



Enterprise Technology Projects

Fiscal Year 2014–15

First Quarter Report

Quarter Ending September 30, 2014

Enterprise Technology Projects

Fiscal Year 2014/2015–First 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 \$12 million, not expended during fiscal year 2013/2014 is available for use during fiscal year 2014/2015. As of the end of the first quarter, of the \$12 million, \$995 thousand has been encumbered and, of the encumbered, \$124 thousand has been expended. As part of the Governor's 2014-15 Budget an additional \$61.6 million was allocated specifically for the BusinessRenew Pension Solution Project of which \$2.7 million has been approved to spend and \$476 thousand has been expended.

The BusinessRenew 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

Robin Madsen
Chief Financial Officer

Lisa Blatnick
Chief of Administrative Services

Ed Derman
Deputy Chief Executive Officer
Plan Design and Communication

Peggy Plett
Deputy Chief Executive Officer
Benefits and Services

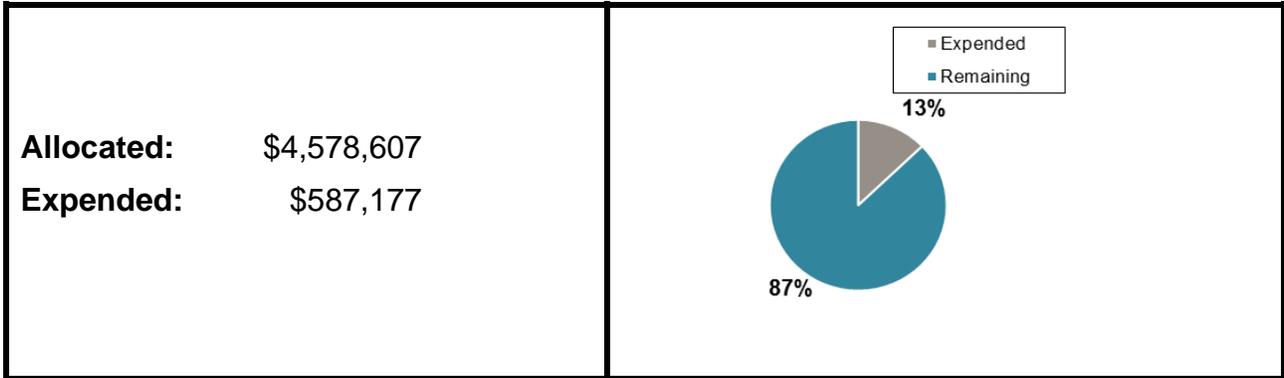
Chris Caietti
BusinessRenew Executive Officer

Ashish Jain
Chief Technology Officer

Enterprise Technology Projects Fiscal Year 2014/2015 – First Quarter

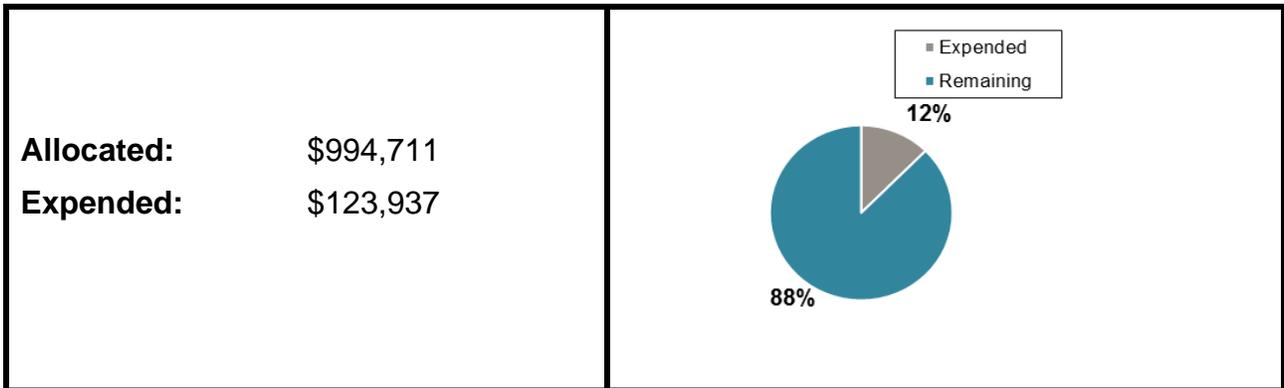
Enterprise Technology Projects' 2014/2015 Budget: \$18.5 Million

