



Enterprise Technology Projects

Fiscal Year 2014–15
Second Quarter Report

Quarter Ending December 31, 2014

Enterprise Technology Projects

Fiscal Year 2014/2015–Second 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 second quarter, of the \$12 million, \$2.4 million has been encumbered and, of the encumbered, \$638 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 \$6.6 million has been approved to spend and \$1.2 million 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

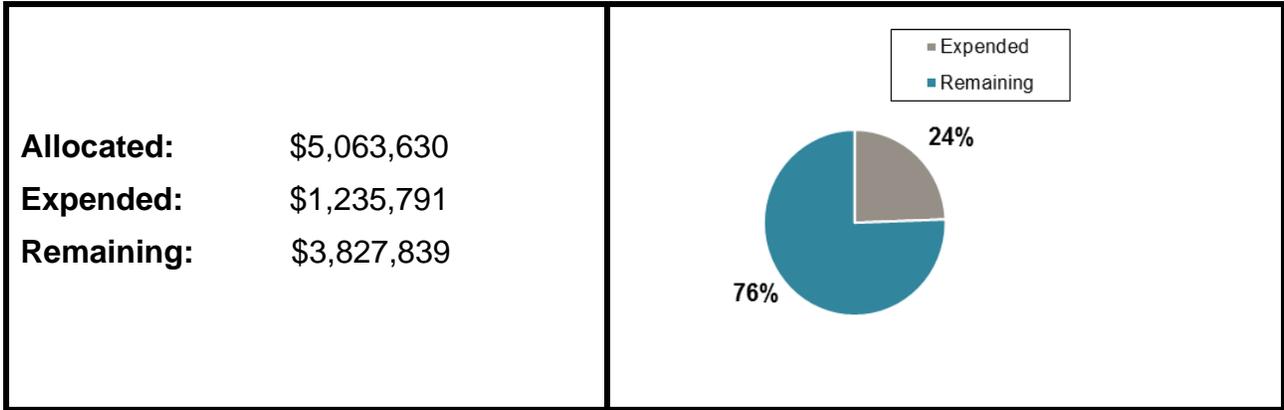
Ashish Jain

Chief Technology Officer

Enterprise Technology Projects Fiscal Year 2014/2015 – Second Quarter

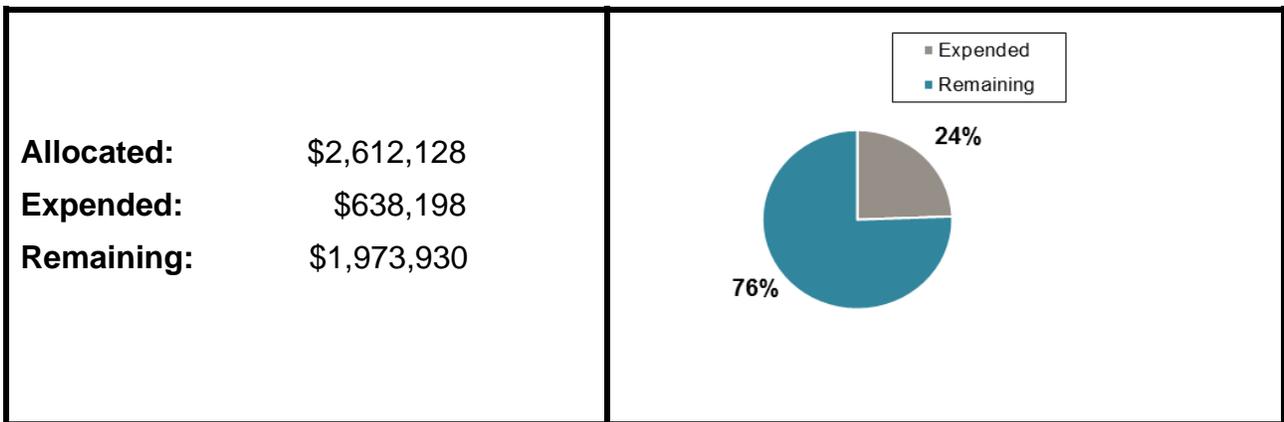
Enterprise Technology Projects' 2014/2015 Budget: \$18.5 Million

