



## Enterprise Technology Projects

Fiscal Year 2015–16  
Third Quarter Report

Quarter Ending March 31, 2016

# Enterprise Technology Projects

Fiscal Year 2015/2016–Third 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 third quarter, of the \$33.6 million available, \$12.5 million has been allocated to projects of which \$9 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 \$47 million has been made available to the project and \$43 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

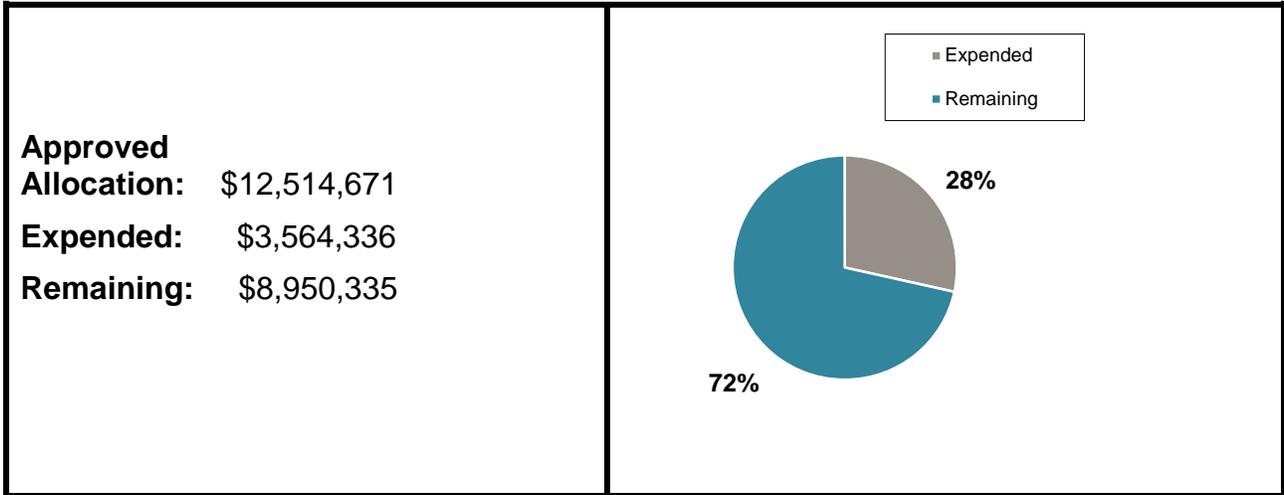
**Ashish Jain**  
Chief Technology Officer

**Andrew Roth**  
Benefits and Services  
Executive Officer

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

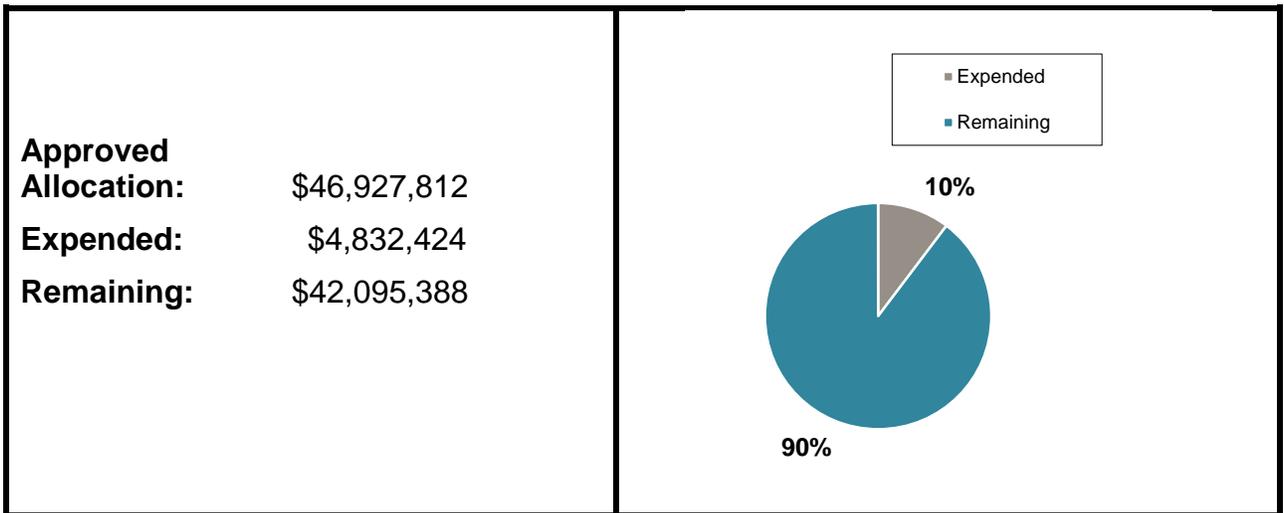
## Enterprise Technology Projects' 2015/2016 Budget: \$33.6 Million

