



Enterprise Technology Projects

Fiscal Year 2015–16
First Quarter Report

Quarter Ending September 30, 2015

Enterprise Technology Projects

Fiscal Year 2015/2016—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 \$15.1 million, not expended during fiscal year 2014/2015 is available for use during fiscal year 2015/2016. As of the end of the first quarter, of the \$33.6 million available, \$4 million has been obligated. As part of the Governor's 2015-16 Budget, an additional \$63.1 million was allocated specifically for the Pension Solution Project of which \$40 million has been obligated.

The Project Management Office (PMO) monitors and reports on the EPIC Technology Projects Budget and enterprise technology projects monthly to EPIC and quarterly to the Teachers' Retirement Board.

Enterprise Program Investment Council Members

Jack Ehnes
Chief Executive Officer

Cassandra Lichnock
Chief Operating Officer

Robin Madsen
Chief Financial Officer

Lisa Blatnick
Chief of Administrative Services

Ed Derman
Deputy Chief Executive Officer
Plan Design and Communication

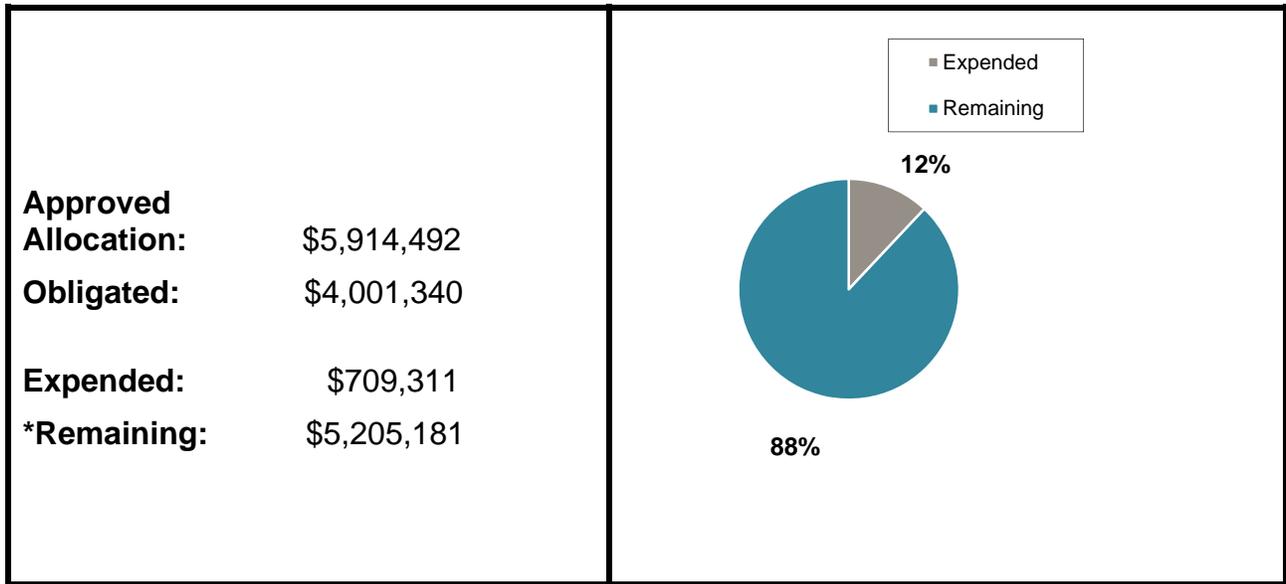
Ashish Jain
Chief Technology Officer

Andrew Roth
Benefits and Services
Executive Officer

Enterprise Technology Projects Fiscal Year 2015/2016 – First Quarter

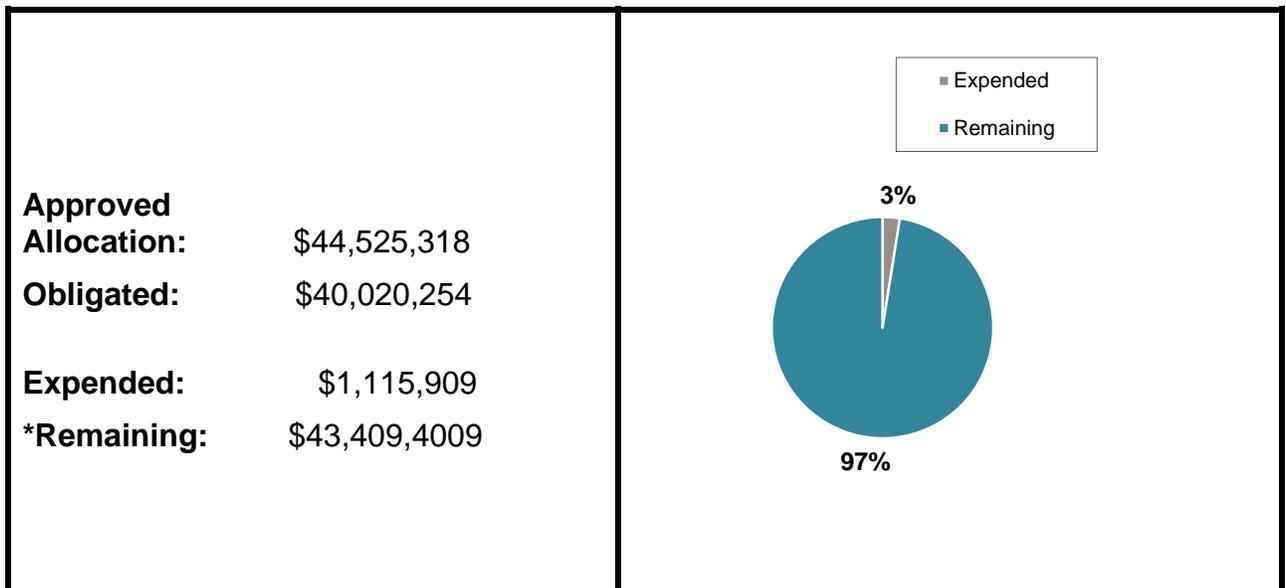
Enterprise Technology Projects' 2015/2016 Budget: \$33.6 Million

As of September 30, 2015



Total Enterprise Technology Pension Project 2015/2016 Budget: \$63.1 Million

As of September 30, 2015



*Remaining = Approved Allocation less Expended

Enterprise Technology Projects Fiscal Year 2015/2016 – First Quarter

Project Name	Duration	Project Total ¹	2015/2016 Budget ²	2015/2016 Expended	Schedule	Budget
403bCompare Site Redesign	Sep 15 – Nov 16	\$935,780	\$534,289	\$0	●	●
Additional Earnings/Annuity Credit 2013	Jul 14 – Apr 17 ⁴	\$175,400	\$116,900	\$0	●	●