As of September 30, 2014



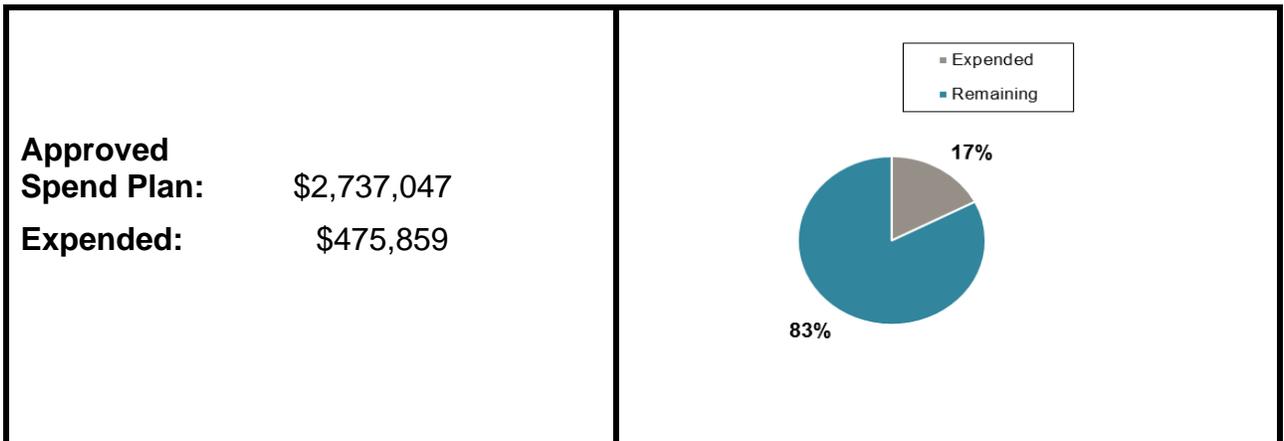
Enterprise Technology Projects' Re-appropriated 2014/2015 Budget: \$12 Million

As of September 30, 2014



Total Enterprise Technology Pension Project 2014/2015 Budget: \$61.6 Million

As of September 30, 2014



Enterprise Technology Projects Fiscal Year 2014/2015 – First Quarter

Project Name	Duration	Project Total ¹	2014/2015 Budget ²	2014/2015 Expended	Schedule	Budget
AB 340 Pension Reform	Oct 12 – Sep 14	\$784,675	\$0	\$0	 ³	●
Additional Earnings/Annuity Credit 2013	Jul 14 – Oct 16	\$175,400	\$0	\$0	●	●
Annual Update	Jul 14 – Jun 15	\$0	\$0	\$0	●	●
BusinessRenew						
Data Preparation	Nov 11 – Jun 15	\$7,576,750	\$2,278,127	\$493,692	 ⁴	●
Enterprise Information Management	Feb 13 – Jun 15	\$973,000	\$396,000	\$31,516	●	●
Independent Project Oversight	Sep 11 – Oct 19	\$6,454,412	\$770,642	\$0	●	●
Pension Solution	Jul 14 - Jun 15	\$61,564,071 ⁵	\$2,737,047	\$475,859 ⁵	 ⁶	●
Program	Jan 11 – Jun 15	\$7,101,391	\$2,816,368	\$400,873	●	●
Requirements Management	Aug 11 – Oct 15	\$753,100	\$539,967	\$57,615	●	●
Full Funding	July 11 – Feb 15	\$1,105,200	\$1,105,200	\$0	 ⁷	 ⁷
Pension Program Classification Study	Feb 14 – Jan 15	\$124,800	\$64,051	\$33,803	●	●
Priority Management Project Portfolio Management Tool	Aug 11 – Dec 14	\$1,396,912	\$1,046,657	\$140,315	●	●
Schedule & Budget Indicators:	● Acceptable	 Warning	 Critical	 Complete	 Not Started	

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

² 2014/2015 Budget – amount represents the planned budget and may be comprised of funding sources representing multiple years

³ AB 340 Pension Reform – schedule delay due to resource constraint.

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

⁵ BusinessRenew Pension Solution – represents the first year of the Board approved \$213 million budget. Prior years' funding is not included. Some additional Pension Solution costs (\$285,000) have been incurred against previously encumbered technology appropriations for activities planned during the year.

