



## Enterprise Technology Projects

Fiscal Year 2015–16  
Second Quarter Report

Quarter Ending December 31, 2015

# Enterprise Technology Projects

## Fiscal Year 2015/2016–Second Quarter

The Enterprise Program Investment Council (EPIC) is responsible for governance of all enterprise technology projects which includes prioritization, resource allocation and 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, \$11.9 million has been allocated to projects of which \$4 million has been obligated to date. As part of the Governor's 2015-16 Budget, an additional \$63.1 million was allocated specifically for the Pension Solution Project of which \$45 million has been made available to the project and \$41 million has been obligated to date.

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

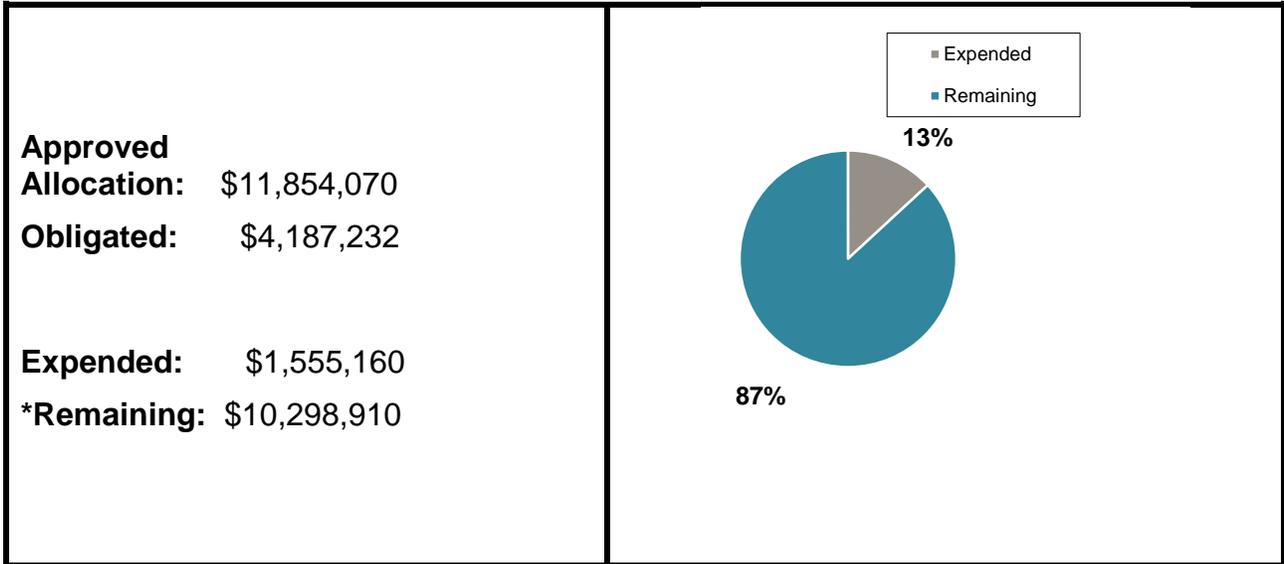
**Ashish Jain**  
Chief Technology Officer

**Andrew Roth**  
Benefits and Services  
Executive Officer

# Enterprise Technology Projects Fiscal Year 2015/2016 – Second Quarter

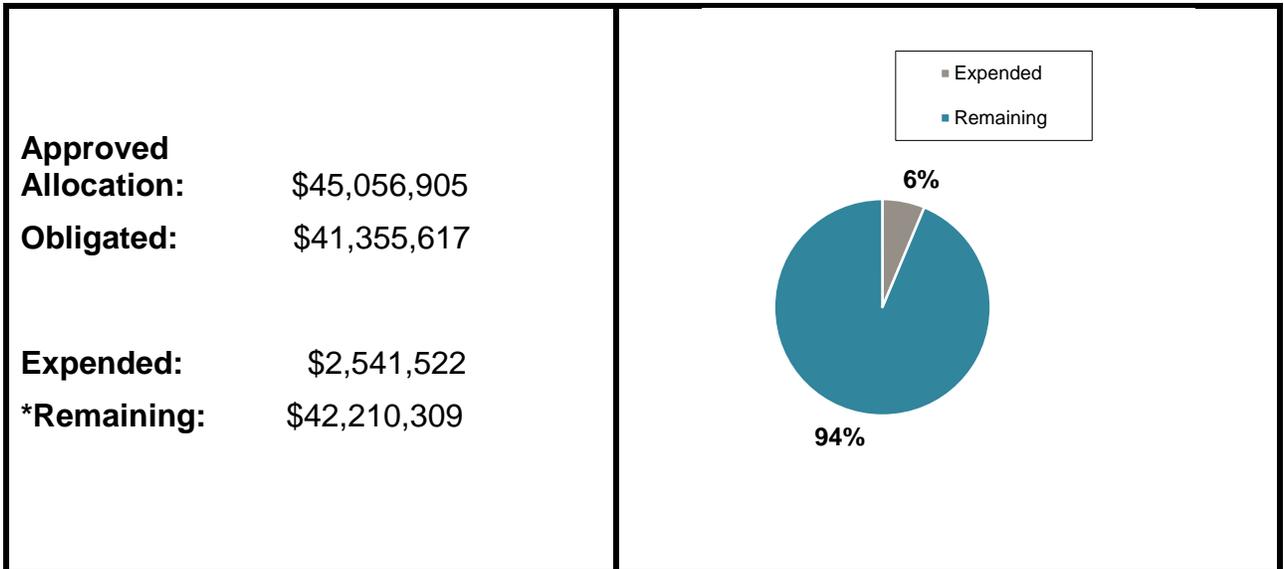
## Enterprise Technology Projects' 2015/2016 Budget: \$33.6 Million