As of December 31, 2014



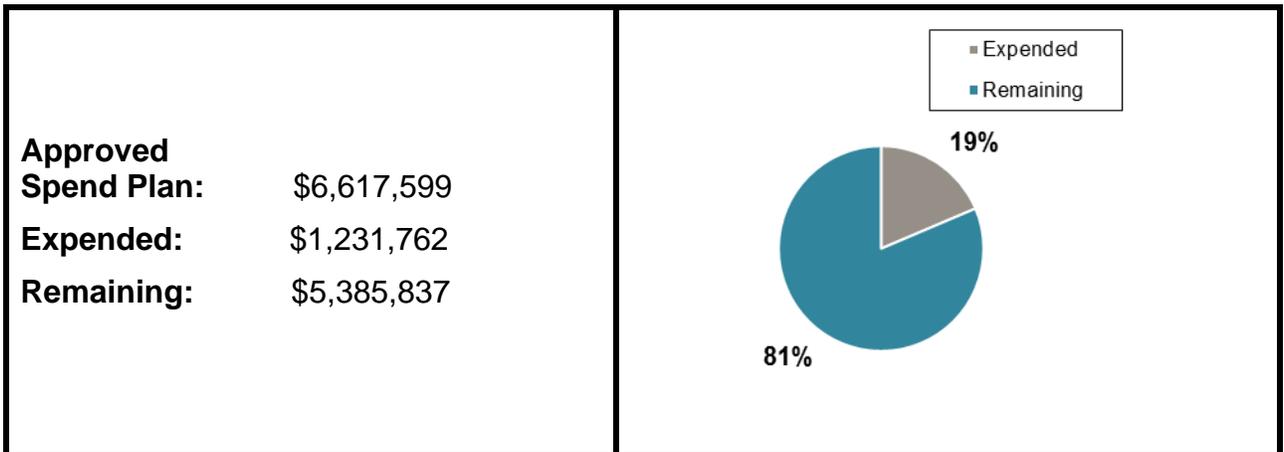
Enterprise Technology Projects' Re-appropriated 2014/2015 Budget: \$12 Million

As of December 31, 2014



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

As of December 31, 2014



Enterprise Technology Projects

Fiscal Year 2014/2015 – Second 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		
Additional Earnings/Annuity Credit 2013	Jul 14 – Oct 16	\$175,400	\$0	\$0		
Annual Update	Jul 14 – Jun 15	\$0	\$0	\$0		
Board Elections	Nov 14 – Mar 16	\$0	\$0	\$0		
BusinessRenew						
Data Preparation	Nov 11 – Aug 15	\$7,585,226	\$2,476,272	\$955,129		
Enterprise Information Management	Feb 13 – Jun 15	\$811,422	\$396,000	\$80,814		
Independent Project Oversight	Sep 11 – Oct 19	\$6,454,362	\$770,642	\$0		
Pension Solution	Jul 14 - May 15	\$61,564,071 ⁴	\$6,617,599	\$1,231,762 ⁴		
Program	Jan 11 – Jun 15	\$7,101,391	\$2,816,368	\$400,873		
Requirements Management	Aug 11 – Oct 15	\$753,100	\$539,967	\$155,790		
Full Funding	July 11 – Feb 15	\$1,105,200	\$1,105,200	\$0		
Pension Program Classification Study	Feb 14 – Jan 15	\$124,800	\$64,051	\$62,038		
Priority Management - Project Portfolio Management Tool	Aug 11 – Dec 14	\$1,224,505	\$874,471	\$165,044		
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 Additional Earnings and Annuity Credits 2013 – schedule delay at risk due change in approach to separate into two phases and a delay in completing the requirements.

⁴ 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 (\$694,200) have been incurred against previously encumbered technology appropriations for activities planned during the year.

⁵ BusinessRenew Pension Solution – risk for schedule slippage due to a change in the planned backfill staffing approach and the related new processes.

⁶ Full Funding – risk for schedule slippage and budget shortage due to expanded work effort identified during requirements phase.

⁷ Priority Management – Project Portfolio Management Tool - schedule delay due to addition of pension solution related activities and additional training identified during plot.

AB 340 Pension Reform

The AB 340 Pension Reform project implemented Assembly Bill 340 (Furitani), enacted as Chapter 296, Statutes of 2012, an extensive revision to California public pension plans.

Period Ending December 31, 2014:

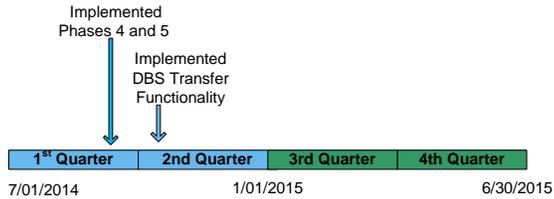
- Implemented Defined Benefit Supplemental (DBS) transfer functionality.
- Completed updates to member communications publications and directives.
- Finalized and transitioned Felony Conviction related manual processes and procedures.

