



## Enterprise Technology Projects

Fiscal Year 2014–15

Third Quarter Report

Quarter Ending March 31, 2015

# Enterprise Technology Projects

Fiscal Year 2014/2015—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 \$12 million, not expended during fiscal year 2013/2014 is available for use during fiscal year 2014/2015. As of the end of the third quarter, of the \$30.5 million available, \$4.7 million has been obligated. 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 \$2.6 million has been obligated.

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

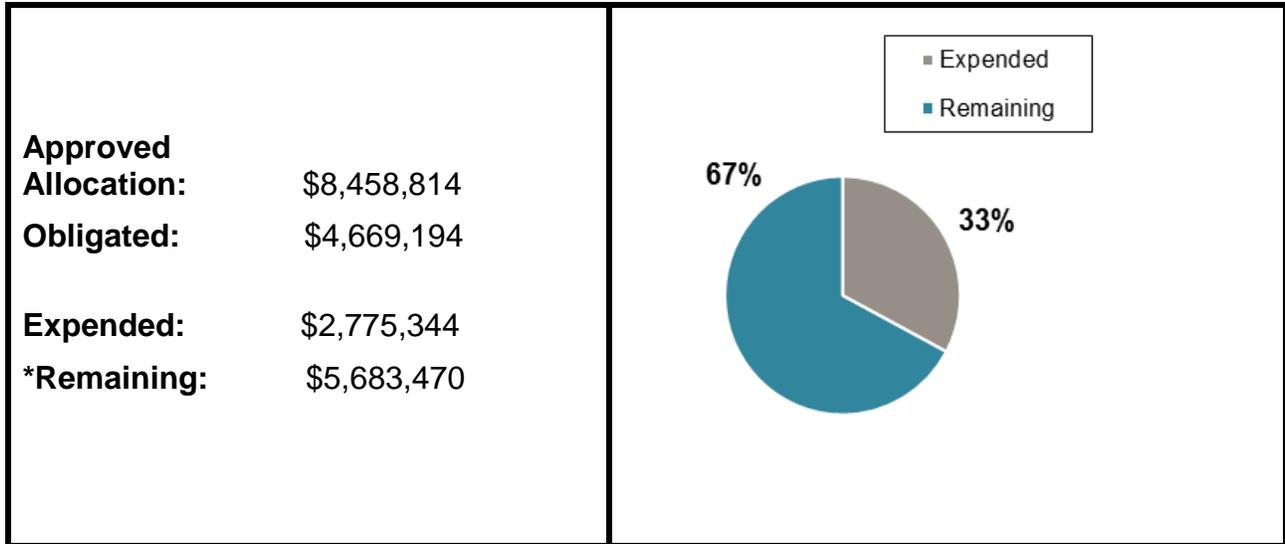
**Ashish Jain**

Chief Technology Officer

# Enterprise Technology Projects Fiscal Year 2014/2015 – Third Quarter

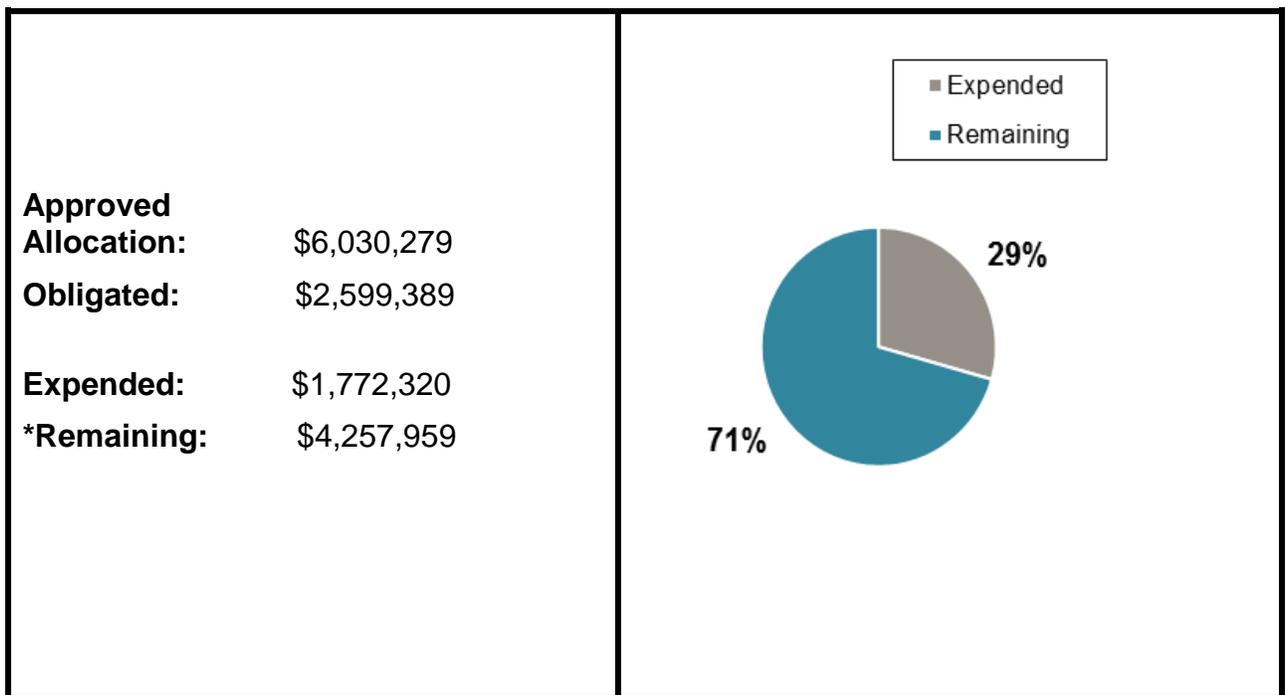
## Enterprise Technology Projects' 2014/2015 Budget: \$30.5 Million