As of December 31, 2015



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

As of December 31, 2015



\*Remaining = Approved Allocation less Expended

## Enterprise Technology Projects Fiscal Year 2015/2016 – Second Quarter

Project Name	Duration	Project Total <sup>1</sup>	2015/2016 Budget <sup>2</sup>	2015/2016 Expended <sup>3</sup>	Schedule	Budget
403bCompare Site Redesign	Sep 2015 – Nov 2016	\$935,780	\$534,289	\$109,578	●	●
Additional Earnings/Annuity Credit 2013	Jul 2014 – Apr 2017 <sup>4</sup>	\$228,400	\$169,900	\$0	●	●
Annual Update	Jul 2015 – Jun 2016	\$0 <sup>5</sup>	\$0	\$0	●	●
BusinessDirect Mini Projects	Nov 2015 – Feb 2016	\$260,000	\$260,000	\$0	●	●
Data Preparation	Nov 2011 – Dec 2016	\$11,024,855	\$3,582,666	\$975,580	●	●
Develop RFP for SAP Managed Services	Dec 2015 – Mar 2016	\$200,000	\$200,000	\$0	●	●
Full Funding	July 2014 – Jun 2016	\$1,293,960	\$0	\$0	●	●
Independent Project Oversight	Sep 2011 – Oct 2019	\$6,168,186	\$319,455	\$6480	●	●
Multimodal Communication Upgrade	Nov 2015 – Apr 2016	\$2,000,000	\$2,000,000	\$0	◻ <sup>6</sup>	●
Omnibus SB1220 – Refund Electronic Funds Transfer (EFT)	Aug 2015 – May 2016	\$0 <sup>7</sup>	\$0	\$0	◻ <sup>8</sup>	●
Pension Program Classification Study	Feb 2014 – Jan 2016	\$203,521	\$21,721	\$0	●	●
Pension Solution	Jul 2014 - Sep 2017	\$251,800,000 <sup>9</sup>	\$45,056,905	\$2,541,522	●	●
Project Support Program	Jan 2011 – Jun 2016	\$7,047,662	\$1,222,912	\$731,515	●	●
Requirements Management	Aug 2011 – Jun 2016	\$1,124,409	\$447,200	\$163,440	●	●
Space Optimization	Nov 2015 – Apr 2016	\$1,891,900	\$1,891,900	\$0	●	●
<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> 2015/2016 Budget – Amount represents the planned budget and may be comprised of funding sources representing multiple years.

<sup>3</sup> 2015/2016 Expended – Amount represents the expended amount captured in our financial systems for each project.

<sup>4</sup> Additional Earnings and Annuity Credits 2013 – Includes funding of one position for one year following implementation.

<sup>5</sup> Annual Update – Utilizes internal resources and operational program budgets.

<sup>6</sup> Multimodal Communication Upgrade – Project is at risk due to delay in Request for Proposal (RFP) process.

<sup>7</sup> Omnibus SB 1220 Refund Electronic Fund Transfer – Utilizes internal resources and operational program budgets.

<sup>8</sup> Omnibus SB 1220 Refund Electronic Fund Transfer – In warning status due to project delay with initiation stage.

<sup>9</sup> Pension Solution – Represents the total Board approved budget.

Project Name	Purpose	Accomplishments
--------------	---------	-----------------

**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 December 31, 2015:**

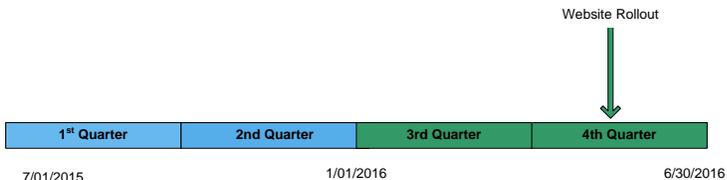
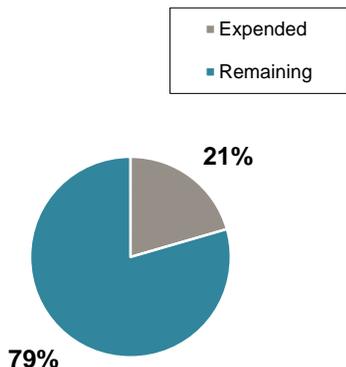
- Completed system infrastructure development.
- Completed homepage and browse functionality.

**Planned Deliverables by March 31, 2016:**

- Complete search employers functionality.
- Complete browse vendors functionality.
- Complete compare products functionality.
- Begin financial data provider data integration.