Planned Deliverables by March 31, 2015:

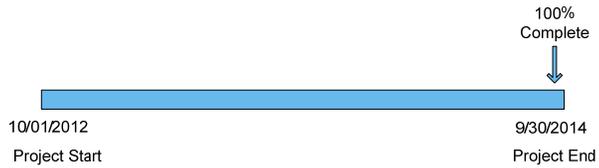
- Complete project close-out report.

Major Fiscal Year 2014/2015 Milestones

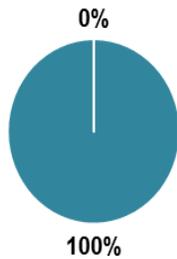
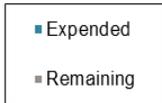
2014/2015 Project Budget
No Budget



Project Schedule Status Timeline



Total Project Budget
\$785 Thousand



Additional Earnings and Annuity Credit (AEC/AAC) 2013

The Additional Earnings and Annuity Credit 2013 project will implement the system changes and business processes that will allow CalSTRS to credit or pay out the Additional Earnings and Annuity Credits for 2013.

Period Ending December 31, 2014:

- Completed business requirements gathering for Phase I (AEC Credits).
- Completed Build for Phase I.
- Commenced System Integration Testing for Phase I.

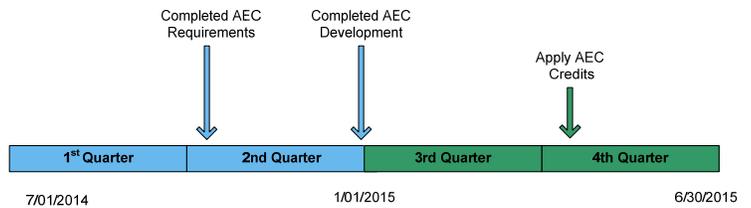
Planned Deliverables by March 31, 2015:

- Complete System Integration Testing for Phase I.
- Commence User Acceptance Testing for Phase I.
- Develop Request for Quote (RFQ) for Phase II mailing vendor contract.
- Complete requirements gathering for Phase II (Additional Annuity & Additional Earnings Credit-related payments).

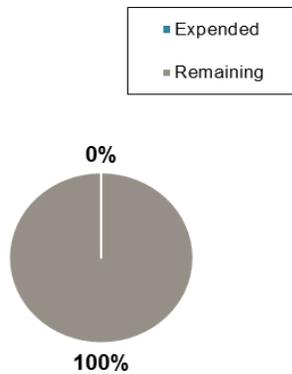
⚠ Schedule Warning: Project is at risk due to change of approach to separate into two phases and the delay in completing the requirements.

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

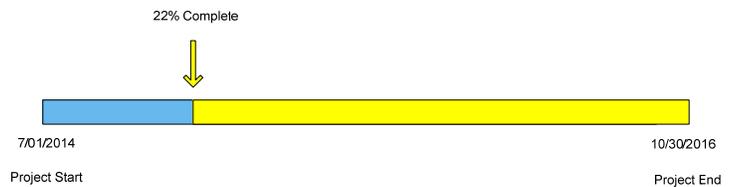
Major Fiscal Year 2014/2015 Milestones



Total Project Budget
\$175 Thousand



Project Schedule Status Timeline

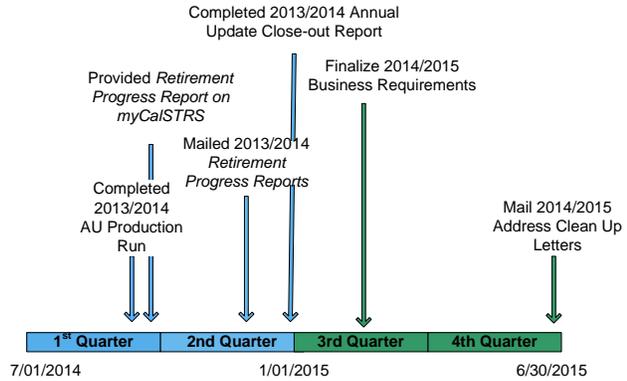


Annual Update The Annual Update process calculates fiscal year-end contributions, interest and yearly service credit; transfers contributions greater than one year of service between Defined Benefit and Defined Benefit Supplement accounts; produces the *Retirement Progress Reports* (annual member statements),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