⁶ BusinessRenew Pension Solution – high risk for schedule slippage due to issues with adherence to project governance processes

⁷ Full Funding – high risk for schedule slippage and budget shortage due to expanded scope identified during requirements phase

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 September 30, 2014:

- Continued updates to member communication publications and directives.
- Received Enterprise Program Investment Council (EPIC) approval to extend the schedule extension through September 2014 and increase the testing resource hours.
- Implemented the remaining miscellaneous CalSTRS corporate database changes for Phase 4.
- Implemented web changes for Phase 5 - online Benefit Estimate Calculator and online Permissive Service Credit Purchase Calculator.
- Completed the System Integration Testing (SIT) for the DBS transfer functionality.

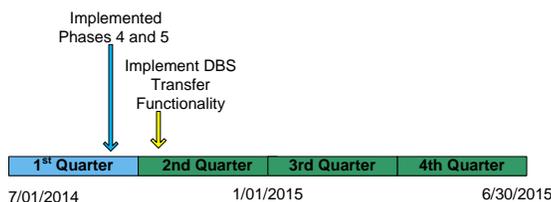
2014/2015 Project Budget
No Budget

Planned Deliverables by December 31, 2014:

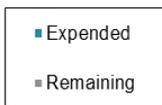
- Complete updates to member communication publications and directives.
- Finalize and transition Felony Conviction related manual processes and procedures.
- Implement Defined Benefit Supplemental (DBS) transfer functionality.
- Complete project close-out report.

🚩 Schedule Warning: Project is behind schedule with the final project close-out activities being completed after the schedule end date. All remaining functionality to be implemented during October.

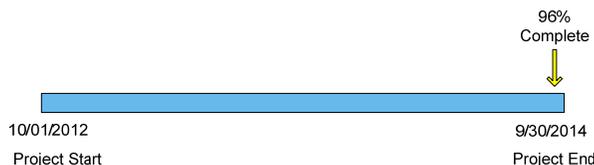
Major Fiscal Year 2014/2015 Milestones



Total Project Budget
\$785 Thousand



Project Schedule Status Timeline



Additional Earnings and Annuity Credit (AEC/AAC) 2013

Implement the approved system changes and business processes that will allow CalSTRS to credit or pay out the Additional Earnings and Annuity Credits for 2013.

Period Ending September 30, 2014:

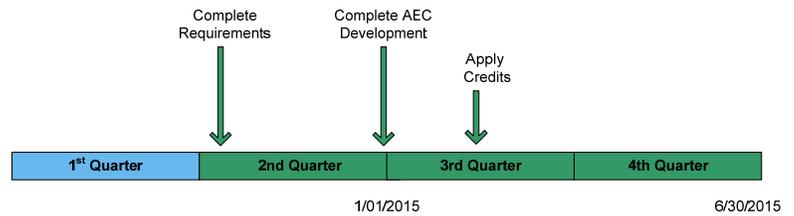
- Received Enterprise Program Investment Council (EPIC) approval of the initial project scope, schedule and budget.
- Commenced business requirements development.
- Completed identification of communication artifacts (materials, forms and letters).
- Completed identification of training needs.

Planned Deliverables by December 31, 2014:

- Complete requirements development phase.
- Complete system design and development phases.

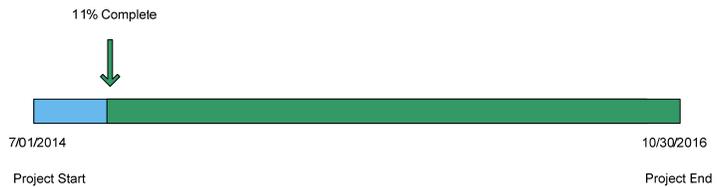
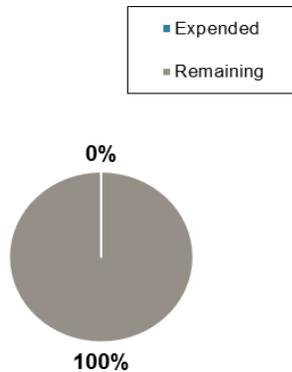
2014/2015 Project Budget
All funding is in future project years.