As of March 31, 2016



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

As of March 31, 2016



# Enterprise Technology Projects

## Fiscal Year 2015/2016 – Third Quarter

Project Name	Duration	Project Total <sup>1</sup>	2015/2016 Budget <sup>2</sup>	2015/2016 Expended <sup>3</sup>	Schedule	Budget
<b>403bCompare Site Redesign</b>	Sep 2015 – Nov 2016	\$935,780	\$534,289	\$249,013	●	●
<b>Additional Earnings/Annuity Credit 2013</b>	Jul 2014 – Apr 2017 <sup>4</sup>	\$228,400	\$169,900	\$51,007	●	●
<b>Additional Earnings/Credit 2014 &amp; 2015</b>	Jan 2016 – Oct 2016	\$128,500	\$128,500	\$0	●	●
<b>Annual Update 2015/16</b>	Jul 2015 – Jun 2016	\$0 <sup>5</sup>	\$0	\$0	●	●
<b>BusinessDirect Mini Projects</b>	Nov 2015 – Feb 2016	\$260,000	\$260,000	\$135,000	◆ <sup>6</sup>	●
<b>Data Preparation</b>	Nov 2011 – Dec 2016	\$11,024,855	\$3,582,666	\$1,626,975	●	●
<b>Develop RFP for SAP Managed Services</b>	Dec 2015 – Mar 2016	\$200,000	\$200,000	\$199,892	◆	◆
<b>Full Funding</b>	July 2014 – Jun 2016	\$1,293,960	\$0	\$0	●	●
<b>Independent Project Oversight</b>	Sep 2011 – Oct 2019	\$6,168,186	\$462,396	\$190,520	●	●
<b>Multimodal Communication Upgrade</b>	Nov 2015 – Sep 2016	\$2,000,000	\$2,000,000	\$0	●	●
<b>Omnibus SB1220 – Refund Electronic Funds Transfer (EFT)</b>	Aug 2015 – May 2016	\$0 <sup>7</sup>	\$0	\$0	◆ <sup>8</sup>	●
<b>Pension Program Classification Study</b>	Feb 2014 – Jan 2016	\$203,521	\$61,366	\$39,543	◆	◆
<b>Pension Solution</b>	Jul 2014 - Sep 2017	\$251,800,000 <sup>9</sup>	\$45,056,905	\$2,541,522	●	●
<b>Project Support Program</b>	Jan 2011 – Jun 2016	\$7,047,662	\$1,222,912	\$879,861	●	●
<b>Requirements Management</b>	Aug 2011 – Jun 2016	\$1,124,409	\$447,200	\$321,953	●	●
<b>Space Optimization</b>	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 2015/16 – Utilizes internal resources and operational program budgets.

<sup>6</sup> BusinessDirect Mini Projects –Delays in completing the final of the three mini-projects and on track for completion in April 2016.

<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 – Delays in project initiation.

<sup>9</sup> Pension Solution – Represents the total board approved budget for the complete project. The identified duration end date of September 2017 represents the duration through the first planned functional rollout.

Project Name	Purpose	Accomplishments
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**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.

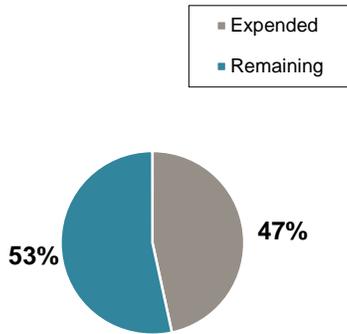
**Period Ending March 31, 2016:**

- Completed browse vendor functionality.
- Completed browse products functionality.
- Completed product search and filter functionality.
- Completed usability study.