**Major Fiscal Year 2015/2016 Milestones**

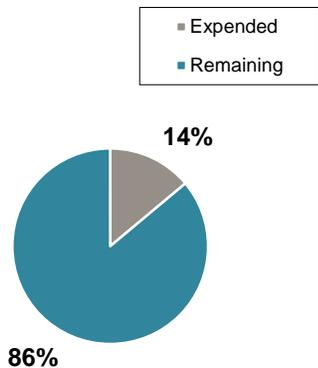
**2015/2016 Project Budget**  
**\$534 Thousand**



**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.

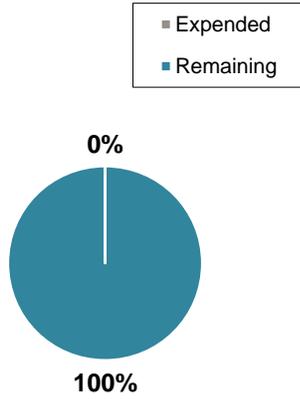
**Period Ending December 31, 2015:**

- Completed calculation of manual workload.
- Received Enterprise Program Investment Council (EPIC) approval to increase the budget to support the printing and mailing services
- Completed testing for Phase II.
- Awarded contract for printing and mailing vendor for Phase II payment letters and rollover packets.

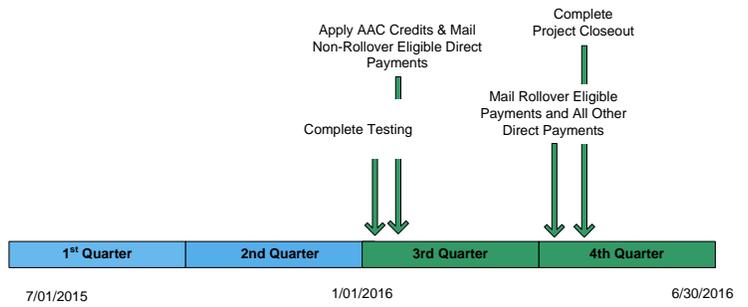
**Planned Deliverables by March 31, 2016:**

- Complete communications specific to Phase II.
- Apply Additional Annuity Credits (AAC).
- Issue Additional Earnings (AEC) and AAC direct payments and print and mail associated payment letters.
- Print and mail rollover forms to rollover-eligible AEC/AAC payment recipients.
- Issue manual AEC/AAC payments and rollover forms.

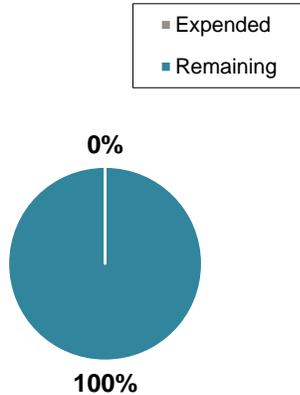
**2015/2016 Project Budget  
\$170 Thousand**



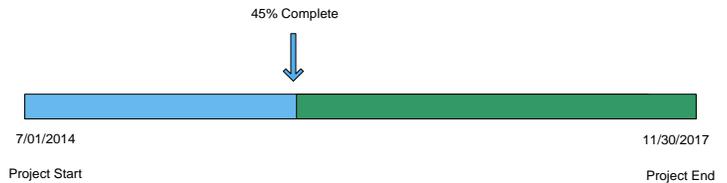
**Major Fiscal Year 2015/2016 Milestones**



**Total Project Budget  
\$228 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; processes excess contributions and returns monies to employers on behalf of members who earn more than one year of service, 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.

**Period Ending December 31, 2015:**

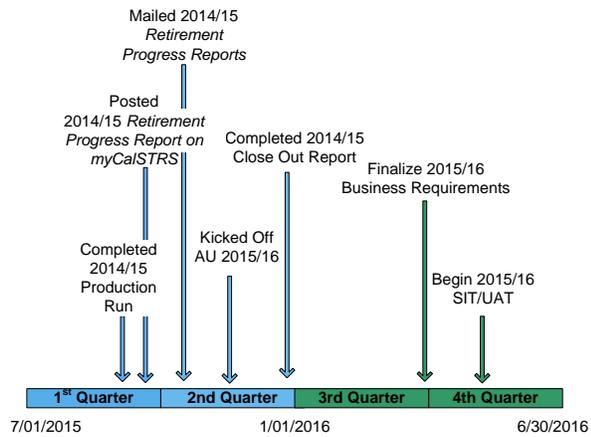
- Mailed 2014/15 *Retirement Progress Reports (RPR)* to members who opted to continue to receive paper reports.
- Conducted Lessons Learned session with internal staff and print vendor.
- Emailed Customer Satisfaction Survey to a random selection of members who opted to receive a mailed 2014/15 *Retirement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

**Planned Deliverables by March 31, 2016:**

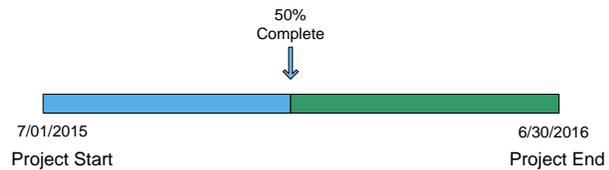
- Close Annual Update 2014/15 project.
- Finalize Annual Update 2015/16 project charter.
- Commence with Annual Update 2015/16 business requirements gathering.

**Major Fiscal Year 2015/2016 Milestones**

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



**Project Schedule Status Timeline**



**BusinessDirect Mini Projects**

The BusinessDirect Mini Projects will allow CalSTRS' current SAP Managed Services provider to complete projects requested by CalSTRS to further enhance the user experience or add functionality to the system.

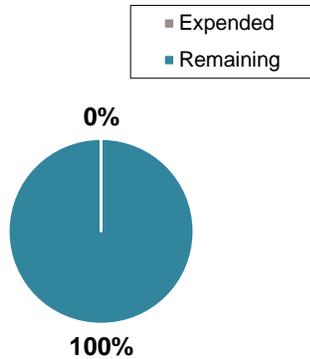
**Period Ending December 31, 2015:**

- Cost Accounting Preparation:
  - Finalized requirements.
  - Completed mini-project.
- Recording SRM Business Process Procedures (BPPs):
  - Initiated BPP recordings and review.
- Business Intelligence (BI) Reporting Enhancements:
  - Initiated system development.