Annual Update	Jul 15 – Jun 16	\$0 ⁴	\$0	\$0	●	●
Data Preparation	Nov 11 – Nov 15	\$7,963,334	\$2,023,207	\$468,865	◻ ⁵	●
Full Funding	July 14 – Jun 16	\$1,293,960	\$0	\$0	●	●
Independent Project Oversight	Sep 11 – Oct 19	\$6,454,362	\$605,631	\$0	●	●
Omnibus SB1220 – Refund Electronic Funds Transfer (EFT)	Aug 15 – May 16	\$0 ⁶	\$0	\$0	◻ ⁷	●
Pension Program Classification Study	Feb 14 – Nov 15	\$203,521	\$21,721	\$0	◻ ⁸	●
Pension Solution	Jul 14 - Sep 17	\$251,800,000 ⁹	\$44,525,318	\$1,115,909	●	●
Project Support Program	Jan 11 – Jun 16	\$7,047,662	\$1,222,912	\$371,843	●	●
Requirements Management	Aug 11 – Jun 16	\$1,124,409	\$447,200	\$70,900	●	●
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 2015/2016 Budget – Amount represents the planned budget and may be comprised of funding sources representing multiple years.

³ Additional Earnings and Annuity Credits 2013 – Includes funding for one position for one year following implementation.

⁴ Annual Update – Utilizes internal resources and operational program budgets.

⁵ Data Preparation – At risk due delayed onboarding of resources. Are resources are in place.

⁶ Omnibus SB 1220 Refund Electronic Fund Transfer – Utilizes internal resources and operational program budgets.

⁷ Omnibus SB 1220 Refund Electronic Fund Transfer – In warning status due to project delay with initiation stage.

⁸ Pension Program Classification Study – At risk as a result of attempting to partner with another organization on effort.

⁹ Pension Solution – Represents the total Board approved budget.

403bCompare Site Redesign

The 403bCompare Site Redesign Project will modernize site design and improve usability, reduce or eliminate data integrity issues, reduce workload to monitor and govern data provided by vendors, as well as reduce site operational and maintenance costs.