As of March 31, 2015



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

As of March 31, 2015



\*Remaining = Approved Allocation less Expended

# Enterprise Technology Projects Fiscal Year 2014/2015 – Third Quarter

Project Name	Duration	Project Total <sup>1</sup>	2014/2015 Budget <sup>2</sup>	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	⚠️ <sup>3</sup>	●
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	\$1,344,679	⚠️ <sup>4</sup>	●
Enterprise Information Management	Feb 13 – Jun 15	\$811,422	\$396,000	\$151,152	●	●
Independent Project Oversight	Sep 11 – Oct 19	\$6,454,362	\$770,642	\$429,925	●	●
Pension Solution	Jul 14 - May 15	\$61,564,071 <sup>5</sup>	\$6,030,279	\$1,836,719	⚠️ <sup>6</sup>	●
Program	Jan 11 – Jun 15	\$6,673,679	\$2,816,368	\$1,626,186	●	●
Requirements Management	Aug 11 – Oct 15	\$753,084	\$539,967	\$340,602	●	●
Full Funding	July 14 – Oct 15	\$1,293,960	\$1,293,960	\$0	●	●
Pension Program Classification Study	Feb 14 – Nov 15	\$203,521	\$121,051	\$62,038	●	●
Priority Management - Project Portfolio Management Tool	Aug 11 – Apr 15	\$1,224,505	\$874,471	\$165,044	●	●
<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 and remaining encumbrance amounts, and current and future years budgeted amounts.

<sup>2</sup> 2014/2015 Budget – Amount represents the planned budget and may be comprised of funding sources representing multiple years.

<sup>3</sup> Additional Earnings and Annuity Credits 2013 – schedule delay at risk due to the delay in completing the requirements and additional scope.

<sup>4</sup> BusinessRenew Data Preparation –at risk due to not being fully resourced and the challenges in bringing on resources

<sup>5</sup> BusinessRenew Pension Solution – represents the first year of the Board approved \$213 million budget Prior years' funding is not included.

<sup>6</sup> BusinessRenew Pension Solution – at risk due to lack of key project resources, upcoming loss of project sponsor and the new unproven resource backfill plan.

**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 March 31, 2015:**

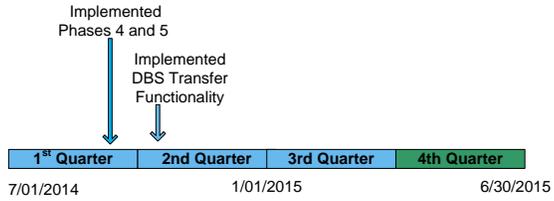
- Completed project close-out report.

**Planned Deliverables by June 30, 2015:**

None – Project complete.

