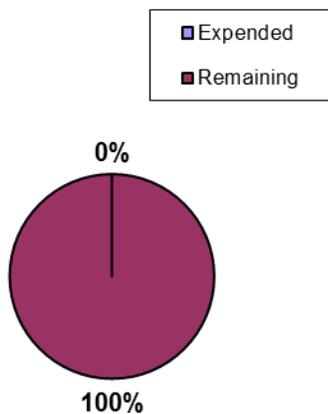
**Planned Deliverables by June 30, 2014:**

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

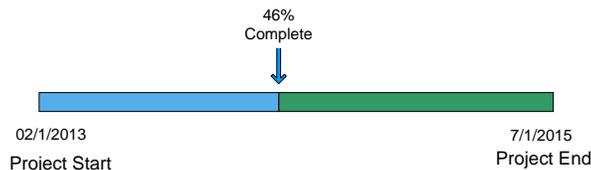
**Major Fiscal Year 2013/2014 Milestones**



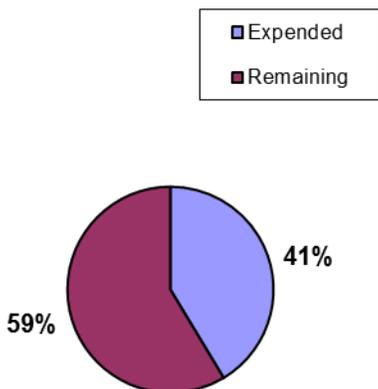
**2013/2014 Project Budget \$155 Thousand**



**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.

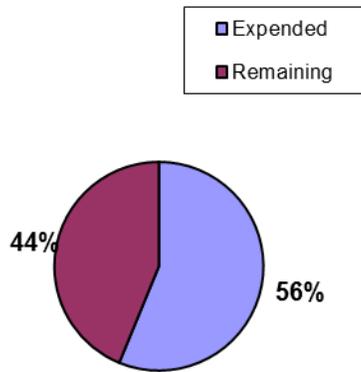
**Period Ending March 31, 2014:**

- 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 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 activities.
- Provided program level reporting to board.

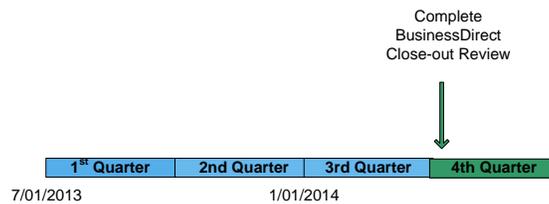
**Planned Deliverables by June 30, 2014:**

- 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 procurement project planning activities.
- Develop board presentations on BusinessRenew project status.

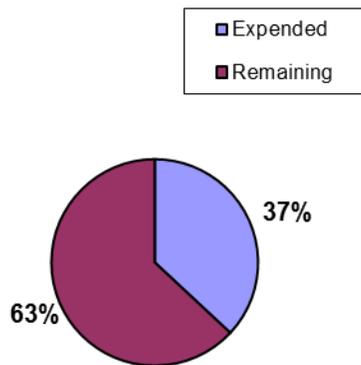
**2013/2014 Project Budget \$1.1 Million**



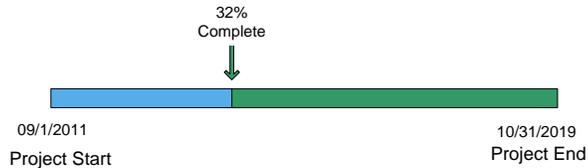
**Major Fiscal Year 2013/2014 Milestones**