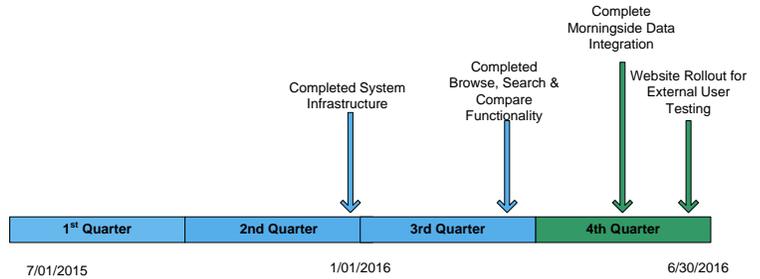
**Planned Deliverables by June 30, 2016:**

- Complete compare products functionality.
- Complete member login functionality.
- Complete integration with investment data provider.
- Release website for external user acceptance testing.

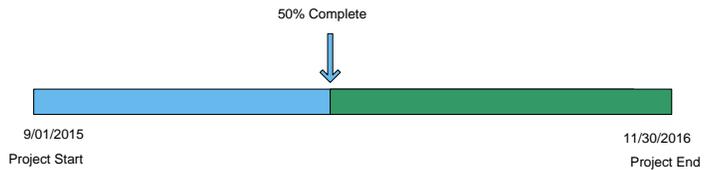
**2015/2016 Project Budget  
\$534 Thousand**



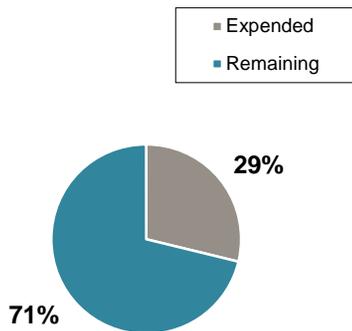
**Major Fiscal Year 2015/2016 Milestones**



**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.

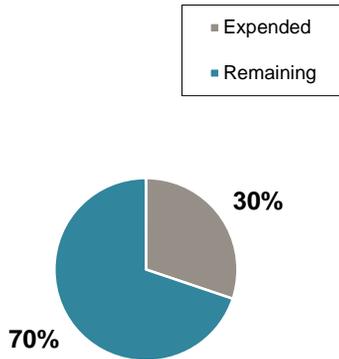
**Period Ending March 31, 2016:**

- Completed communications specific to Phase II.
- Applied Additional Annuity Credits (AAC).
- Issued Additional Earnings (AEC) and AAC direct payments and printed and mailed associated payment letters.
- Printed and mailed rollover forms to rollover-eligible AEC/AAC payment recipients.
- Issued direct and manual AEC/AAC payment letters and rollover forms.
- Completed issuing all manual AEC/AAC non-rollover eligible payments.
- Continued processing rollover elections.

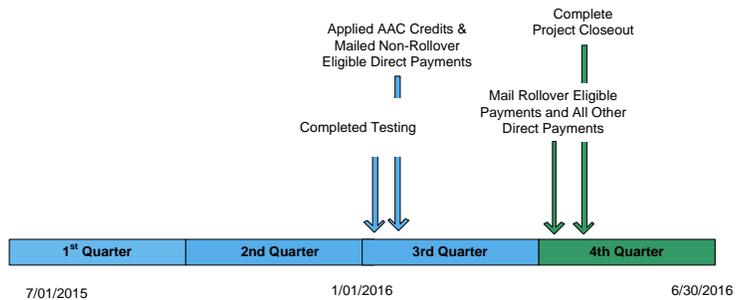
**Planned Deliverables by June 30, 2016:**

- Complete processing rollover elections.
- Release rollovers and rollover-eligible direct payments.
- Issue manual rollovers and rollover-eligible direct payments.
- Complete lessons learned session.
- Complete project closeout report.

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

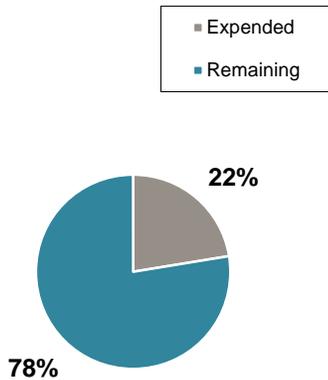


**Major Fiscal Year 2015/2016 Milestones**



**Project Schedule Status Timeline**

**Total Project Budget  
\$228 Thousand**



**Additional Earnings Credit (AEC) 2014 & 2015**

The Additional Earnings and Annuity Credit 2014 & 2015 project will implement the system changes and business processes that will allow CalSTRS to credit or pay the Additional Earnings Credits for 2014 and 2015.