Major Fiscal Year 2014/2015 Milestones



Project Schedule Status Timeline

Total Project Budget
\$175 Thousand



Annual Update

The Annual Update process calculates fiscal year-end contributions, interest and yearly service credit; transfers contributions greater than one year of service between Defined Benefit and Defined Benefit Supplement accounts; produces the *Retirement Progress Reports* (annual member statements), posts member payroll and service credit data on *myCalSTRS*; produces and validates the Annual Update Account Reconciliation Reports and Creditable Earning Reconciliation Reports.

Period Ending September 30, 2014:

- Completed system integration and user acceptance testing.
- Provided *Retirement Progress Report* samples at the Teachers' Retirement Board meeting (one month earlier than past years).
- Completed 2013/2014 Annual Update production run.
- Posted 633,411 electronic *Retirement Progress Reports* on *myCalSTRS*.
- Conducted Customer Satisfaction Survey to members who received an electronic *Retirement Progress Report*.
- Submitted Request for Proposal (RFP) to procure a new print vendor contract beginning 2015/2016.

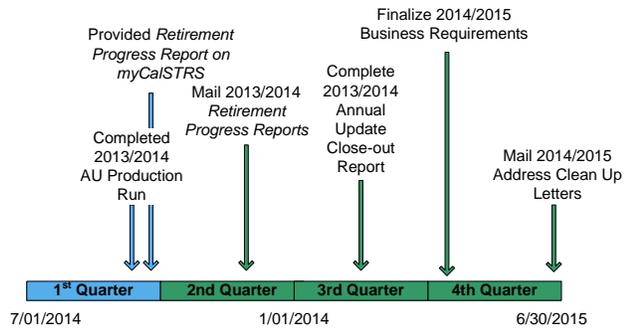
Planned Deliverables by December 31, 2014:

- Mail 18,588 hard copies of *Retirement Progress Reports*.
- Compile Customer Satisfaction Survey results.
- Conduct 2013/2014 Lessons Learned session with print vendor.
- Conduct Lessons Learned session with project team.
- Begin high level timelines for 2014/2015 Annual Update process.

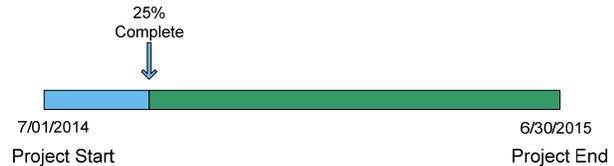
No Budget

This annual operational project utilizes internal resources and operational program budgets.

Major Fiscal Year 2014/2015 Milestones



Project Schedule Status Timeline



**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.

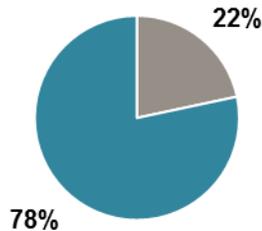
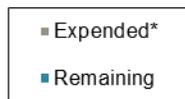
Period Ending September 30, 2014:

- Received Enterprise Program Investment Council (EPIC) approval to extend the discovery phase end date by two months, through November 2014.
- Extended data analysis vendor contract to September 26, 2014.
- Completed data profiling activities.
- Completed and delivered Data Analysis Report (DAR).
- Completed and delivered Alternative Data Issue Resolution Report (ADIR).

Planned Deliverables by December 31, 2014:

- Complete Data Analysis Report.
- Complete Alternative Data Issue Resolution Report.
- Request Enterprise Program Investment Council (EPIC) approval to move forward with the recommendations for the Data Cleansing Phase I.
- Commence development of the first phase data cleansing phase plan.

**2014/2015 Project Budget
\$2.3 Million**

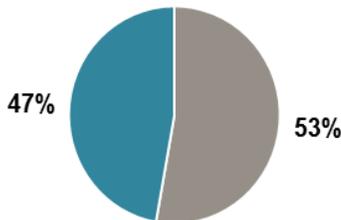
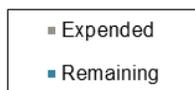


🚩 Schedule Warning: Project is at risk for a schedule delay due to the late delivery of reports by the data analysis vendor and CalSTRS additional analysis of the aggregated findings needed to present the next phase recommendations to the Enterprise Program Investment Council for approval

Major Fiscal Year 2014/2015 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 that captured enterprise data risks, opportunities, and developed a roadmap to achieve the EIM goals set. The EIM Program is now housed within the General Counsel's Office. The EIM Program is implementing the initiatives identified in the roadmap.