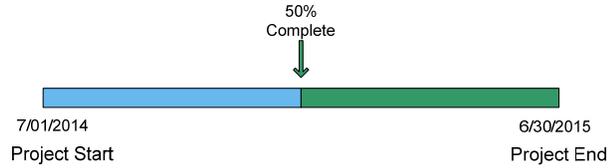
- Period Ending December 31, 2014:**
- Mailed 18,588 hard copies of *Retirement Progress Reports*.
 - Compiled survey results from members who received an electronic *Retirement Progress Report* (RPR).
 - Conducted 2013/2014 Lessons Learned sessions.
 - Completed 2013/2014 Annual Update close-out report.
 - Commenced high level timelines for 2014/2015 Annual Update process.
- Planned Deliverables by March 31, 2015:**
- Commence technical requirements and design specifications for the 2014/2015 Retirement Progress Reports.
 - Finalize 2014/2015 business requirements.

Major Fiscal Year 2014/2015 Milestones

No Budget
 This annual operational project utilizes internal resources and operational program budgets.



Project Schedule Status Timeline



Board Elections

The Board Election project will facilitate, coordinate and conduct the CalSTRS 2015 Board Election as required under the Teachers' Retirement Law. The elected candidates will serve a four-year term beginning January 1, 2016. solicitation

No Budget

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

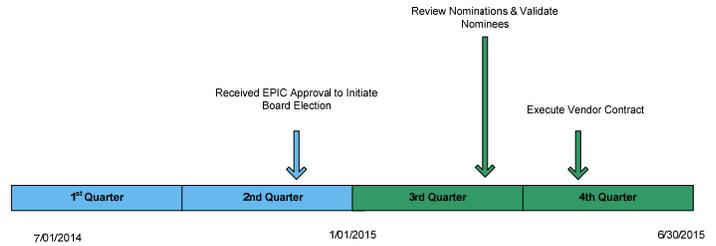
Period Ending December 31, 2014:

- Received approval from the Enterprise Program Investment Council (EPIC) to initiate the Board Election 2015 project.
- Assigned CalSTRS Ombudsman as Board Election Coordinator.
- Published Notice of Election on CalSTRS web site.
- Published Candidate Information packet.

Planned Deliverables by March 31, 2015:

- Publish Notice of Election in CalSTRS Connections newsletter.
- Receive board approval of election vendor services contract to provide Board Election services.
- Commence validation of nominee signatures.

Major Fiscal Year 2014/2015 Milestones



Project Schedule Status Timeline



BusinessRenew Data Preparation

The BusinessRenew Data Preparation project is in the first phase of data cleansing to include data clean-up and preparation for conversion to a new pension solution.

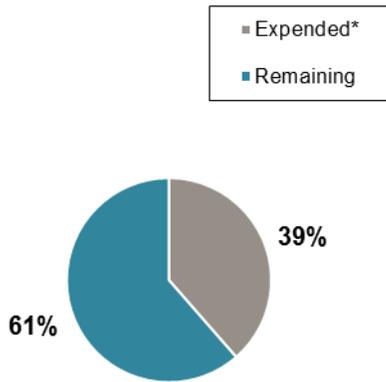
Period Ending December 31, 2014:

- Completed the Data Analysis and Alternative Data Issue Resolution Reports.
- Completed the Data Preparation discovery phase.
- Received Enterprise Program Investment Council (EPIC) approval of scope, schedule, and budget for Data Cleansing Phase I.
- Commenced project initiation activities for Data Cleansing Phase I.

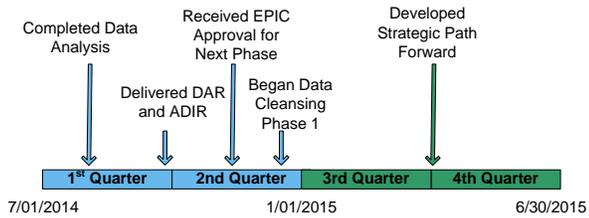
Planned Deliverables by March 31, 2015:

- Baseline project schedule for initial scope of Phase I.
- Develop Strategic Path Forward strategy.
- Complete Project Initiation activities and onboard resources.
- Commence data cleansing activities.