Period Ending September 30, 2015:

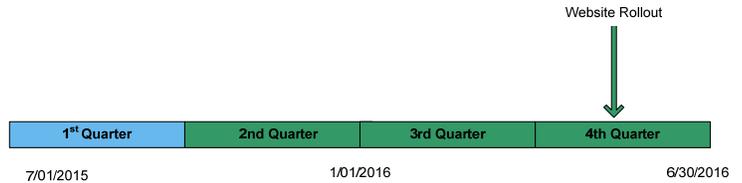
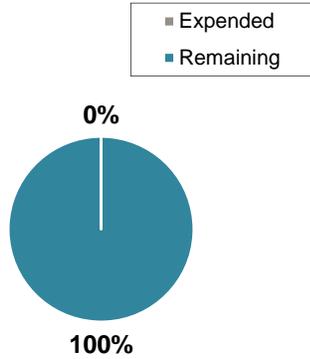
- Received Enterprise Program Investment Council (EPIC) approval for the 403bCompare Site Redesign project.
- Completed Business Requirements.
- Commenced website development.

Planned Deliverables by December 31, 2015:

- Complete homepage and browse functionality.
- Complete system infrastructure development.

Major Fiscal Year 2015/2016 Milestones

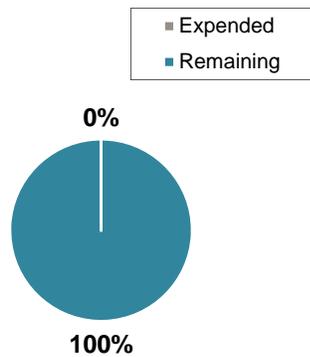
2015/2016 Project Budget
\$534 Thousand



Project Schedule Status Timeline



Total Project Budget
\$936 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 the Additional Earnings and Annuity Credits for 2013.

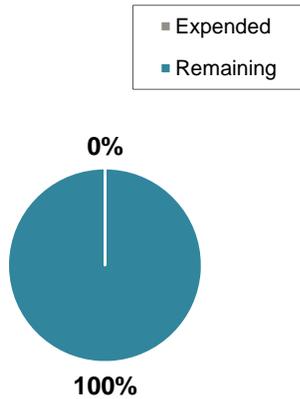
Period Ending September 30, 2015:

- Completed Build Phase of Phase II (Additional Annuities Credits and the payments relating to both the Additional Earnings and Annuity Credits).
- Continued communication artifacts for Additional Annuity Credits and the payments relating to Additional Earnings and Annuity Credits.
- Continued the procurement process for Phase II mail and print vendor services.
- Commenced calculating manual cases.
- Initiated Testing Phase for Phase II.

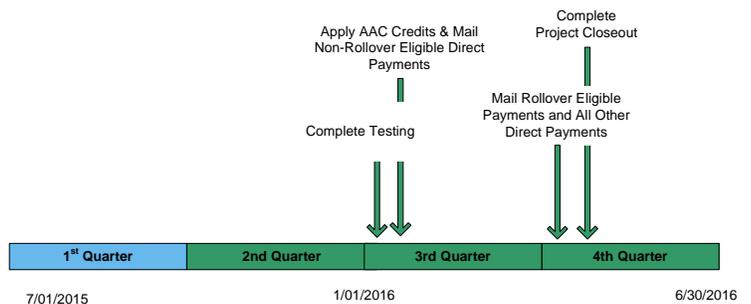
Planned Deliverables by December 31, 2015:

- Continue drafting communication artifacts specific to Phase II including training materials and warrant statement messages.
- Complete remaining testing for Phase I.
- Complete manual calculation workload
- Award contract for printing and mailing vendor for the Phase II payment letters and rollover packets
- Request Project Review Council and EPIC approval to increase the project budget to support printing and mailing services.

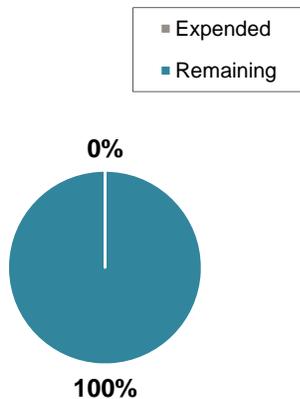
**2015/2016 Project Budget
\$117 Thousand**



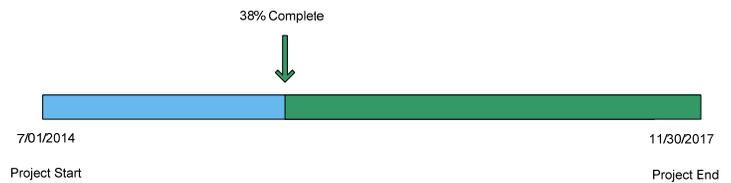
Major Fiscal Year 2015/2016 Milestones



**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), and posts member payroll and service credit data on *myCalSTRS*; produces and validates the Annual Update Account Reconciliation Reports and the Creditable Earning Reconciliation Reports.