**Total Project Budget \$6.5 Million**



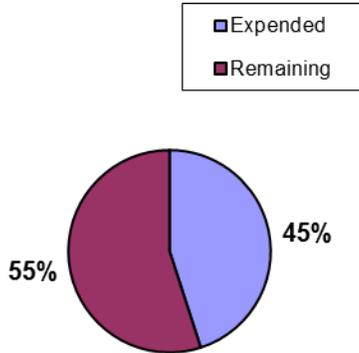
**Project Schedule Status Timeline**



**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**



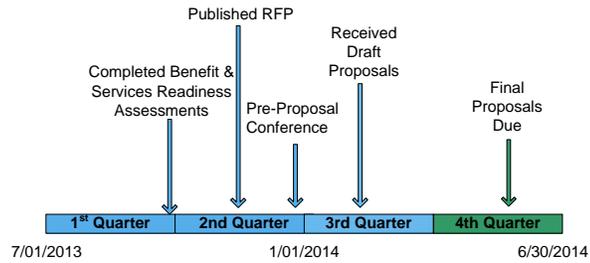
**Period Ending March 31, 2014:**

- Conducted Vendor Education Sessions.
- Trained all participants in the draft proposal evaluation.
- Received draft proposals in response to the Pension Solution Request for Proposal (RFP).
- Completed the draft proposal evaluation.
- Conducted the southern California Employer Forum.

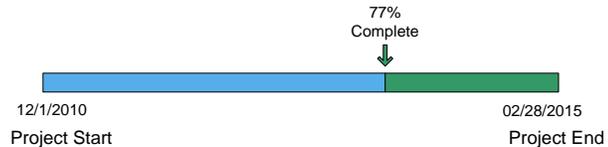
**Planned Deliverables by June 30, 2014:**

- Conduct the Confidential Discussions with each vendor.
- Incorporate Technology Pricing Analyst recommendations in the Solution Request for Proposal (RFP) via an addendum.
- Adjust the procurement timeline to accommodate the addendum following the Confidential Discussions.
- Receive the Final Proposals and begin the final proposal evaluation.

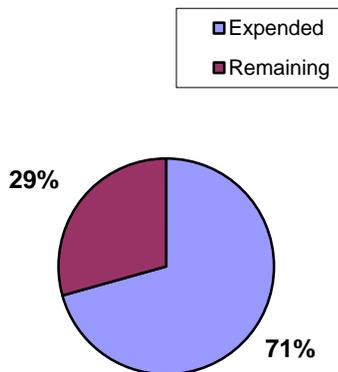
**Major Fiscal Year 2013/2014 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget  
\$8.6 Million**



**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.

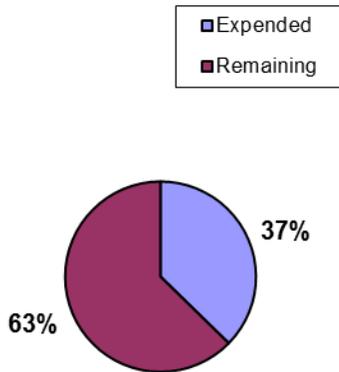
**Period Ending March 31, 2014:**

- Participated in Assembly and Senate budget hearings on the Pension Solution Budget Request Proposal (BCP) for inclusion in the governor's budget.
- Provided on-going communications and cultural change management support for large BusinessRenew projects (BusinessDirect, Pension Solution, Data Preparation, and Requirements Management).
- Provided BusinessRenew Program risk issue and schedule management.

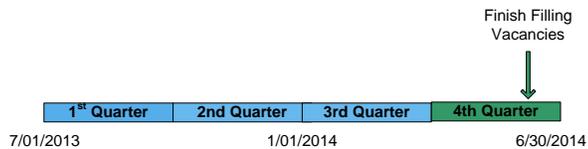
**Planned Deliverables by June 30, 2014:**

- 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.

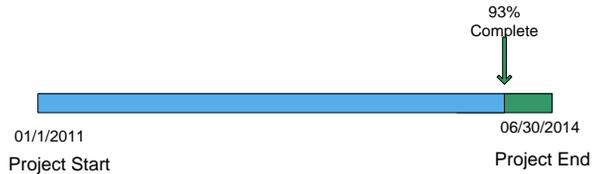
**2013/2014 Project Budget  
\$2.2 Million**



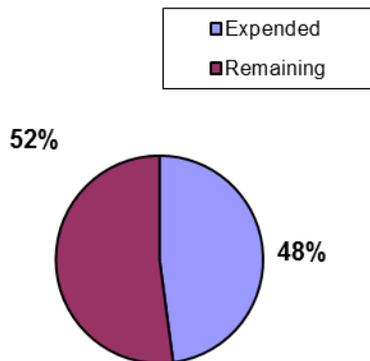
**Major Fiscal Year 2013/2014 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget  
\$4.1 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.