2014/2015 Project Budget \$2.5 Million



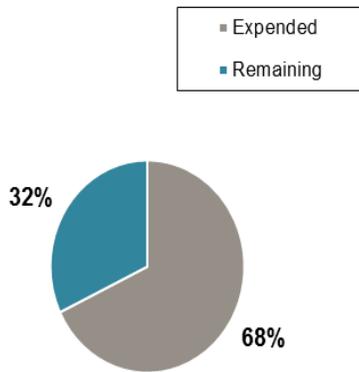
Major Fiscal Year 2014/2015 Milestones



Project Schedule Status Timeline



Total Project Budget \$7.7 Million



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.

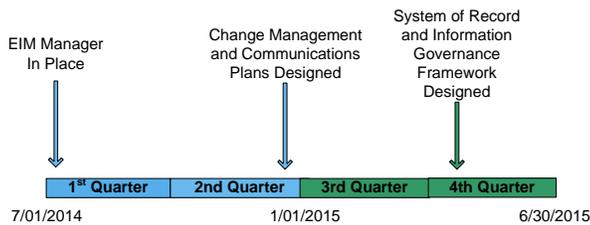
Period Ending December 31, 2014:

- Hired the second of three Enterprise Program Investment Council (EPIC) funded analyst positions within the new Enterprise Information Management Program (EIM).
- Implemented a Change Management and Communication Program.
- Completed four Phase 1 initiatives.
- Completed one Phase 2 initiative to establish EIM processes.

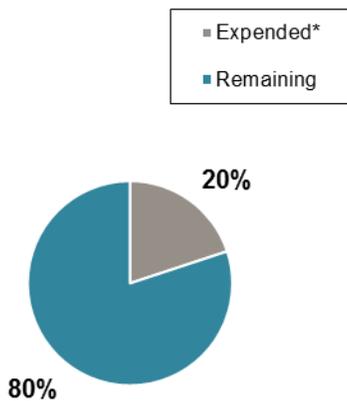
Planned Deliverables by March 31, 2015:

- Hire one additional Enterprise Program Investment Council (EPIC) funded position.
- Complete all of the initiatives within Phase I for the BusinessRenew Project.
- Continue implementing the Phase 2 initiatives.
- Begin working on the long-term EIM Program Phase 3 initiatives,

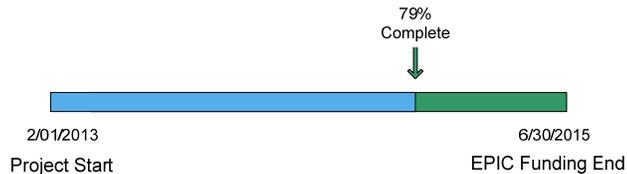
Major Fiscal Year 2014/2015 Milestones



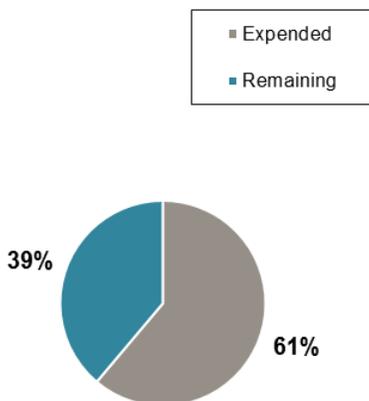
2014/2015 Project Budget \$396 Thousand



Project Schedule Status Timeline



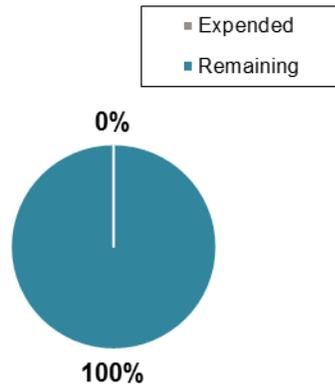
Total Project Budget \$811 Thousand



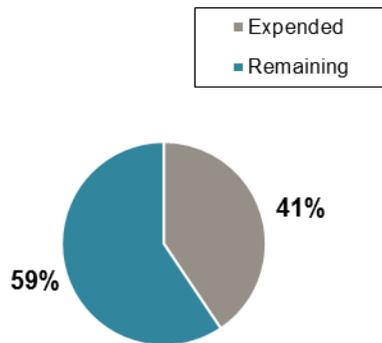
BusinessRenew Independent Project Oversight

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



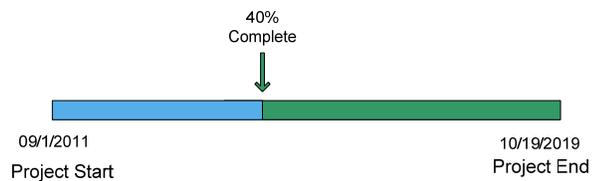
Period Ending December 31, 2014:

- Completed comprehensive project closeout assessment report for BusinessDirect.
- 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).
- Monitored the Data Preparation project and the transition to and planning of the next phase of project activities.
- Monitored the Pension Solution project procurement and evaluation processes.
- Monitored adherence to the Pension Solution governance process.
- Developed board presentations on BusinessRenew project status.