Period Ending September 30, 2014:

- Hired a program analyst, one of the three remaining Enterprise Program Investment Council (EPIC) funded positions within the new Enterprise Information Management Program (EIM).
- Implemented a SharePoint site to communicate the program vision, strategy, goals and sub-goals.
- Established an EIM Workgroup and Governance Council.
- Established a single point of access to submit information/data related issues across the enterprise.

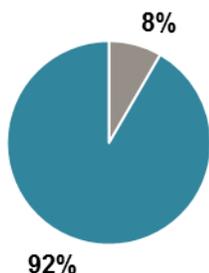
Planned Deliverables by December 31, 2014:

- Hire the two additional Enterprise Program Investment Council funded positions.
- Begin implementing change management and communication plans.
- Continue implementing the first two phases of the EIM Program as identified in the roadmap to include both short-term and long-term initiatives.

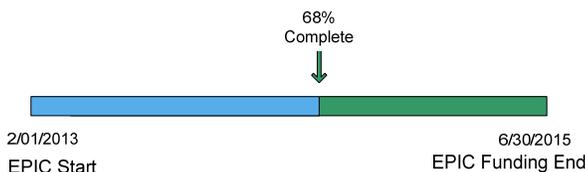
Major Fiscal Year 2014/2015 Milestones



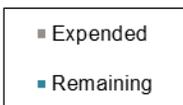
2014/2015 Project Budget \$396 Thousand



Project Schedule Status Timeline



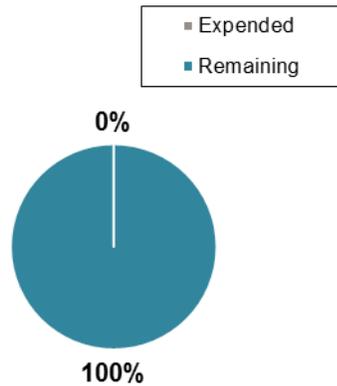
Total Project Budget \$973 Thousand



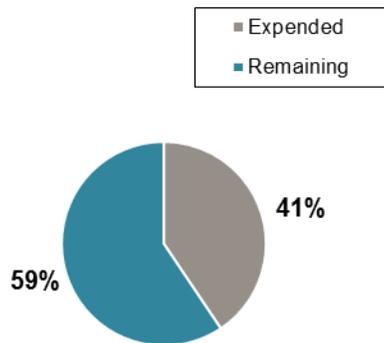
BusinessRenew Independent Project Oversight

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.

2014/2015 Project Budget
\$770 Thousand



Total Project Budget
\$6.5 Million



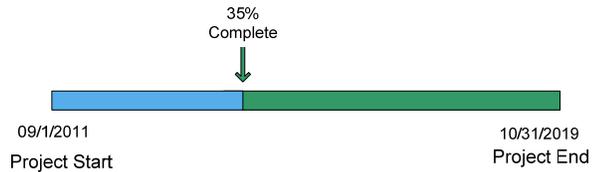
Period Ending September 30, 2014:

- Completed monthly comprehensive status reports for Pension Solution, and Data Preparation.
- Reviewed and provided feedback on Pension Solution (including Requirements Management and Priority Management – Project Portfolio Management Tool), and Data Preparation project deliverables.
- Developed board presentations on BusinessRenew project status.
- Provided oversight and guidance on Pension Solution procurement project planning and procurement activities.

Planned Deliverables by December 31, 2014:

- Complete comprehensive project closeout assessment report for BusinessDirect.
- Complete monthly comprehensive status reports for Pension Solution, and Data Preparation.
- Review and provide feedback on Pension Solution (including Requirements Management and Priority Management – Project Portfolio Management Tool).
- Monitor the Data Preparation project the transition to and planning of the next phase of project activities.
- Monitor the Pension Solution project procurement and evaluation processes.
- Monitor adherence to the Pension Solution governance process.
- Develop board presentations on BusinessRenew project status.

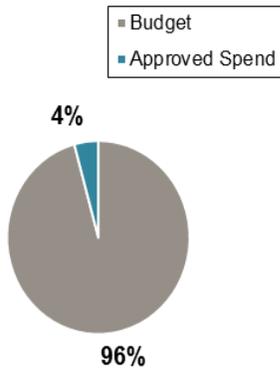
Project Schedule Status Timeline



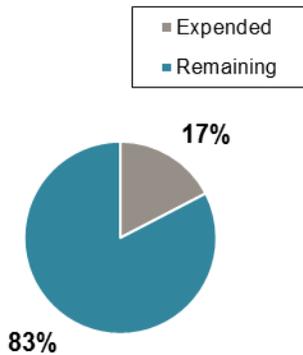
BusinessRenew Pension Solution

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.