**Major Fiscal Year 2014/2015 Milestones**

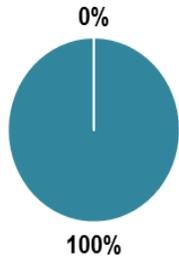
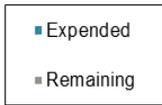
**2014/2015 Project Budget**  
No Budget



**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 March 31, 2015:**

- Continued System Integration Testing for Phase I - crediting of Additional Earnings Credit (AEC) and code fix to prevent double payments.
- Commenced User Acceptance Testing for Phase I.
- Completed requirements gathering for Phase II - crediting of Additional Annuity Credits (AAC) and release of AEC/AAC-related payments and rollovers.

**Planned Deliverables by June 30, 2015:**

- Complete testing and implementation of Phase I – crediting of Additional Earnings Credit (AEC).
- Complete communication artifacts related to posting of the Additional Earnings Credits.
- Initiate the procurement process for Phase II mailing vendor contract.
- Request and receive Enterprise Program Investment Council (EPIC) approval for scope changes and a six month implementation schedule extension.

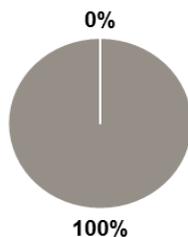
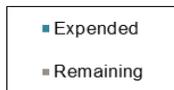
**2014/2015 Project Budget**  
All funding is in future project years.

**Schedule Warning:** Project is at risk due to the delay in completing the requirements and additional scope.

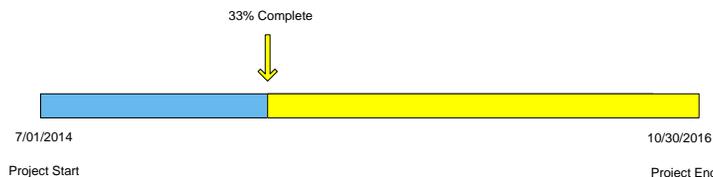
**Major Fiscal Year 2014/2015 Milestones**



**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 March 31, 2015:**

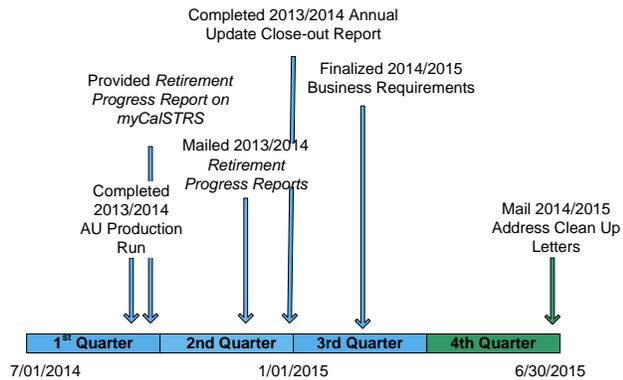
- Received 27,398 requests from members for hard copy of *Retirement Progress Reports*.
- Finalized technical requirements and design specifications for the 2014/2015 Retirement Progress Reports.
- Finalized 2014/2015 business requirements.
- Finalized the print and mail vendor delivery schedule.

**Planned Deliverables by June 30, 2015:**

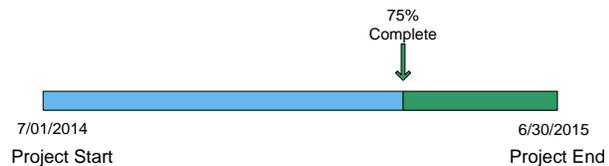
- Finalize the procurement process to extend the current print and mail services vendor contract by one year.
- Complete code and unit test in preparation for System Integration Testing (SIT).
- Submit initial test data to print and mail services vendor.
- Mail 2014/2015 Address Clean-Up letters.

**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

**Period Ending March 31, 2015:**

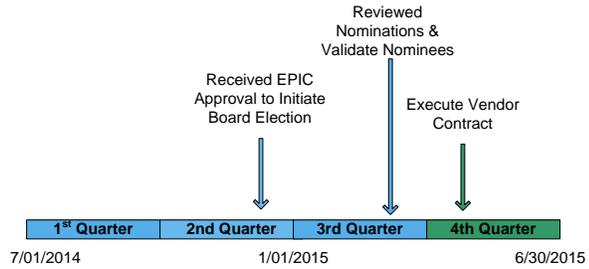
- Published Notice of Election in CalSTRS Connections newsletter.
- Received board approval of election vendor services contract to provide Board Election services.
- Certified candidate signatures for CalSTRS respective Board seats.

**Planned Deliverables by June 30, 2015:**

- Commence testing address data files.
- Receive, prepare and submit candidate statements to vendor.