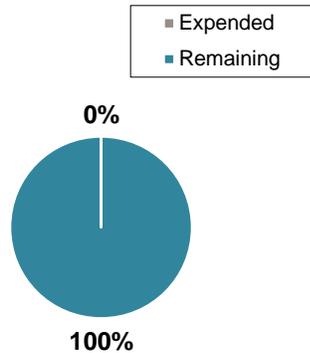
**Planned Deliverables by March 31, 2016:**

- Recording SRM Business Process Procedures (BPPs):
  - Complete BPP recordings and review.
  - Review, finalize and publish BPPs.
  - Complete mini-project.
- Business Intelligence (BI) Reporting Enhancements:
  - Complete system development.
  - Rollout new reporting tool.
  - Provide user training.
  - Complete mini-project.

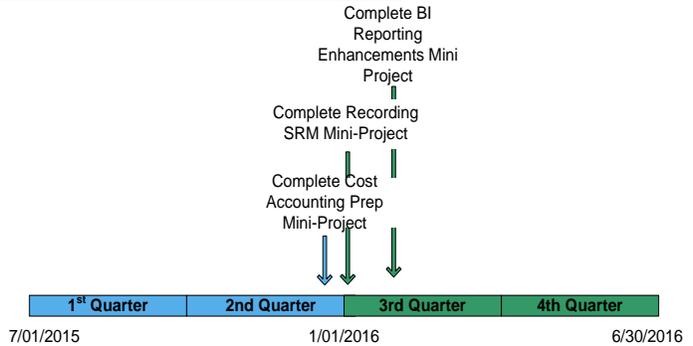
**2015/2016 Project Budget**  
\$260 Thousand



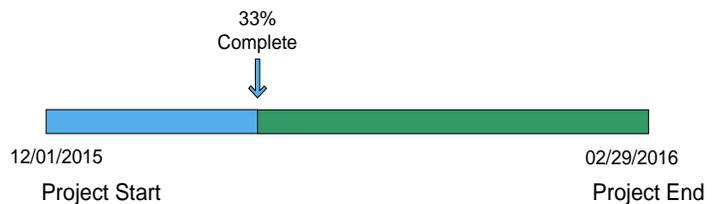
**Total Project Budget**  
\$260 Thousand



**Major Fiscal Year 2015/2016 Milestones**



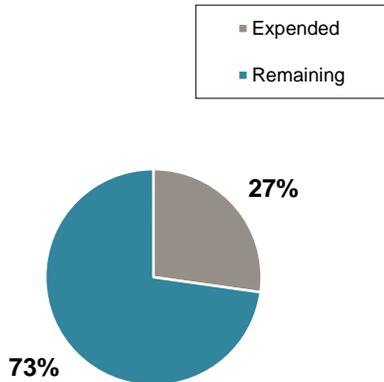
**Project Schedule Status Timeline**



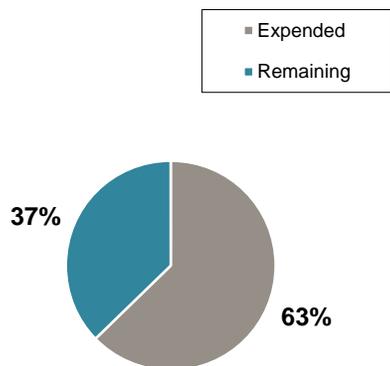
**Data Preparation**

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  
\$3.6 Million**



**Total Project Budget  
\$11 Million**



**Period Ending December 31, 2015:**

- Continued basic issue cleansing related to Pension Solution's first functional rollout.
- On boarded data strategist to assist with developing policies and protocols to support conversion efforts.
- Received Enterprise Program Investment Council (EPIC) approval for a schedule and budget increase for Phase 1 data cleansing to coincide with Pension Solution Functional Rollout 1.
- Revised project schedule to reflect updated scope.

**Planned Deliverables by March 31, 2016:**

- Continue analysis and prioritization of basic issues related to Pension Solution's Functional Rollout 2.
- Continue highest priority data cleaning activities related to the Pension Solution Functional Rollout 1.
- Continue to align Data Preparation activities with the Pension Solution's Functional Rollout Plan.
- Complete data strategist policy approach and policy schedule deliverables.
- Continue complex data issues analysis and document resulting decisions and policies.

**Major Fiscal Year 2015/2016 Milestones**



**Project Schedule Status Timeline**



Project Name	Purpose	Accomplishments
--------------	---------	-----------------

**Develop RFP for SAP Managed Services**

The Develop RFP for SAP Managed Services Project includes completing a full scale review of current state SAP documentation, creating a comprehensive RFP that will attract bids for a new contract for SAP Managed Services..

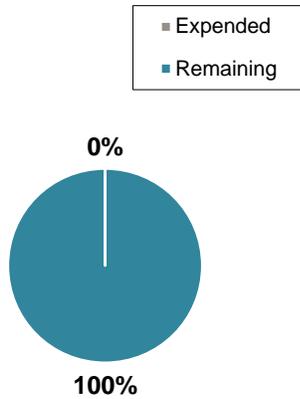
**Period Ending December 31, 2015:**

- Initiated project activities with vendor used to support the effort.
- Conducted workshops to share CalSTRS current state and potential future state use of SAP and associated technology.
- Initiated collection and organization of system documentation to be used in conjunction with Request for Proposal (RFP).