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

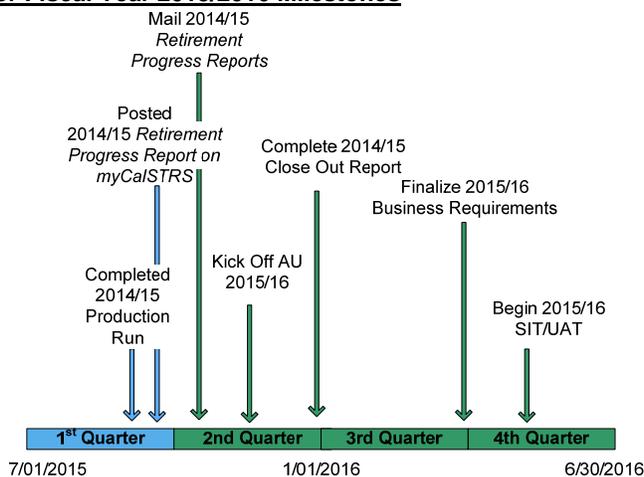
Period Ending September 30, 2015:

- Received final 2014/15 employer reports.
- Completed 2014/15 User Acceptance Testing and Annual Update Production Run.
- Posted 644,820 2014/15 *Retirement Progress Reports* on *myCalSTRS*.
- Completed data and press check with print vendor.
- Conducted Customer Satisfaction Survey with a random selection of members who opted for electronic 2014/15 *Retirement Progress Report* (RPR).

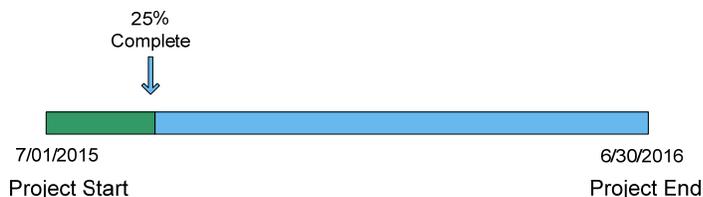
Planned Deliverables by December 31, 2015:

- Mail 2014/15 *Retirement Progress Reports* (RPR) to members who opted to continue to receive paper reports.
- Conduct Lessons Learned session with internal staff and print vendor.
- Email Customer Satisfaction Survey to a random selection of members who opted to receive a mailed 2014/15 *Retirement Progress Report* (RPR).
- Commence 2014/15 project close-out report.
- Conduct project kick-off for fiscal year 2015/16.

Major Fiscal Year 2015/2016 Milestones



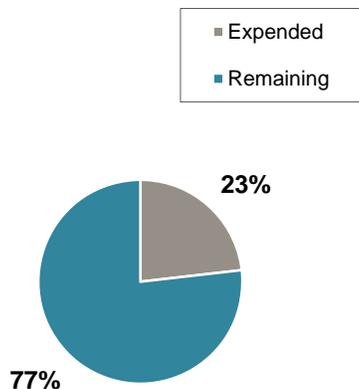
Project Schedule Status Timeline



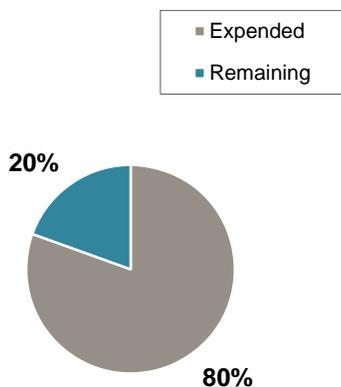
Data Preparation

The 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.

**2015/2016 Project Budget
\$2 Million**



**Total Project Budget
\$8 Million**



Period Ending September 30, 2015:

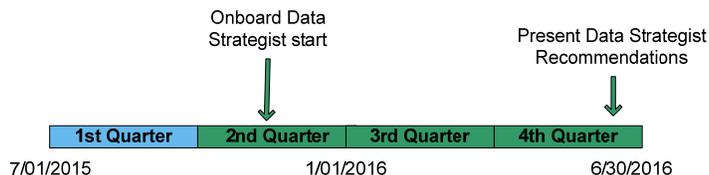
- Completed project initiation activities for Data Cleansing Phase I.
- On boarded a second testing coordinator.
- Completed analysis and prioritization of basic issue scope related to Pension Solution's first functional rollout.
- Began analysis and prioritization of basic issues related to Pension Solution's second functional rollout.
- Continued data cleansing activities.
- Initiated data strategist procurement to assist with prioritizing data decisions to support conversion efforts.