**Major Fiscal Year 2014/2015 Milestones**

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



**Project Schedule Status Timeline**



**Project Name**

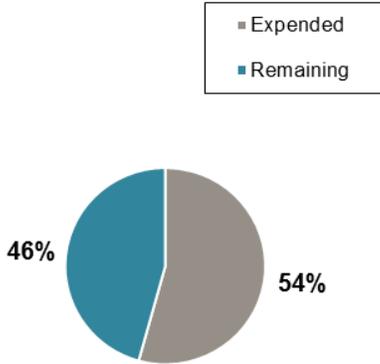
**Purpose**

**Accomplishments**

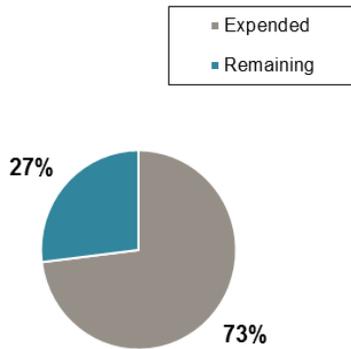
**BusinessRenew Data Preparation**

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

**2014/2015 Project Budget \$2.5 Million**



**Total Project Budget \$7.6 Million**



**Period Ending March 31, 2015:**

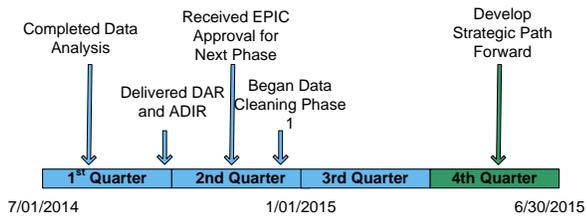
- Commenced project initiation activities for Data Cleaning Phase I.
- Onboarded two technical and two business subject matter experts.
- Commenced developing the Strategic Path Forward.
- Commenced data cleaning activities.
- Created draft schedule aligned with the first two proposed Pension Solution functional releases.

**Planned Deliverables by June 30, 2015:**

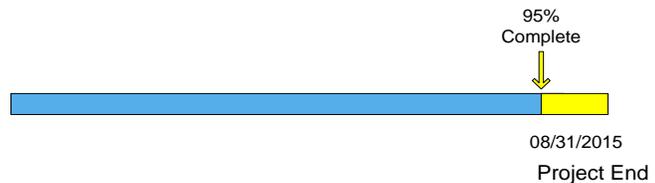
- Baseline project schedule for initial scope of the Data Cleaning Phase I activities.
- Onboard one additional business subject matter expert and two testing coordinator/testers.
- Develop Strategic Path Forward strategy.
- Develop request to the Enterprise Program Investment Council (EPIC) to add the Complex Issue scope to project.
- Complete Project Initiation activities.
- Continue data cleaning activities.

**🚩 Schedule Warning:** Project is at risk due to not being fully resourced and the challenges in bringing on resources.

**Major Fiscal Year 2014/2015 Milestones**



**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.

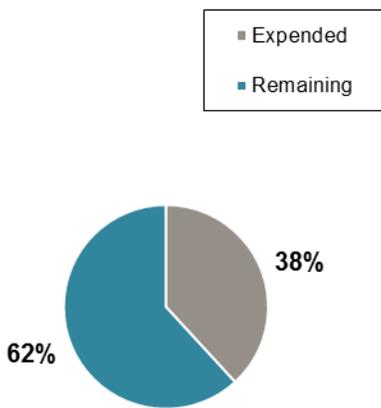
**Period Ending March 31, 2015:**

- Hired the third of three Enterprise Program Investment Council (EPIC) funded analyst positions within the new Enterprise Information Management Program (EIM).
- Continued implementing Phase 2 initiatives.
- Completed all except one of the Phase 1 initiatives.
- Developed System of Record for EIM Council review.

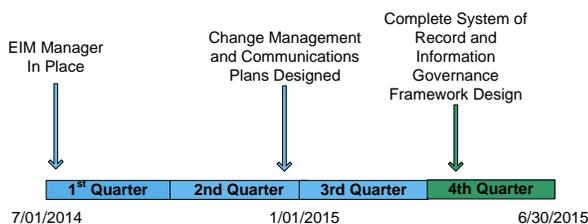
**Planned Deliverables by June 30, 2015:**

- Complete final Phase 1 initiative.
- Receive Enterprise Information Management Council approval of the System of Record.
- Develop the taxonomy framework.
- Develop the information governance processes.
- Continue implementing the Phase 2 initiatives.
- Begin working on the long-term Enterprise Information Management (EIM) Phase 3 initiatives.