***2014/2015 Budget vs. Approved Spend \$61.6 Million**



***2014/2015 Approved Spend vs. Actual \$2.7 Million**



Period Ending September 30, 2014:

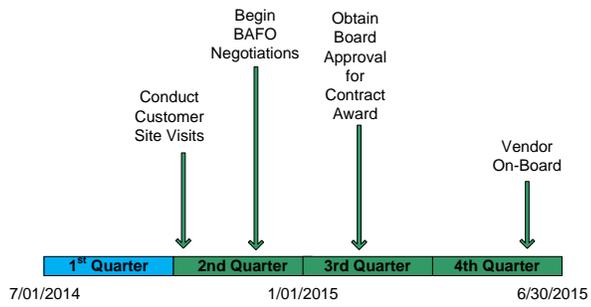
- Received Enterprise Program Investment Council (EPIC) approval of the initial fiscal year 2014-15 spend plan and extension of the procurement phase through May 2015.
- Finalized and gained approval for the Pension Solution Governance Plan.
- Received the final vendor proposals and began the final proposal evaluation.
- Conducted confidential proposer discussions, solution demonstrations and proposer interviews.

Planned Deliverables by December 31, 2014

- Complete the final proposal evaluation and begin the Best and Final Offer Process.
- Hire twelve core team members and begin project on-boarding.

Schedule Warning: Project is at risk due to lack of adherence to the project governance process. The governance process is being updated to include the designation of authorities. Adherence to the project governance process is being monitored.

Major Fiscal Year 2014/2015 Milestones



Project Schedule Status Timeline



*Pension Solution budget related chart values reflect the BCP budget only and associated approved annual spending plan opposed to total and current year EPIC budget values used for other enterprise projects.

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.

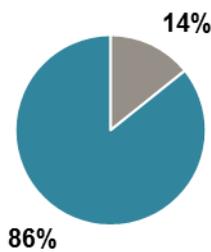
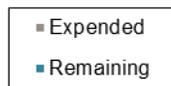
Period Ending September 30, 2014:

- 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.
- Finalized program governance model and program plan.
- Began recruitment and hiring process for 2014-15 BusinessRenew program resources.

Planned Deliverables by December 31, 2014:

- 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.
- Continue recruitment and hiring process for 2014-15 BusinessRenew program resources.

**2014/2015 Program Budget
\$2.8 Million**



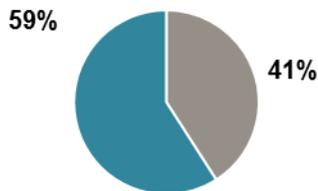
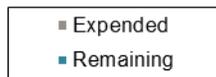
Major Fiscal Year 2014/2015 Milestones



Project Schedule Status Timeline



**Total Program Budget
\$7.1 Million**



BusinessRenew Requirements Management

The BusinessRenew Requirements Management Project will 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.

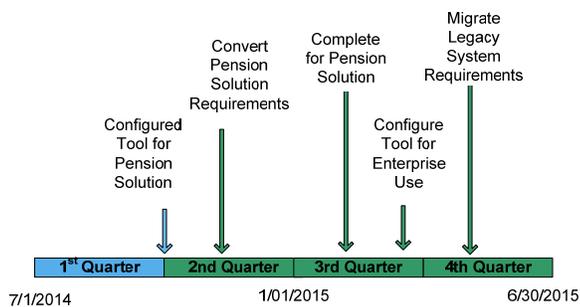
Period Ending September 30, 2014:

- Completed business analyst contract resources onboarding process.
- Initiated Pension Solution tool configuration for processes and roles.
- Initiated Pension Solution requirements conversion.

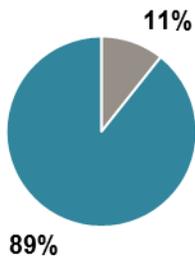
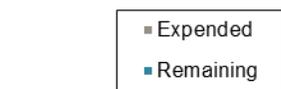
Planned Deliverables by December 31, 2014:

- Complete requirements management tool configuration for Pension Solution processes and roles.
- Complete Pension Solution requirements conversion.
- Complete Pension Solution user role training.
- Initiate requirements management tool configuration for enterprise processes and roles.