Planned Deliverables by December 31, 2015:

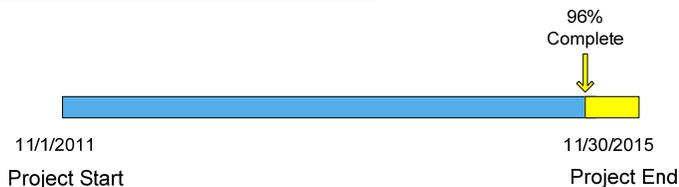
- Re-baseline project schedule with revised scope.
- Complete focus group analysis and prioritization of basic issue data cleaning scope.
- Business decision documentation related to Pension Solution's second functional rollout.
- Request Enterprise Program Investment Council (EPIC) approval for a schedule and budget for Data Prep Phase 1 to coincide with Pension Solution first functional rollout.
- Continue highest priority data cleaning activities.
- Finalize Data Strategist selection and onboard.
- Continue to analyze complex data issues and document decisions and polices.

Warning: Project is at risk due to delayed onboarding of resources. All resources are now in place.

Major Fiscal Year 2015/2016 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 September 30, 2015:

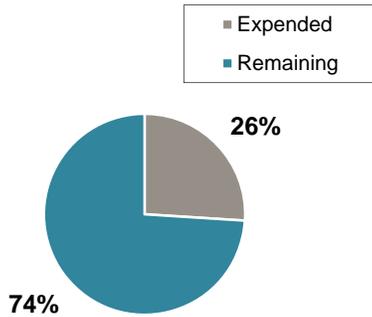
- Completed testing of all system enhancements in conjunction with Annual Update.
- Implemented system enhancements to BusinessDirect financial reports for employer's return of excess contributions.
- Paid out member and employer excess contributions for the 2014/15 fiscal year to employers.
- Received Enterprise Program Investment Council (EPIC) approval to increase the scope and schedule to update the corporate database, START, to allow for a five digit member contribution rate.
- Finalized requirements for increased scope.

Planned Deliverables by December 31, 2015:

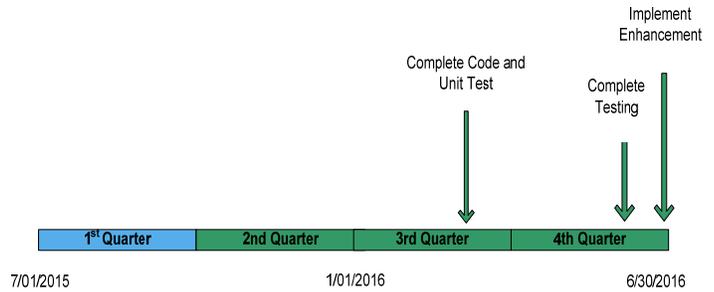
- Implement remaining system enhancements to BusinessDirect's financial reports for employer contribution reconciliation and proportionate share.
- Commence functional and technical design to corporate database, START, to change the contribution rate field to accommodate future rates.

**2015/2016 Project Budget
No Funding**

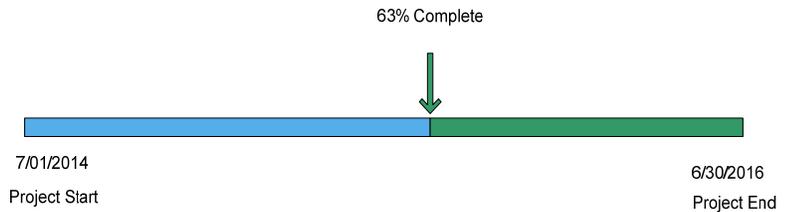
**Total Project Budget
\$1.3 Million**



Major Fiscal Year 2015/2016 Milestones



Project Schedule Status Timeline



Independent Project Oversight

The Independent Project Oversight delivers an independent, un-biased assessment of significant projects to include progress, outcomes, project and risk management, including but not limited to compliance with established governance and project management processes and best practices.

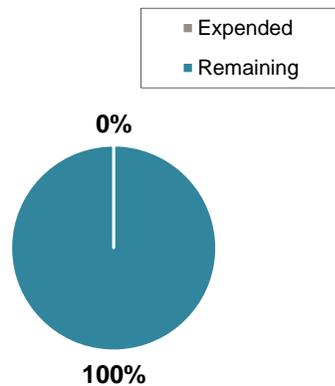
Period Ending September 30, 2015:

- Completed monthly comprehensive status reports for Pension Solution, and Data Preparation.
- Monitored the Data Preparation Phase 1 cleansing activities.
- Monitored the Pension Solution project planning phase activities.
- Monitored adherence to the Pension Solution governance process.
- Developed board presentations regarding the status of the Pension Solution and related projects.