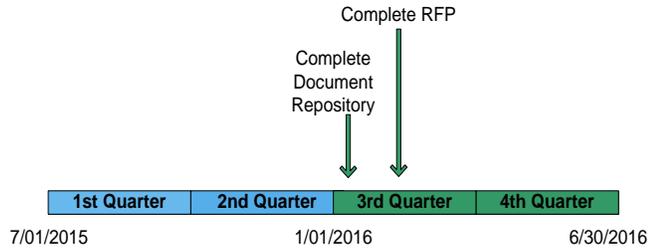
**Planned Deliverables by March 31, 2016:**

- Review, finalize and release Request for Proposal (RFP).
- Finalize document repository with secure access for potential bidders.

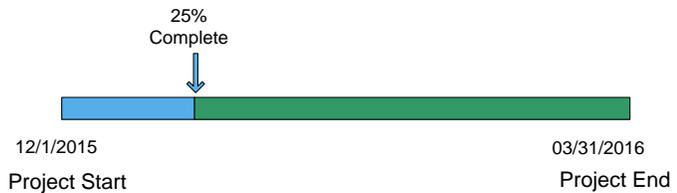
**2015/2016 Project Budget**  
\$200 Thousand



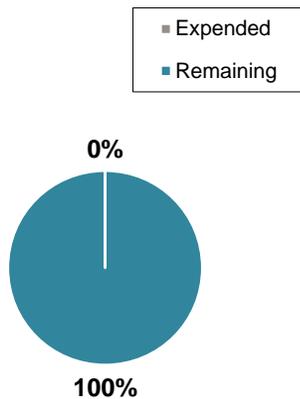
**Major Fiscal Year 2015/2016 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget**  
\$ 200 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, 2015:**

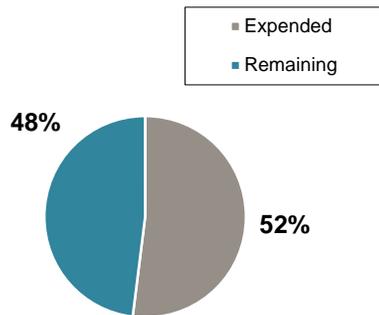
- Implemented remaining system enhancements to BusinessDirect's financial reports for employer contribution reconciliation and proportionate share.
- Completed the corporate database functional and technical design to accommodate future rates.
- Completed coding the corporate database enhancements to accommodate future rates.

**Planned Deliverables by March 31, 2016:**

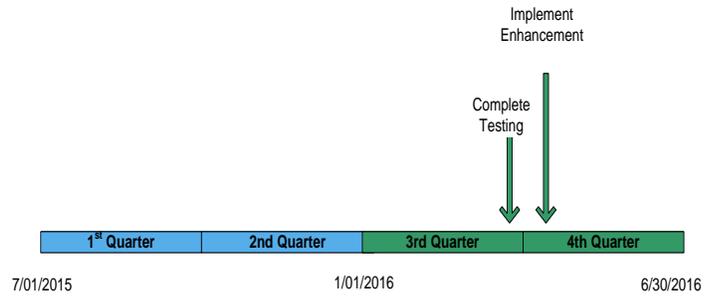
- Commence and complete testing the corporate database enhancements to accommodate future rates.

**2015/2016 Project Budget  
No Funding**

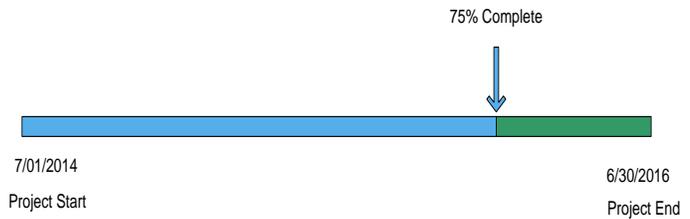
**Total Project Budget  
\$1.3 Million**



**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.

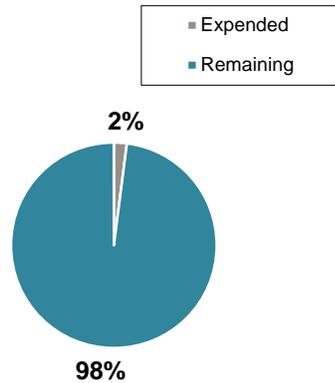
**Period Ending December 31, 2015:**

- Completed monthly comprehensive status reports for Pension Solution, and Data Preparation.
- Monitored the Data Preparation Phase 1 cleansing activities.
- Monitored the completion of the Pension Solution project planning phase and initiation of the requirements confirmation and conceptual design phase.
- Monitored adherence to the Pension Solution governance process.
- Developed board presentation regarding the status of the Pension Solution and related projects.
- Moved the funding associated with the Pension Solution project work to the Pension Solution project.