Planned Deliverables by March 31, 2015:

- 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 Phase 1 cleansing activities.
- Monitor the Pension Solution project procurement, contract execution and prepare for vendor onboarding 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.

Period Ending December 31, 2014:

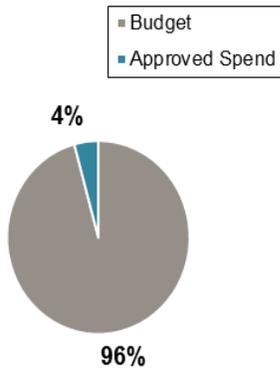
- Began the Best and Final Offer evaluation process.
- Completed the final proposal evaluations and conducted the Best and Final Offer negotiations with the final proposers.
- Received Enterprise Program Investment Council (EPIC) approval of the fiscal year 2014-15 spend plan including subject matter expert funding, contract extensions and approval for funding the business area back-fill.

Planned Deliverables by March 31, 2015:

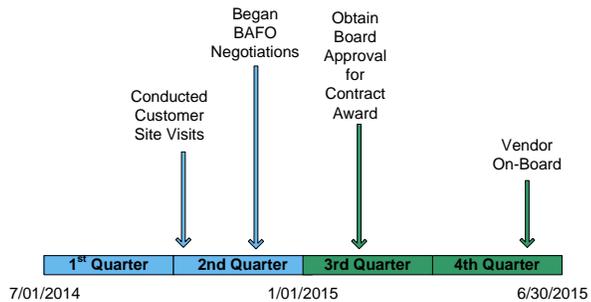
- Announce the intent to award contract to the successful Pension Solution vendor.
- Complete the Best and Final Offer evaluation process.
- Finalize contract terms and conditions.
- Hire business core team and begin team onboarding.
- Initiate hiring of technical core team members.
- Prepare for vendor onboarding.
- Determine if CalSTRS will select option for the Pension Solution vendor to host the solution.

Schedule Warning: Project is at risk due to a change in the planned backfill staffing approach and the related new processes.

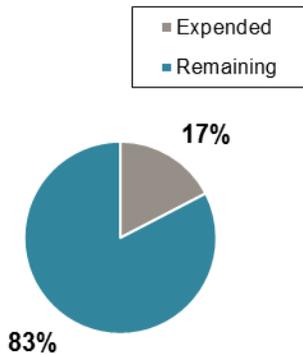
***2014/2015 Budget vs. Approved Spend \$61.6 Million**



Major Fiscal Year 2014/2015 Milestones



***2014/2015 Approved Spend vs. Actual \$6.7 Million**



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.

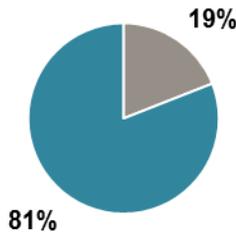
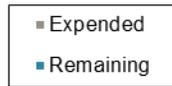
Period Ending December 31, 2014:

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

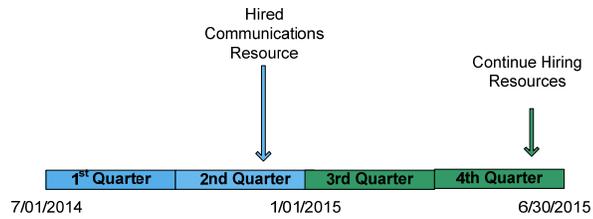
Planned Deliverables by March 31, 2015:

- 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**



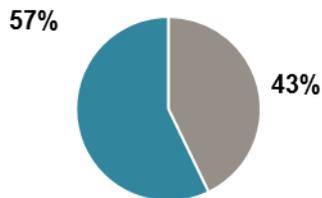
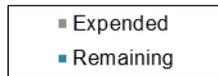
Major Fiscal Year 2014/2015 Milestones



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.