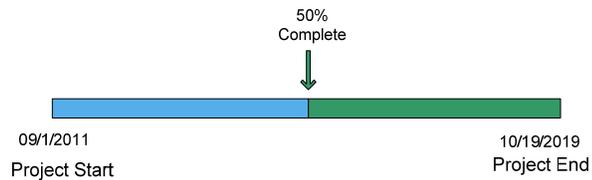
Planned Deliverables by December 31, 2015:

- Complete monthly comprehensive status reports for Pension Solution, and Data Preparation.
- Monitor the Data Preparation Phase 1 cleansing activities.
- Monitor the completion of the Pension Solution project planning phase and initiation of the requirements confirmation and conceptual design phase.
- Monitor adherence to the Pension Solution governance process.
- Develop board presentations regarding the status of the Pension Solution and related projects.

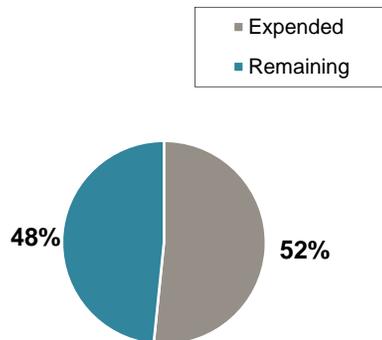
**2015/2016 Project Budget
\$606 Thousand**



Project Schedule Status Timeline



**Total Project Budget
\$6.5 Million**



Omnibus SB1220 Refund Electronic Funds Transfer (EFT)

The Omnibus SB 1220 Refund Electronic Funds Transfer project is implementing system and process changes due to the passage of SB1220, which allows members to receive a refund of their Defined Benefit and Defined Benefit Supplemental contributions via electronic funds transfer, increasing the security of refund distributions.

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

Period Ending September 30, 2015:

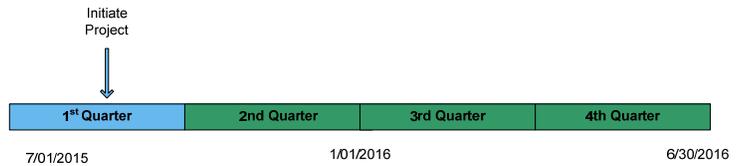
- Received Enterprise Program Investment Council (EPIC) approval for the initial project scope, schedule, and budget.

Planned Deliverables by December 31, 2015:

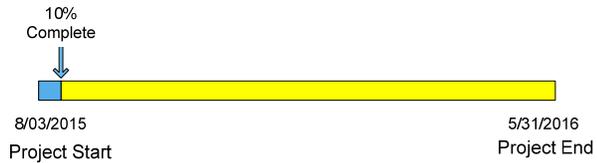
- Finalize requirements for system enhancements to the corporate database, START, and myCalSTRS.
- Finalize implementation schedule and new project end date.

Schedule Warning: Project is at risk due to delayed project start. The project will return to Enterprise Program Investment Council (EPIC) in January 2016 to request schedule extension.

Major Fiscal Year 2015/2016 Milestones



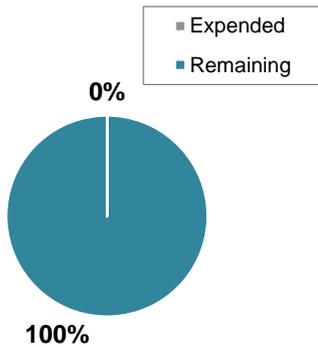
Project Schedule Status Timeline



Pension Program Classification Study

The 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 Personnel Board materials.

2015/2016 Project Budget
\$22 Thousand



Period Ending September 30, 2015:

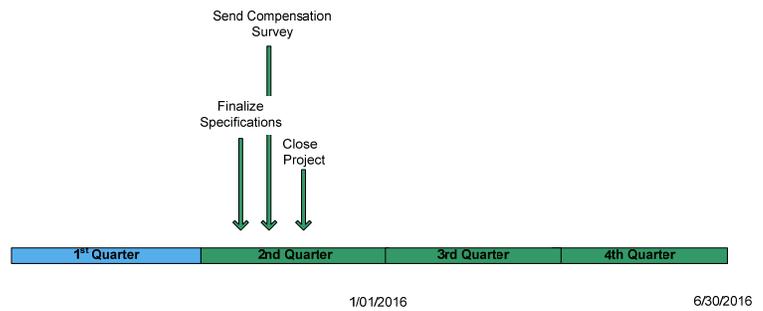
- Drafted recommendations to revise Pension Program Classifications Specifications as necessary.
- Developed salary survey questionnaire.