**2014/2015 Project Budget  
\$396 Thousand**



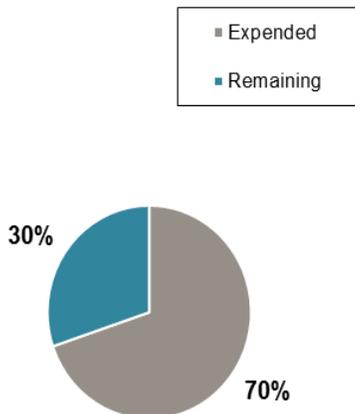
**Major Fiscal Year 2014/2015 Milestones**



**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.

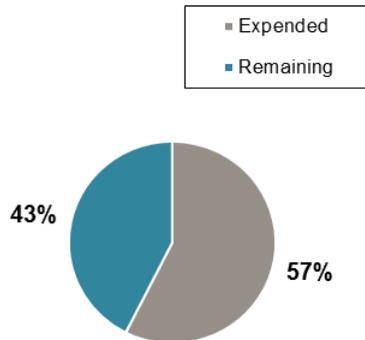
**Period Ending March 31, 2015:**

- 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 Phase 1 cleaning activities.
- Monitored the Pension Solution project procurement, contract execution and prepare for vendor onboarding processes.
- Monitored adherence to the Pension Solution governance process.
- Developed board presentations on BusinessRenew project status.

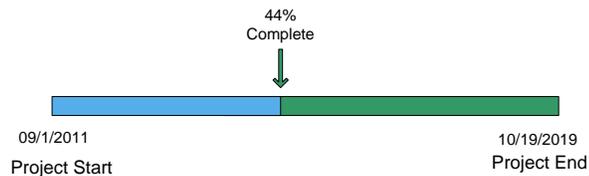
**Planned Deliverables by June 30, 2015:**

- 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 cleaning 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.

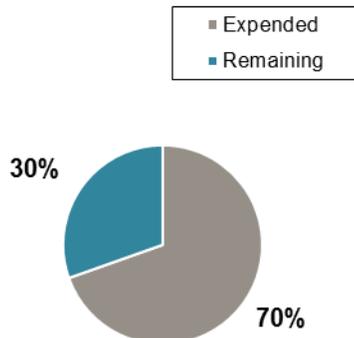
**2014/2015 Project Budget  
\$770 Thousand**



**Project Schedule Status Timeline**



**Total Project Budget  
\$6.5 Million**



**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 March 31, 2015:**

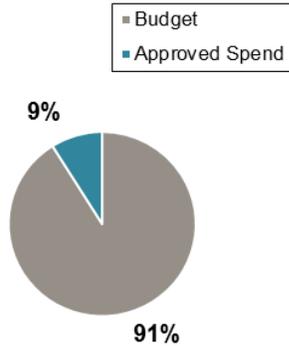
- Announced the intent to award contract to the successful Pension Solution vendor.
- Completed the Best and Final Offer evaluation process.
- Hired and onboarded business core team.
- Hired and began onboarding employer readiness analysts and training manager.
- Initiated hiring of technical core team members.
- Prepared for vendor onboarding.

**Planned Deliverables by June 30, 2015:**

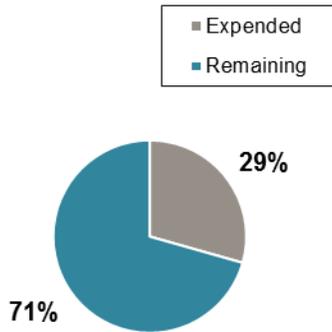
- Finalize contract terms and conditions.
- Finalize option for hosting of the Pension Solution.
- Hire and onboard Pension Solution project manager.
- Hire and onboard learning and development analysts and technical core team.
- Initiate procurement of Independent Verification and Validation vendor.
- Initiate procurement of technical contract resources.
- Complete activities in preparing for vendor start.
- Conduct demonstrations of the selected vendor's pension solution for staff and managers.
- Request and receive Enterprise Program Investment Counsel (EPIC) approval for the fiscal year 2015-16 spend plan.

**Schedule Warning:** Project is at risk due to lack of key project resources, upcoming loss of project sponsor, and the new resource backfill plan.