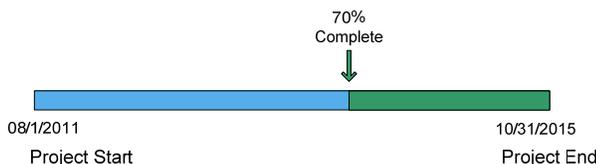
Major Fiscal Year 2014/2015 Milestones



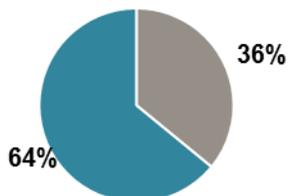
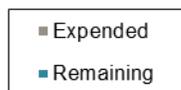
2014/2015 Project Budget \$540 Thousand



Project Schedule Status Timeline



Total Project Budget \$753 Thousand



Full Funding

Full Funding is implementing system and process changes due to the passage of AB1469, which increased member, employer and state contribution rates to address the unfunded liability of CalSTRS' Defined Benefit Program.

Period Ending September 30, 2014:

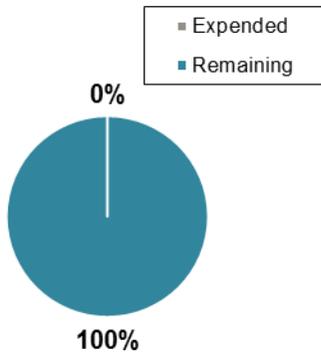
- Received Enterprise Program Investment Council (EPIC) approval for the initial project scope, schedule, and budget.
- Implemented initial changes to the corporate database, Secure Employer Website (SEW), and BusinessDirect systems to accept new employer reporting rates.
- Commenced requirements gathering.
- Commenced identifying financial report changes.

Planned Deliverables by December 31, 2014:

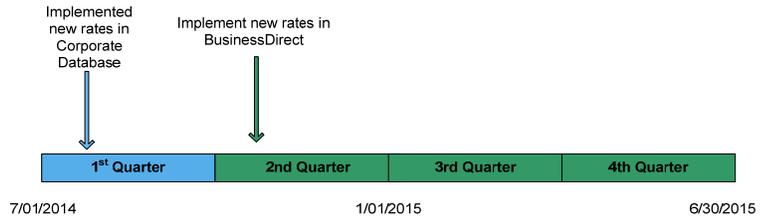
- Finalize requirements and blueprint for system enhancements to the corporate database, Secure Employer Website (SEW), myCalSTRS and BusinessDirect and financial reports.
- Finalize implementation schedule and new project end date.
- Request Enterprise Program Investment Council (EPIC) approval to extend the project schedule, scope, budget and resources based on finalized requirements.

Schedule and Budget Warning: Project is at high risk due to the Identification of expanded scope during the requirements phase. The project will return to EPIC in December to increase the scope, schedule, and budget.

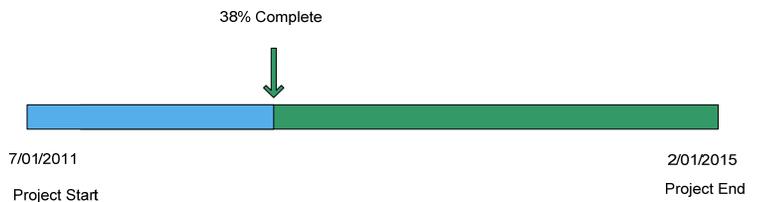
2014/2015 Project Budget
\$1.1 Million



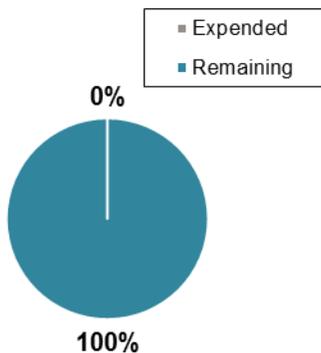
Major Fiscal Year 2014/2015 Milestones



Project Schedule Status Timeline



Total Project Budget
\$1.1 Million



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.