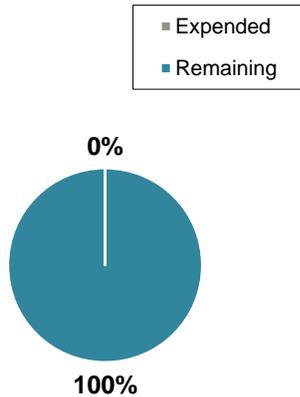
**Period Ending March 31, 2016:**

- Completed Project Kick-off.
- Completed Additional Earnings Credit (AEC) 2014 detailed requirements.
- Completed AEC 2014 Design and Build Phase.

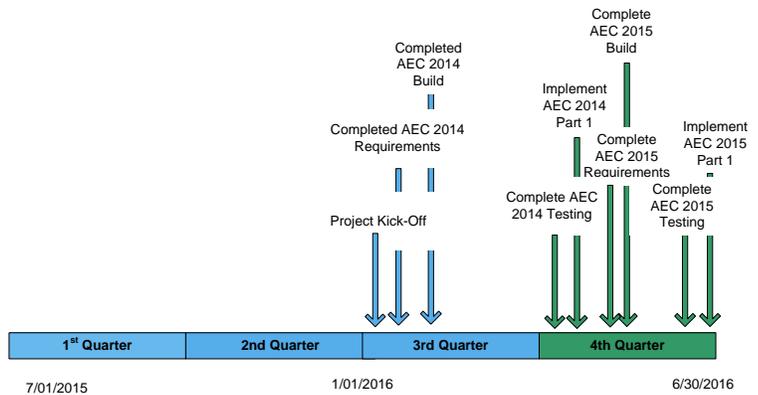
**Planned Deliverables by June 30, 2016:**

- Complete Additional Earnings Credit (AEC) 2014 testing.
- Complete AEC 2014 related communications related.
- Implement AEC 2014 and apply credits and issue non-rollover eligible direct payments.
- Complete printing and mailing of payment letters and rollover packets.
- Issue manual AEC2014 non-rollover eligible direct payments.
- Complete AEC 2015 detailed requirements.
- Complete testing for AEC 2015.
- Complete AEC 2015 communications.
- Implement AEC 2015 and apply credits and issue non-rollover eligible direct payments.

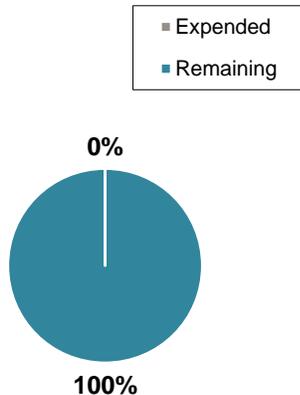
**2015/2016 Project Budget**  
**\$128 Thousand**



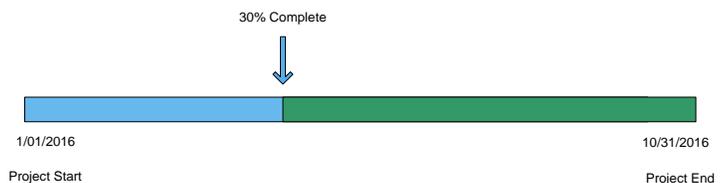
**Major Fiscal Year 2015/2016 Milestones**



**Total Project Budget**  
**\$128 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.

**No Budget**

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

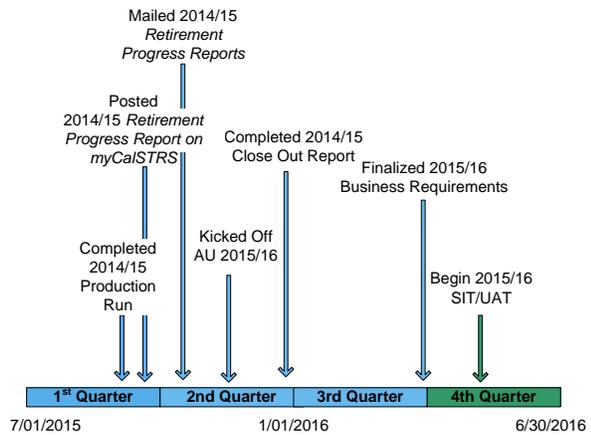
**Period Ending March 31, 2016:**

- Closed Annual Update 2014/15 project.
- Finalized Annual Update 2015/16 project charter and roles and responsibilities.
- Received Sponsor approval for two new Annual Update 2015/16 enhancements:
  1. Add Membership date to Retirement Progress Report (RPR); add Contribution Rate to *myCalSTRS*.
  2. Include variable data for Additional Earnings Credit (AEC) for 2013/14 and 2014/15.
- Finalized Annual Update 2015/16 business requirements.
- Continue to receive and track member requests for hard copy (mailed) 2015/16 Retirement Progress Report (RPR). Received 40,639 requests as of March 2016.
- Finalized the print and mail services vendor delivery schedule.