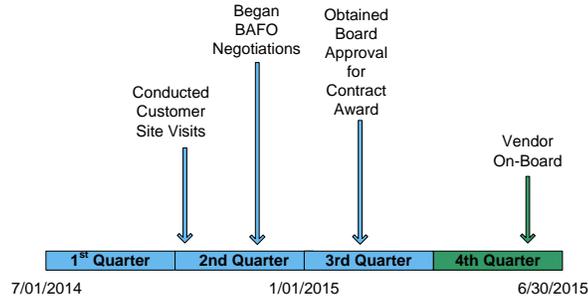
**\*2014/2015 Budget vs. Approved Allocation \$61.6 Million**



**\*2014/2015 Approved Allocation vs. Actual \$6 Million**



**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.

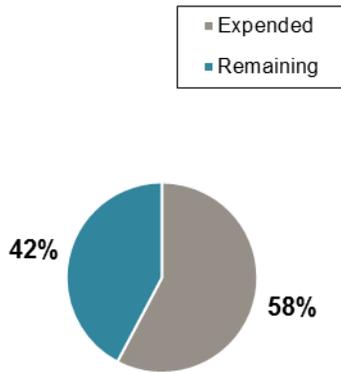
**Period Ending March 31, 2015:**

- Provided on-going communications and organizational change management support for large BusinessRenew projects (Pension Solution, Data Preparation and Requirements Management).
- Provided ongoing program level risk, issue, and schedule management.
- Continued recruitment and hiring process for 2014-15 BusinessRenew program resources.
- Conducted organization wide celebration and information sessions in recognition of BusinessRenew Pension Solution vendor contract award.
- Provided ongoing change support for the highest impacted internal stakeholders.

**Planned Deliverables by June 30, 2015:**

- Provide on-going communications and organizational change management support for large BusinessRenew projects (Pension Solution, Data Preparation and Requirements Management).
- Finalize updated program level risk and issue management plans.
- Complete the change management and communication plans.
- Provide ongoing change support for the highest impacted internal stakeholders.
- Initiate change readiness assessments for lesser impacted internal stakeholders.
- Provide ongoing BusinessRenew Program risk, issue, and schedule management.
- Hire and onboard additional change management analyst
- Hire and onboard vendor/contract manager.

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



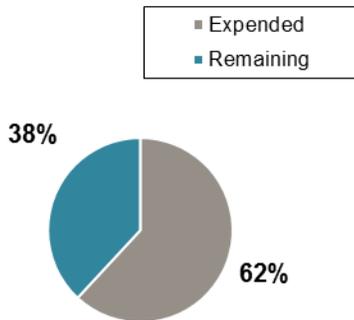
**Major Fiscal Year 2014/2015 Milestones**



**Project Schedule Status Timeline**



**Total Program Budget  
\$6.7 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.

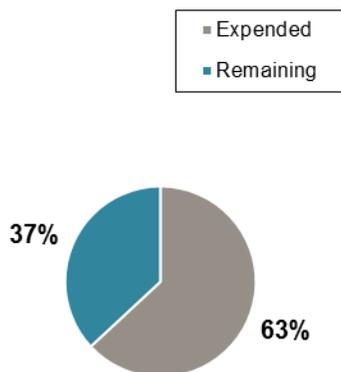
**Period Ending March 31, 2015:**

- Completed requirements management tool deployment to Pension Solution users.
- Continued requirements management tool configuration for enterprise process and roles.
- Initiated legacy requirements migration activities.

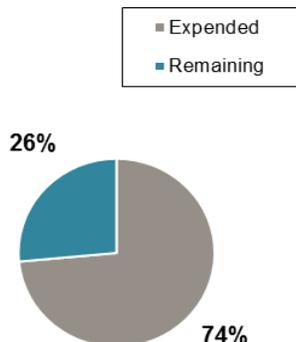
**Planned Deliverables by June 30, 2015:**

- Apply final requirements management tool configuration for enterprise process and roles.
- Complete final testing of the requirements management tool configuration for enterprise process and roles.
- Continue legacy requirements migration activities.
- Request Enterprise Program Investment Council (EPIC) approval to increase the scope, schedule and budget to support the additional tool functionality and provide support for both Pension Solution and enterprise projects.