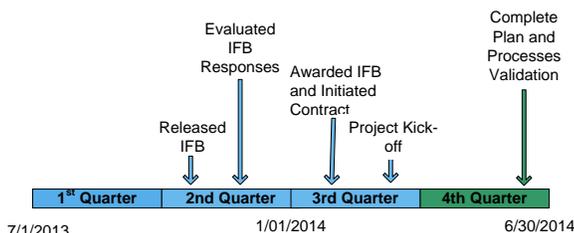
**Period Ending March 31, 2014:**

- Fully executed contract with tool vendor.
- Completed server environment hardware set up and tool installation.
- Initiated vendor review of the Requirements Management plan and process, Requirements Migration overview and Training plan.
- Requested and received Enterprise Program Investment Council (EPIC) approval to extend the project schedule.
- Released a Request for Offer for resources to assist with the tool implementation.

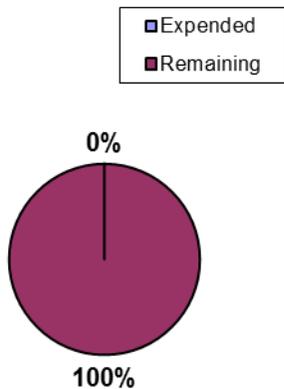
**Planned Deliverables by June 30, 2014:**

- Validate CalSTRS Requirements Management plan and process, Requirements Migration overview and Training plan.
- Select contractor resources to assist with the tool implementation.
- Complete legacy systems data migration analysis.

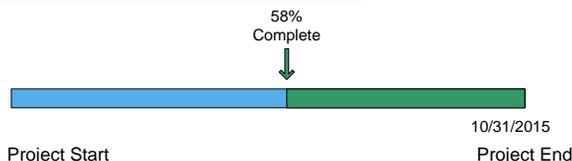
**Major Fiscal Year 2013/2014 Milestones**



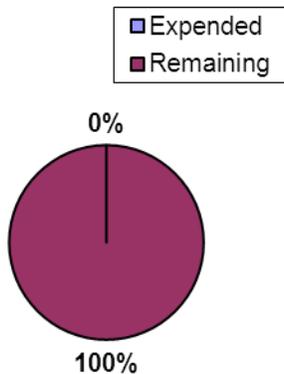
**2013/2014 Project Budget \$190 Thousand**



**Project Schedule Status Timeline**



**Total Project Budget \$620 Thousand**



**GASB 67/68**

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

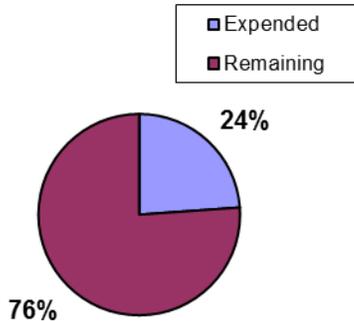
**Period Ending March 31, 2014:**

- Acquired solution design (Blueprint) sign-off of BusinessDirect changes.
- Received Project Review Council (PRC) and Enterprise Program Investment Council (EPIC) approvals for a two-month schedule extension.
- Received Enterprise Program Investment Council (EPIC) approval for a scope and budget change.
- Received solution design (Blueprint) and functional specification approvals.
- Completed development of reports (project deliverables).

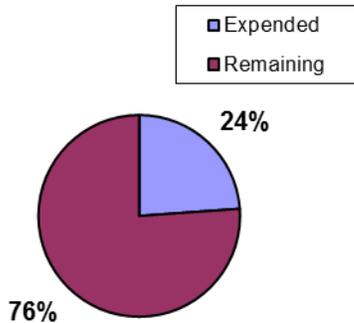
**Planned Deliverables by June 30, 2014:**

- Complete testing and implement the BusinessDirect system changes.
- Complete conversion activities.
- Complete close-out report.