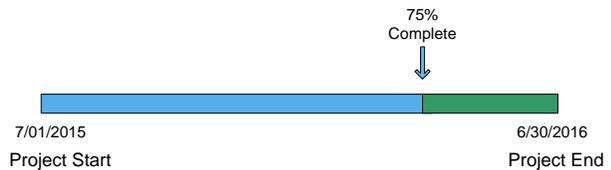
**Planned Deliverables by June 30, 2016:**

- Complete code and unit test in preparation for System Integration Testing (SIT).
- Submit initial test data to print and mail services vendor.
- Complete System Integration Testing (SIT).
- Finalize mainframe readiness in preparation for User Acceptance Testing (UAT).

**Major Fiscal Year 2015/2016 Milestones**



**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 March 31, 2016:**

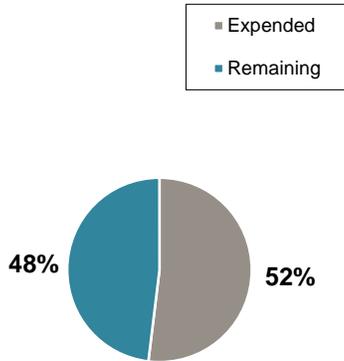
- Recording SRM Business Process Procedures (BPPs):
  - Reviewed, finalized, and published BPPs.
  - Completed mini-project.
- Business Intelligence (BI) Reporting Enhancements:
  - Completed development.
  - Completed and approved testing.
  - Approved new reporting tool for installation.

**Planned Deliverables by June 30, 2016:**

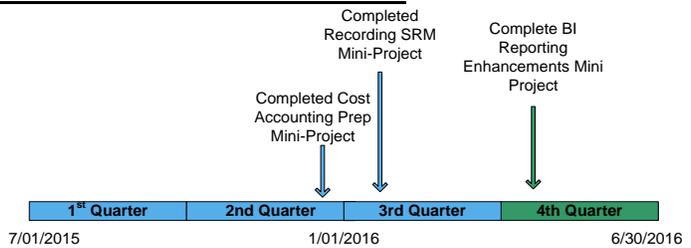
- BI Reporting:
  - Rollout new reporting tool to required users.
  - Complete training documentation.
  - Complete user training.
  - Complete mini-project.

◆ **Schedule Issue:** Project completion is outside of approved project end date due to delays in completing the final of the three mini-projects. The project is on track for completion in April 2016.

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

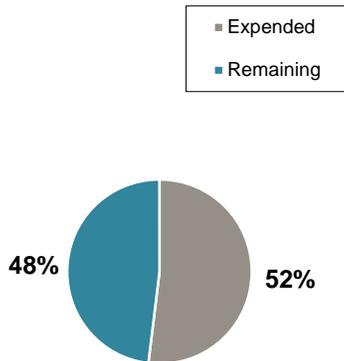


**Major Fiscal Year 2015/2016 Milestones**



**Project Schedule Status Timeline**

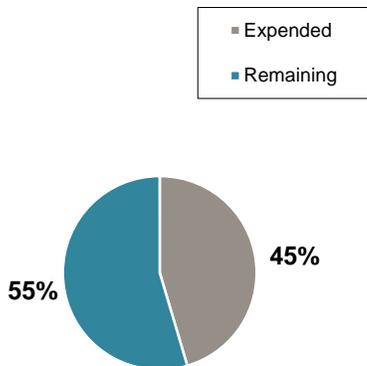
**Total Project Budget  
\$260 Thousand**



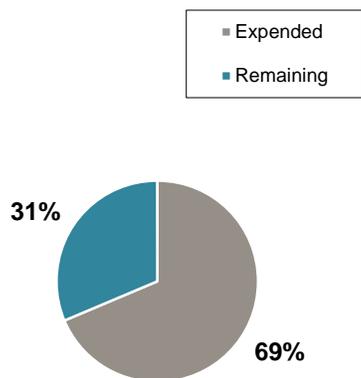
**Data Preparation**

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 March 31, 2016:**

- Continued basic issue cleansing related to Pension Solution's first functional rollout.
- Continued analysis and prioritization of basic issues related to Pension Solution's Functional Rollout 2.
- Continued to align Data Preparation activities with the Pension Solution's Functional Rollout Plan.
- Completed data strategist's initial policy approach and policy schedule deliverables.
- Continued complex data issues analysis and documented resulting decisions and policies.