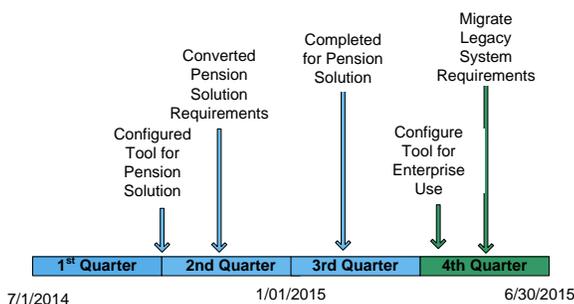
**2014/2015 Project Budget \$540 Thousand**



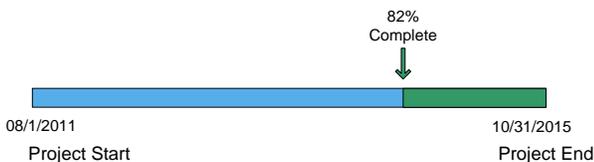
**Total Project Budget \$753 Thousand**



**Major Fiscal Year 2014/2015 Milestones**



**Project Schedule Status Timeline**



**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.

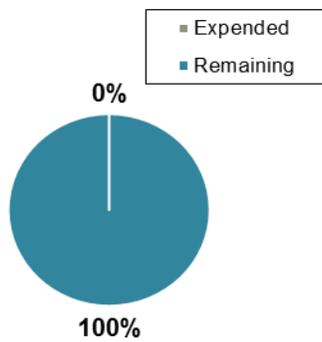
**Period Ending March 31, 2015:**

- Continued implementing system enhancements to the START corporate database.
- Continued functional and technical design for BusinessDirect changes.
- Finalized implementation schedule and new project end date.
- Received Enterprise Program Investment Council (EPIC) approval to extend the project schedule, and budget and resources based on finalized requirements.

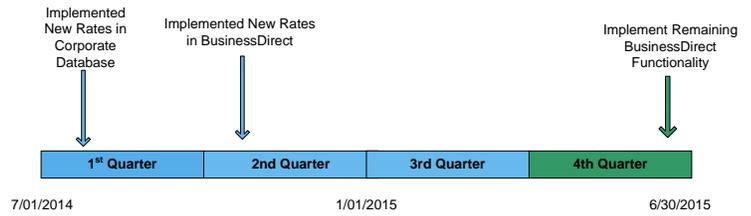
**Planned Deliverables by June 30, 2015:**

- Complete functional and technical design for BusinessDirect changes.
- Complete implementing system enhancements for BusinessDirect contributions processing, penalties and interest and financial reports.
- Continue implementing system enhancements to the START corporate database, Secure Employer Website (SEW), and myCalSTRS.

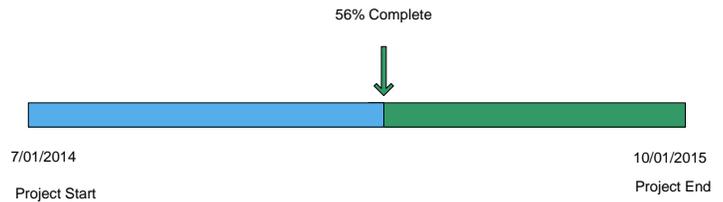
**2014/2015 Project Budget**  
\$1.3 Million



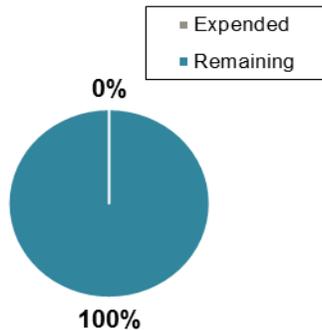
**Major Fiscal Year 2014/2015 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget**  
\$1.3 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. The project is in its second phase to include conducting salary surveys, identifying minimum qualifications and preparing State Personal Board materials.

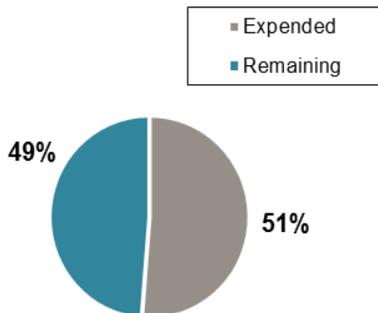
**Period Ending March 31, 2015:**

- Reviewed and finalized analysis report.
- Received Enterprise Program Investment Council (EPIC) approval for Phase 2 to include conducting salary survey, revising classification specifications and preparing required documents for CalHR and the State Personnel Board.
- Completed Phase 1 project close-out activities.