Planned Deliverables by December 31, 2015:

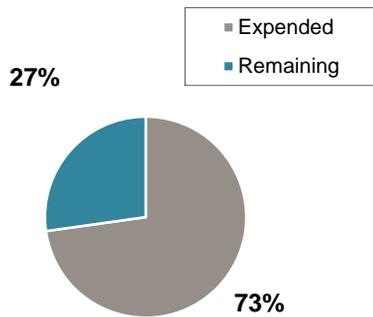
- Finalize Pension Program Classifications Specifications as necessary.
- Send out compensation survey to participating entities.
- Request Enterprise Program Investment Council (EPIC) approval to extend the schedule by two months.

Schedule Warning: Project delays as a result of attempting to partner with another organization on effort.

Major Fiscal Year 2015/2016 Milestones



Total Project Budget
\$204 Thousand



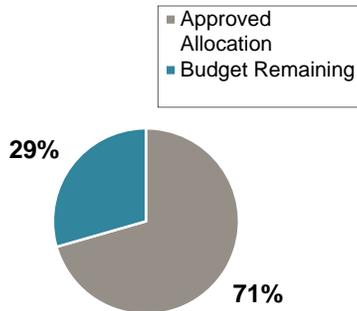
Project Schedule Status Timeline



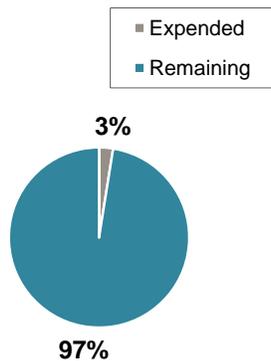
Pension Solution

The 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.

***2015/2016
Approved Allocation vs.
Budget Remaining
\$63 Million**



***2015/2016
Approved Allocation
vs. Actual
\$45 Million**



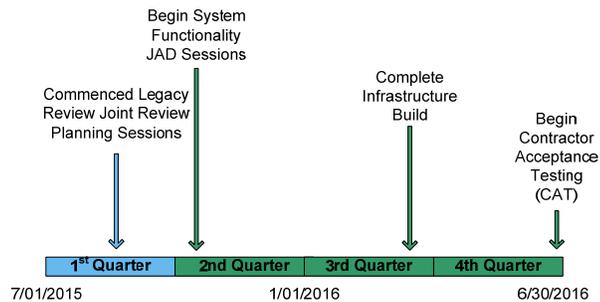
Period Ending September 30, 2015:

- Conducted project kickoff.
- Delivered project training:
 - Project team Expectations
 - Effective Teaming
 - Development Methodology Workshop
 - Overview of Project Management
- Finalized the key artifacts, plans and initial project schedule.
- Onboarded Team CGI staff and one key technical contract resource.
- Reviewed technical specifications and placed infrastructure hardware order.
- Released the Independent Verification and Validation Request for Proposal.
- Initiated business and technical requirements confirmation sessions.

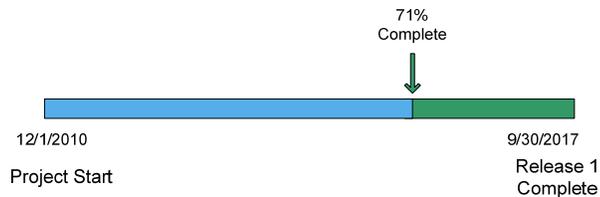
Planned Deliverables by December 31, 2015:

- Baseline resource loaded project schedule.
- Begin System Functionality Joint Application Development (JAD) work sessions.
- Complete Phase 1 – Project Planning efforts.
- Conduct project training for Phase 2 – requirements confirmation and conceptual design.
- Confirm business and technical requirements.
- Establish temporary environment for Reference Model Joint Requirements Document and JAD sessions.
- Finalize the Independent Verification and Validation vendor contract.
- Initiate Functional and Technical Design planning efforts.
- Onboard Data Architect and Solutions Architect contract project resources.

Major Fiscal Year 2015/2016 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.

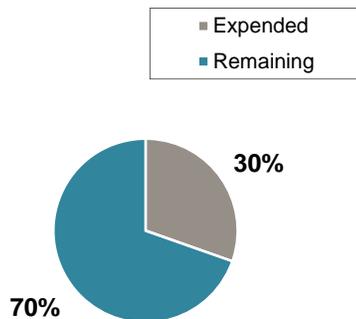
Project Support Program

The Project Support Program provides centralized governance, and coordination of all Pension Solution related 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 Pension solution related component project dependencies and deliverables. The program services include change, contract, and schedule, risk and issue management and overall support.