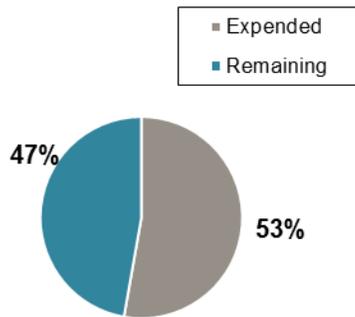
Period Ending September 30, 2014:

- Completed group meetings to review tasks and knowledge, skills, abilities and personal characteristics (KSAPCs) to identify any gaps.
- Prepared final sets of tasks and knowledge, skills, abilities and personal characteristics (KSAPCs) statements.
- Conducted job analysis survey for all eight Pension Program series classifications.
- Commenced meetings with Subject Matter Experts to link critical tasks with KSAPCs.

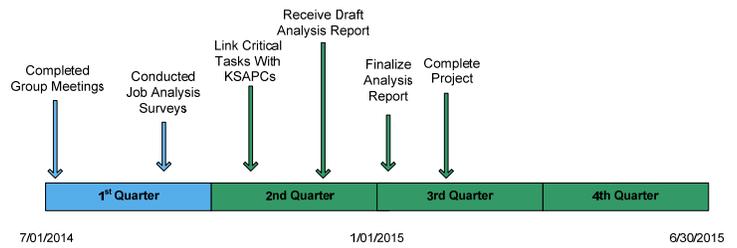
Planned Deliverables by December 31, 2014:

- Complete meetings with Subject Matter Experts to link critical tasks with KSAPCs.
- Review draft analysis report.

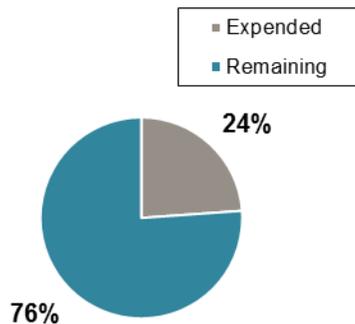
**2014/2015 Project Budget
\$64 Thousand**



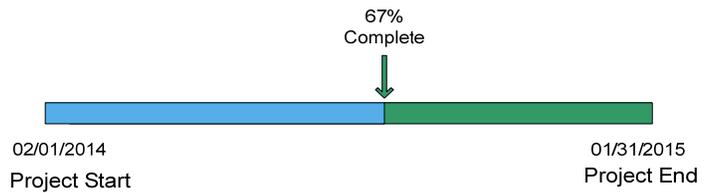
Major Fiscal Year 2014/2015 Milestones



**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 September 30, 2014:

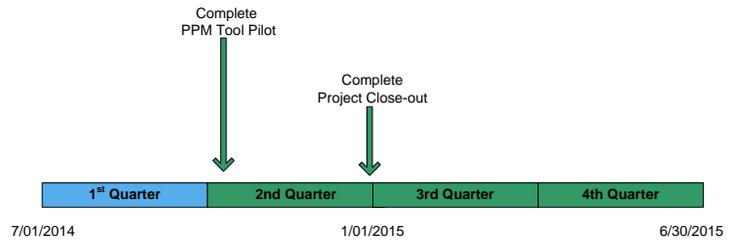
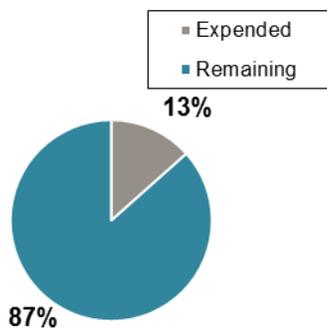
- Completed testing project schedule integration testing.
- Began pilot of three Enterprise Program Investment Council (EPIC) projects and two Technology Services projects.

Planned Deliverables by December 31, 2014:

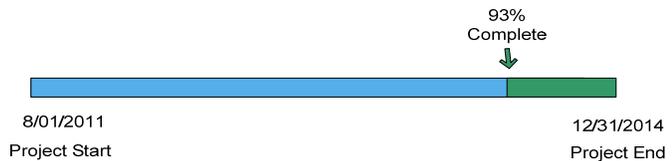
- Complete project pilots.
- Complete process/training material development for full roll-out.
- Complete lessons learned and project close-out.

Major Fiscal Year 2014/2015 Milestones

2014/2015 Project Budget
\$1 Million



Project Schedule Status Timeline



Total Project Budget
\$1.4 Million