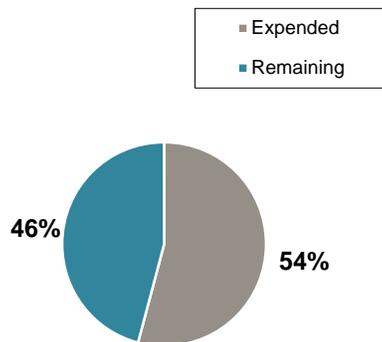
**Planned Deliverables by March 31, 2016:**

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

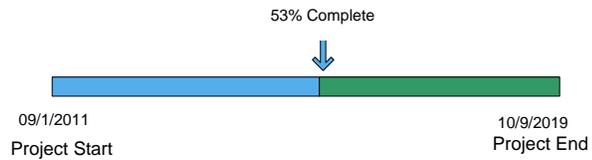
**2015/2016 Project Budget  
\$319 Thousand**



**Total Project Budget  
\$6.2 Million**



**Project Schedule Status Timeline**



**Multimodal Communication Upgrade (MCU) Project – Phase I**

The Multimodal Communication Upgrade - Phase 1 of the Project consists of upgrades to the audio visual equipment in the Board Room, Sacramento River, American River, Caucus Room, 15<sup>th</sup> Floor Control Room, and 15<sup>th</sup> Floor Edit Suite.

**Period Ending December 31, 2015:**

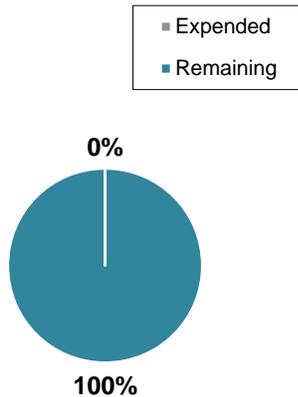
- Received project approval from Enterprise Program Investment Council (EPIC).
- Finalized equipment requirements.
- Drafted construction documents and audio visual systems specifications.

**Planned Deliverables by March 31, 2016:**

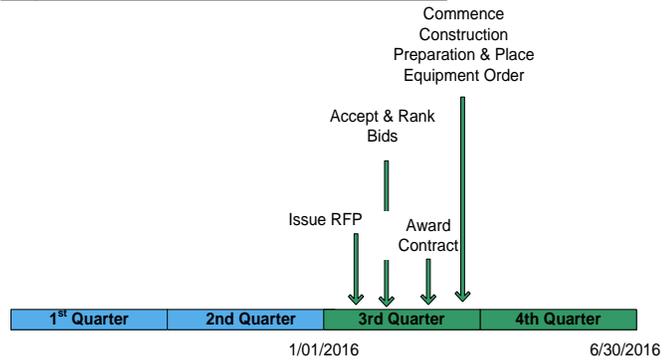
- Develop and release Request for Proposal (RFP) for equipment and implementation services.
- Award equipment and implementation services contract.
- Begin construction preparation
- Order audio visual equipment.
- Request and receive Enterprise Program Investment Council (EPIC) approval to extend the schedule to support the procurement approach.

**⚠ Schedule Warning:** Project is at risk due to delay in Request for Proposal (RFP) process.

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

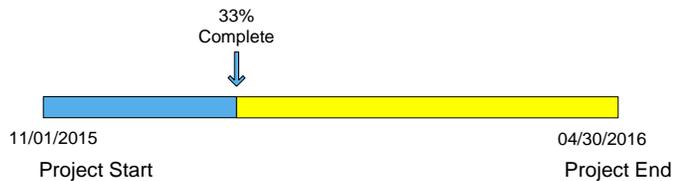
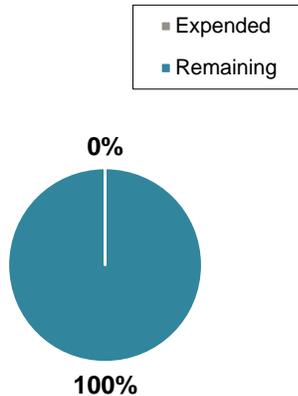


**Major Fiscal Year 2015/2016 Milestones**



**Project Schedule Status Timeline**

**Total Project Budget \$2 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 December 31, 2015:**

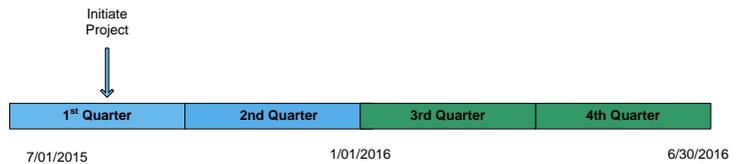
- Assigned a new project manager.
- Initiated planning activities.

**Planned Deliverables by March 31, 2016:**

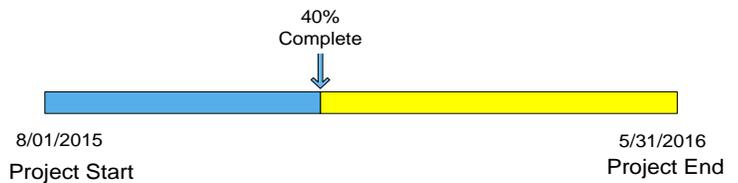
- Finalize requirements for system enhancements to the corporate database, START, and myCalSTRS.
- Finalize implementation schedule and new project end date.
- Request EPIC approval to extend the project schedule.

**⚠ Schedule Warning:** Project is at risk due to delayed project start. The project will return to EPIC during the third quarter of fiscal year 2015/2016 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.

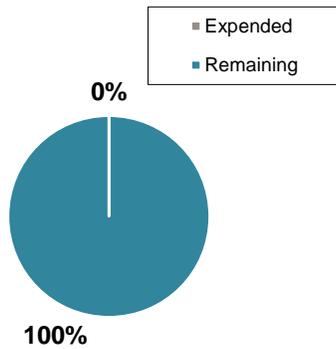
**Period Ending December 31, 2015:**

- Received draft Pension Program Classification Specification for review.
- Conducted compensation survey with participating entities.
- Received EPIC approval to extend the project schedule by two months.
- Commenced drafting the CalHR Board Item package.