Period Ending September 30, 2015:

- Provided ongoing program level risk, issue, and schedule management and on-going change management support for Pension Solution and related projects.
- Conducted change readiness assessments for lesser impacted internal stakeholders.
- Developed change management training for leaders and staff.
- Finalized the change management strategy.
- Launched the change champion program enterprise wide.
- Finalized the contract management plan and provide oversight of Pension Solution Contract.
- Provided contract and vendor management support activities for Pension Solution contract.
- Finalized updated program level risk and issue management plans.
- Transitioned the communications function to the Communications Division.
- Received Enterprise Program Investment Council (EPIC) approval for the initial 2015-16 budget.

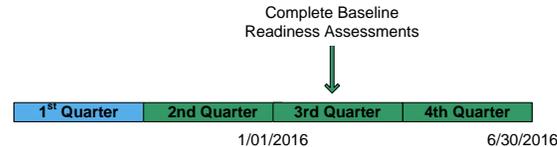
**2015/2016 Program Budget
\$1.2 Million**



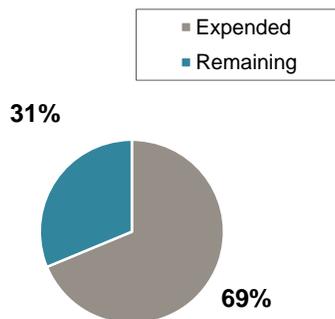
Planned Deliverables by December 31, 2015:

- Provide on-going change management support for Pension Solution and related projects.
- Finalize the change management tactical plan.
- Continue change readiness assessments for lesser impacted internal stakeholders.
- Utilize the change champion program to provide ongoing change support for internal stakeholders.
- Continue to deliver change management training to leaders and staff.
- Provide ongoing risk, issue, and schedule management for Pension Solution and related projects.

Major Fiscal Year 2015/2016 Milestones



**Total Program Budget
\$7 Million**



Requirements Management

The Requirements Management Project implemented a requirements management tool, the Requirements Management Plan (RMP), and a requirements management process and converted the Pension Solution Requirements and migrated existing requirements as identified by the project. The project will also further utilize the tool for test and release management.

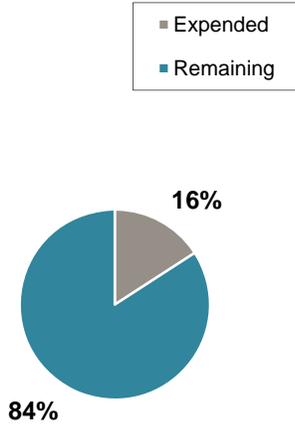
Period Ending September 30, 2015:

- Completed final testing of the requirements management tool configuration for enterprise process and roles.
- Completed requirements migration activities.
- Retired legacy requirements management environments.
- Completed schedule to complete additional tool functionality.
- Released tool and processes for use on new enterprise-wide projects.

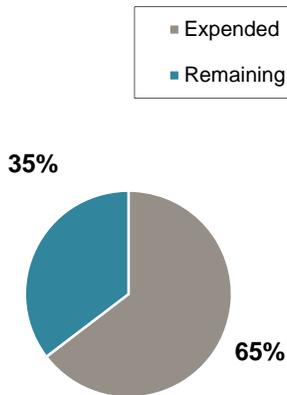
Planned Deliverables by December 31, 2015:

- Update project charter to include additional tool functionality and provide support for both Pension Solution and all enterprise projects.
- Initiate working sessions for test management, release management and enhancements to requirements management within the tool's configuration.

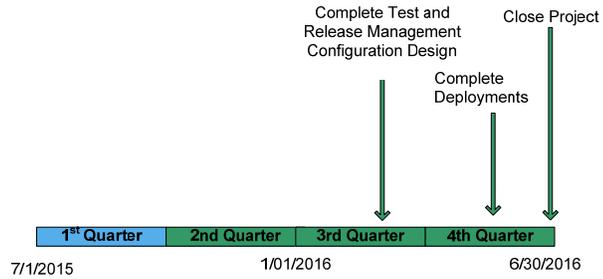
2015/2016 Project Budget
\$447 Thousand



Total Project Budget
\$1.2 Million



Major Fiscal Year 2015/2016 Milestones



Project Schedule Status Timeline