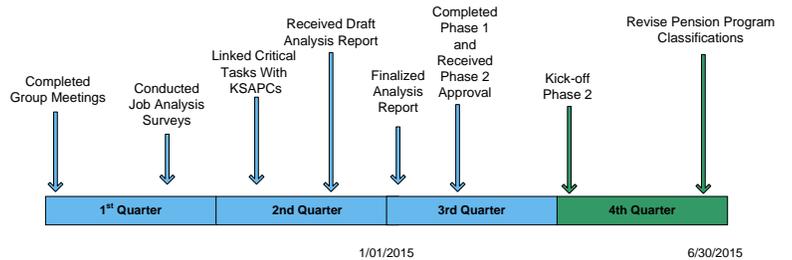
**Planned Deliverables by June 30, 2015:**

- Execute vendor contract amendment for Phase 2 activities.
- Hold project 'kick-off' meeting.
- Draft recommendations to revise Pension Program Classifications Specifications as necessary.

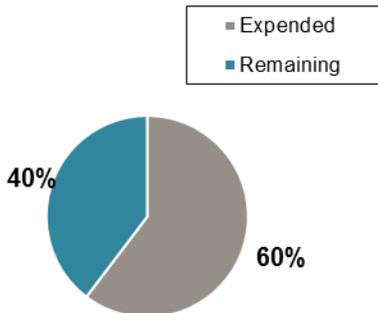
**2014/2015 Project Budget**  
\$121 Thousand



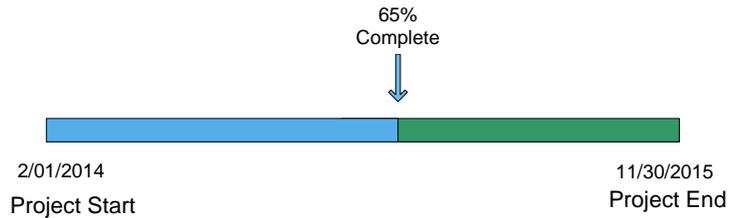
**Major Fiscal Year 2014/2015 Milestones**



**Total Project Budget**  
\$204 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.

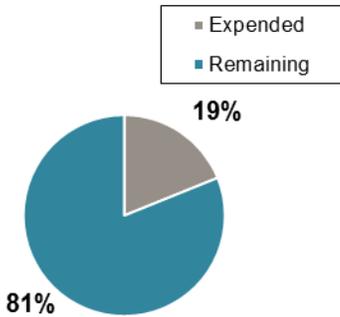
**Period Ending March 31, 2015:**

- Received Enterprise Program Investment Council (EPIC) approval for a project extension of four months and a new end date of April 30, 2015 to complete training and rollout activities.
- Completed internal PMO Project Manager training for project/schedule management.
- Developed and documented process for utilizing the Clarity tool and Microsoft Project for schedule management based on pilot lessons learned.
- Complete preparation and training on the use of the Clarity Project Portfolio Management Tool for Pension Solution project schedule and resource management.
- Completed evaluation, preparation and set-up of Pension Solution vendor schedule into Clarity test environment.
- Completed out-of-the-box report analysis for CalSTRS use.

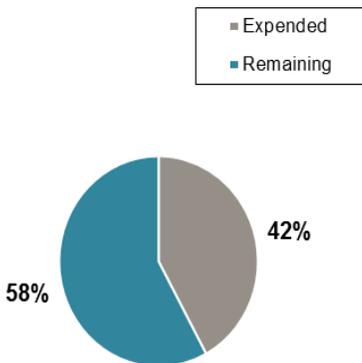
**Planned Deliverables by June 30, 2015:**

- Complete planning on use of Clarity risk management functionality and training on related setup.
- Complete training of Project Review Council (PRC)/Enterprise Program Investment Council (EPIC) members on out-of-the-box reports.
- Complete project lessons learned and close-out report.

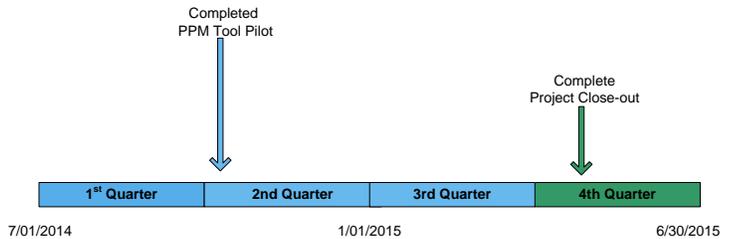
**2014/2015 Project Budget \$875 Thousand**



**Total Project Budget \$1.2 Million**



**Major Fiscal Year 2014/2015 Milestones**



**Project Schedule Status Timeline**