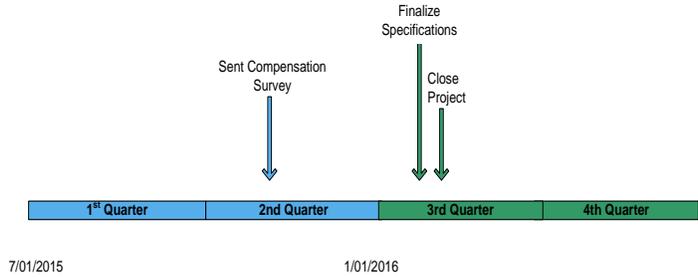
**Planned Deliverables by March 31, 2016:**

- Finalize Pension Program classifications specifications.
- Finalize CalHR Board Item package.
- Complete project closeout activities.

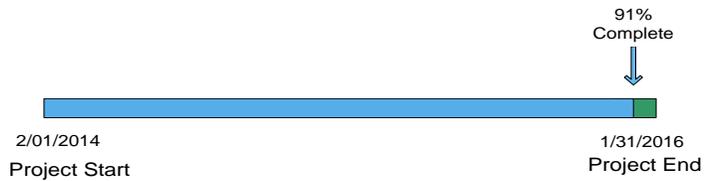
**2015/2016 Project Budget**  
\$22 Thousand



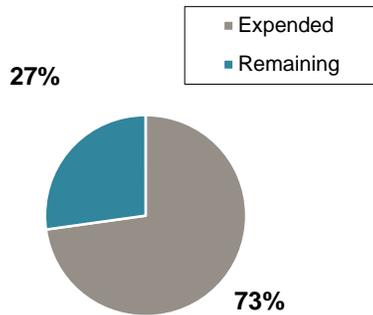
**Major Fiscal Year 2015/2016 Milestones**



**Project Schedule Status Timeline**



**Total Project Budget**  
\$204 Thousand



**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.

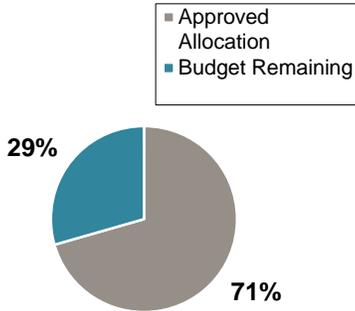
**Period Ending December 31, 2015:**

- Baselined resource loaded project schedule.
- Conducted system functionality Joint Application Development (JAD) work sessions.
- Conducted training for requirements confirmation and conceptual design.
- Confirmed business and technical requirements.
- Completed selection process for Independent Verification and Validation.
- Onboarded Data Architect and Solutions Architect contract project resources.

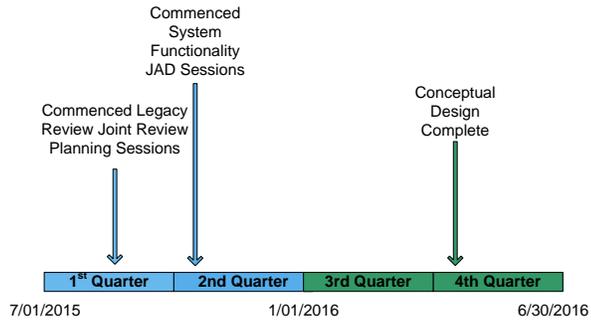
**Planned Deliverables by March 31, 2016:**

- Finalize the Business Process Alignment document.
- Develop Conceptual Design Document including the functional and technical design specifications.
- Develop Functional Rollout Plan.
- Onboard Independent Verification and Validation (IV&V) vendor.

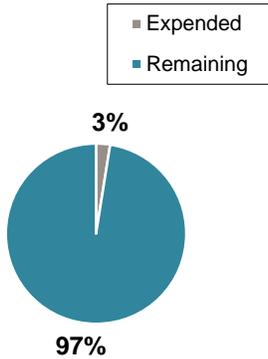
**\*2015/2016  
Approved Allocation vs.  
Budget Remaining  
\$63 Million**



**Major Fiscal Year 2015/2016 Milestones**



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

**Project Support Program**

The Project Support Program supports Enterprise Program Investment Council projects to achieve the strategic benefits and objectives by facilitating the optimization of costs, resources and staffing, risk management and overall support.

**Period Ending December 31, 2015:**

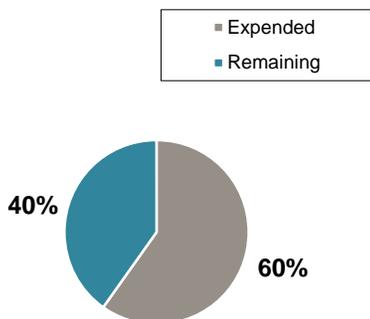
- Provided on-going project support.
- Provided on-going change management support for Pension Solution and related projects.
- Completed baseline change readiness assessments for lesser impacted internal stakeholders.
- Finalized the change management tactical plan.
- Delivered change management training to leaders and staff in the change champion role.
- Utilized the change champion program to provide ongoing change support for internal stakeholders.
- Provided ongoing support for employers.