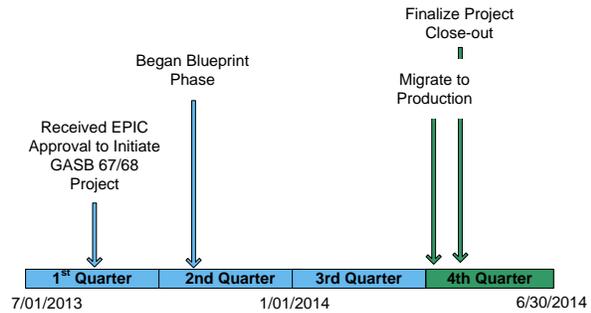
**2013/2014 Project Budget  
\$335 Thousand**



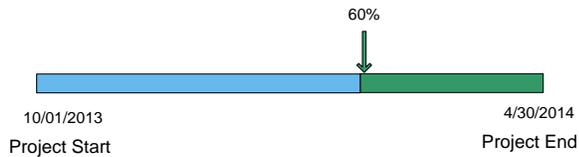
**Total Project Budget  
\$860 Thousand**



**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 and conducting a job analysis of each of the Pension Program Series classifications to identify gaps.

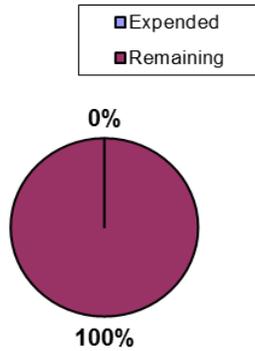
**Period Ending March 31, 2014:**

- Received EPIC approval for schedule and project funds.
- Finalized vendor contract.
- Held project kick-off meeting with vendor.

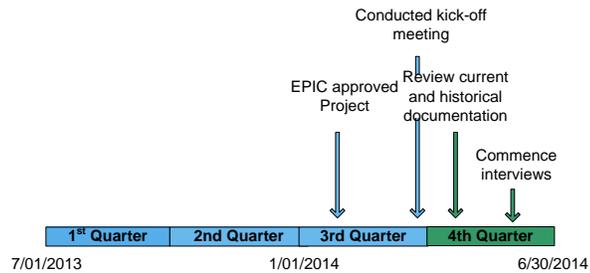
**Planned Deliverables by June 30, 2014:**

- Finalize Project Management initiation documents.
- Complete review of current and historical documentation regarding Pension Program Series classifications.
- Draft preliminary sets of tasks and knowledge, skills, abilities and personal characteristics (KSAPCs) statements.
- Complete interviews with Subject Matter Experts to verify tasks and KSAPCs.
- Commence group meetings to review tasks and KSAPCs and identify any gaps.

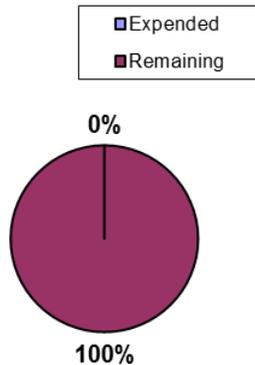
**2013/2014 Project Budget**  
\$125 Thousand



**Major Fiscal Year 2013/2014 Milestones**



**Total Project Budget**  
\$125 Thousand



**Project Schedule Status Timeline**



Project Name	Purpose	Accomplishments
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**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 March 31, 2014:**

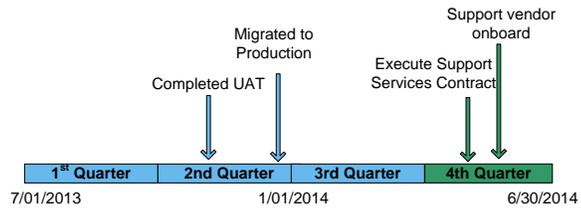
- Completed and released Request for Offer (RFO) for Clarity licenses and support services.
- Completed user acceptance testing and migration of Clarity 13.3 version to production environment.
- Completed on-boarding of new PMO resources to support the Priority Management team.

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

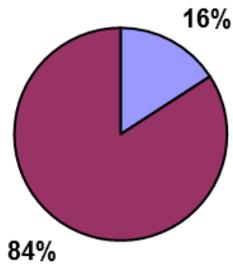
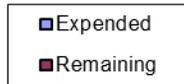
- Complete vendor evaluation & selection for Clarity licenses and support services.
- Complete vendor contract and on-boarding.
- Complete planning for Clarity pilot activities.

**Major Fiscal Year 2013/2014 Milestones**

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



**Total Project Budget  
\$1.2 Million**



**Project Schedule Status Timeline**