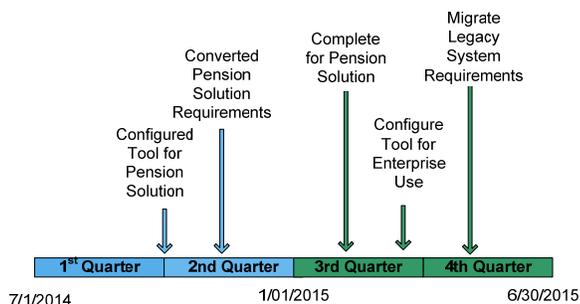
Period Ending December 31, 2014:

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

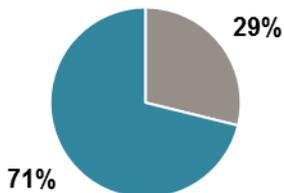
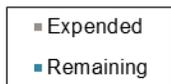
Planned Deliverables by March 31, 2015:

- Complete requirements management tool deployment to Pension Solution users.
- Continue requirements management tool configuration for enterprise process and roles.
- Initiate legacy requirements migration activities.

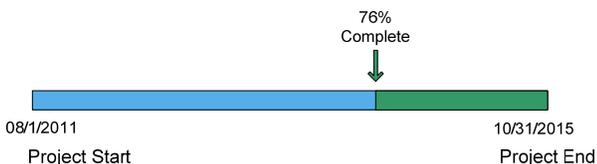
Major Fiscal Year 2014/2015 Milestones



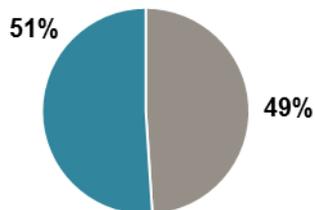
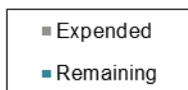
2014/2015 Project Budget \$540 Thousand



Project Schedule Status Timeline



Total Project Budget \$753 Thousand



Full Funding

The Full Funding project 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 December 31, 2014:

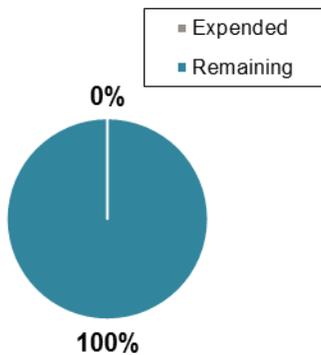
- Completed requirements gathering and conceptual design for system enhancements to the START corporate database, Secure Employer Website (SEW), and myCalSTRS.
- Finalized requirements and blueprint for BusinessDirect.
- Completed identifying changes to financial reports.
- Began functional and technical design for BusinessDirect changes.
- Began implementing system enhancements to the START corporate database.
- Finalized implementation schedule and new project end date.

Planned Deliverables by March 31, 2015:

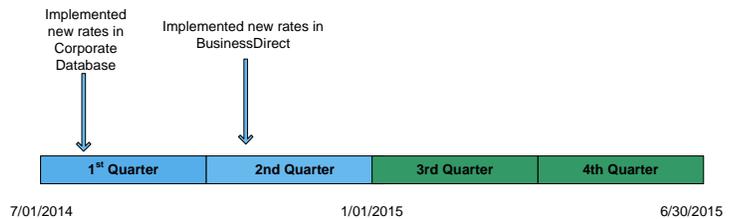
- Continue implementing system enhancements to the START corporate database, Secure Employer Website (SEW), myCalSTRS and BusinessDirect contributions processing, penalties and interest and financial reports.
- Request Enterprise Program Investment Council (EPIC) approval to extend the project schedule, and budget and resources based on finalized requirements.

⚠ Schedule and Budget Warning: Project is at risk due to the identification of additional work during the requirements phase impacting the schedule budget.

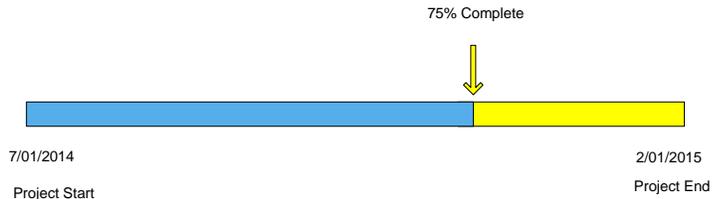
2014/2015 Project Budget
\$1.1 Million



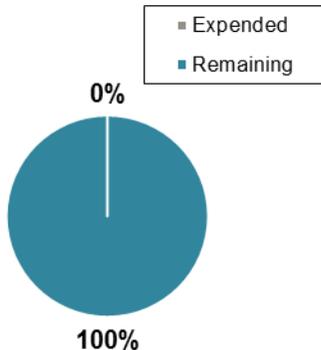
Major Fiscal Year 2014/2015 Milestones



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 December 31, 2014:

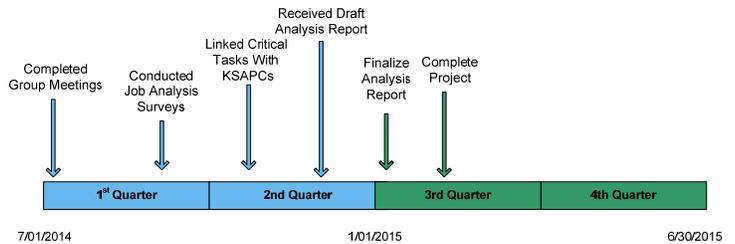
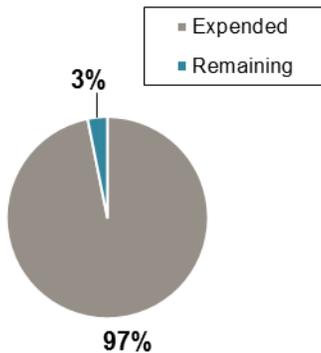
- Completed meetings with Subject Matter Experts to link critical tasks with KSAPCs.

Planned Deliverables by March 31, 2015:

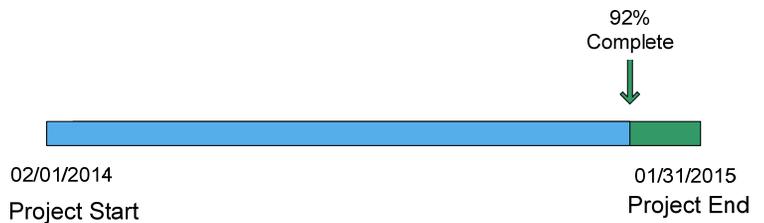
- Review and finalize analysis report.
- Request Enterprise Program Investment Council (EPIC) approval for Phase 2 to include conducting salary surveys, identifying minimum qualifications and preparing State Personal Board materials.
- Complete Phase 1 project close-out activities.

Major Fiscal Year 2014/2015 Milestones

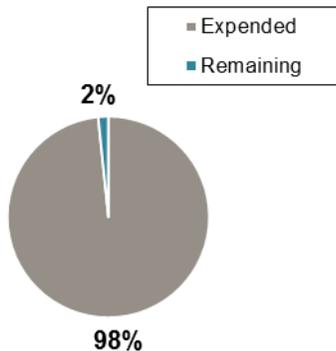
2014/2015 Project Budget
\$64 Thousand



Project Schedule Status Timeline



Total Project Budget
\$125 Thousand



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 December 31, 2014:

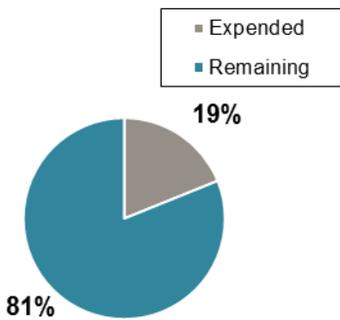
- Completed project pilots and pilot lessons learned.
- Increased scope to include training and integration of Pension Solution sub-projects for project team time tracking.

Planned Deliverables by March 31, 2015:

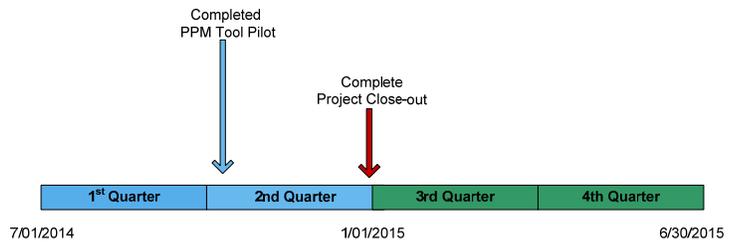
- Request Enterprise Program Investment Council (EPIC) approval to extend the project schedule by four months.
- Complete process documentation and internal training for project/schedule management in preparation for Pension Solution vendor.
- Develop and document process for utilizing the Clarity tool and Microsoft Project for schedule management based on pilot lessons learned.
- Complete out-of-the-box report analysis for CalSTRS use.

◆ **Schedule Warning:** Project is delayed due to the addition of pension solution related activities and additional training identified during the pilot.

2014/2015 Project Budget \$900 Thousand



Major Fiscal Year 2014/2015 Milestones



Project Schedule Status Timeline



Total Project Budget \$1.2 Million