**Planned Deliverables by March 31, 2016:**

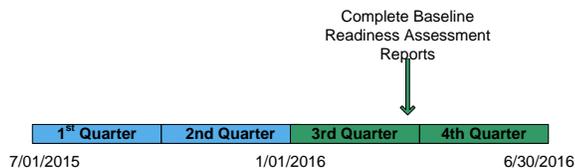
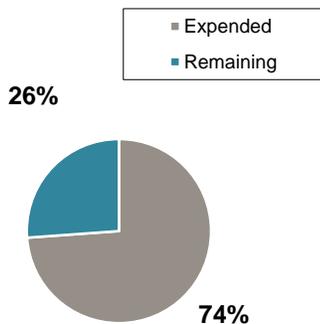
- Provide on-going change management support for Pension Solution and related projects.
- Finalize change readiness assessment reports for lesser impacted internal stakeholders.
- Utilize the change champion program to provide ongoing change support for internal stakeholders.
- Develop plan for next series of readiness assessments.
- Deliver change management training to technology leadership team.
- Provide ongoing support for employers.
- Conduct Employer Forums.

**Major Fiscal Year 2015/2016 Milestones**

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



**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 December 31, 2015:**

- Updated project charter to include additional tool functionality and provided support for both Pension Solution and all enterprise projects.
- Initiated working sessions for test and release management.

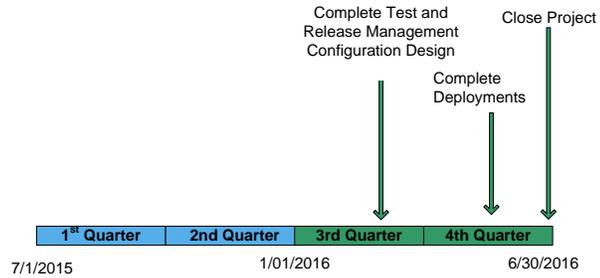
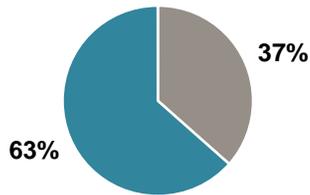
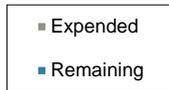
**Planned Deliverables by March 31, 2016:**

- Complete working sessions for test and release management.
- Complete configuration design for test and release management.
- Initiate testing of the configuration design for test and release management.

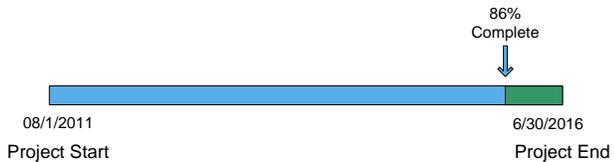
**Major Fiscal Year 2015/2016 Milestones**

**2015/2016 Project Budget**

**\$447 Thousand**

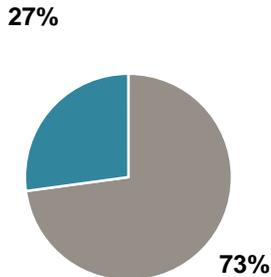


**Project Schedule Status Timeline**



**Total Project Budget**

**\$1.1 Million**



Project Name	Purpose	Accomplishments
--------------	---------	-----------------

**Space Optimization**

The Space Optimization project will optimize workspace throughout the building in order to provide growth for current business needs and the expected long-term growth. The current scope and schedule represents the 5th floor optimization activities.

**Period Ending December 31, 2015:**

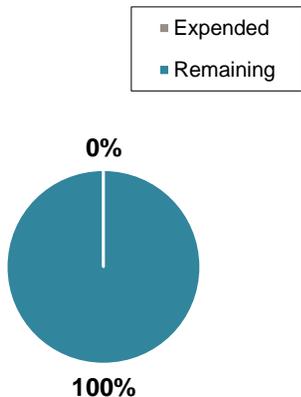
- Received project approval from Enterprise Program Investment Council (EPIC).
- Submitted order for new furniture.
- Developed four phase approach to optimize the 5th floor working areas.
- Formed 5th floor communication focus group.

**Planned Deliverables by March 31, 2016:**

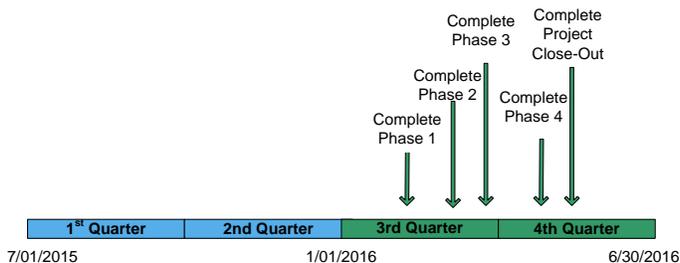
- Complete first three (3) phases of the 5th floor optimization effort.
- Execute communication and change management activities.

**2015/2016 Project Budget**

**\$1.9 Million**

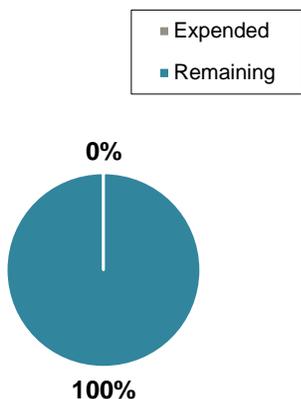


**Major Fiscal Year 2015/2016 Milestones**



**Total Project Budget**

**\$1.9 Million**



**Project Schedule Status Timeline**