**Planned Deliverables by June 30, 2016:**

- Continue highest priority data cleaning activities related to the Pension Solution Functional Rollout 1.
- Continue analysis and prioritization of basic issues related to Pension Solution's Functional Rollout 2.
- Continue to align Data Preparation activities with the Pension Solution's Functional Rollout Plan.
- Continue complex data issues analysis and document resulting decisions and policies.
- Present Data Strategist recommendations to project sponsors and steering committee.

**Major Fiscal Year 2015/2016 Milestones**



**Project Schedule Status Timeline**



Project Name	Purpose	Accomplishments
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**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..

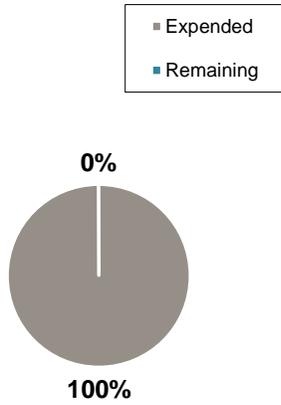
**Period Ending March 31, 2016:**

- Reviewed, finalized and released Request for Proposal (RFP) on Feb 29.
- Finalized document repository with secure access for potential bidders.
- Conducted Q&A sessions with potential bidders and published all answers to both verbal and written questions in addendum to RFP on Mar 21.
- Project completed.

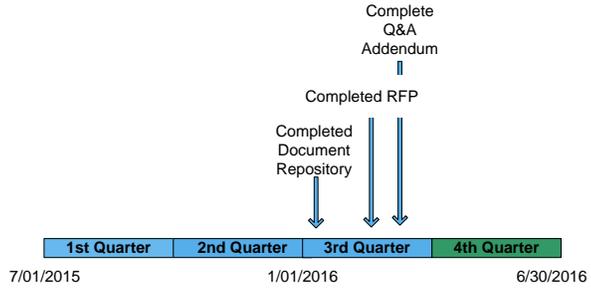
**Planned Deliverables by June 30, 2016:**

- Project complete.

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



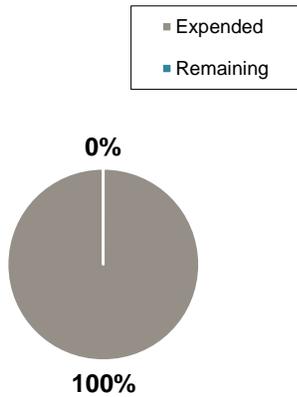
**Major Fiscal Year 2015/2016 Milestones**



**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 March 31, 2016:**

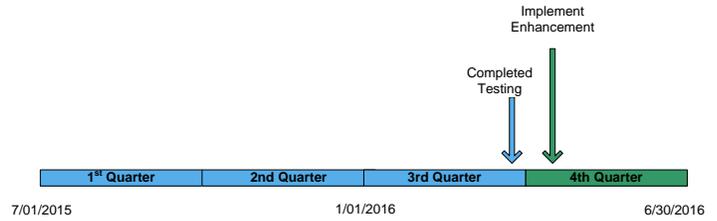
- Completed testing the corporate database enhancements to accommodate future rates.

**Planned Deliverables by June 30, 2016:**

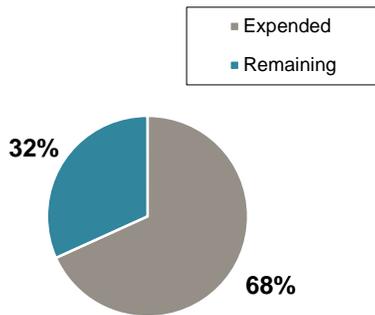
- Implement corporate database enhancements.
- Conduct lessons learned session.
- Complete project closeout activities.

**Major Fiscal Year 2015/2016 Milestones**

**2015/2016 Project Budget**  
No Funding



**Total Project Budget**  
\$1.3 Million



**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.

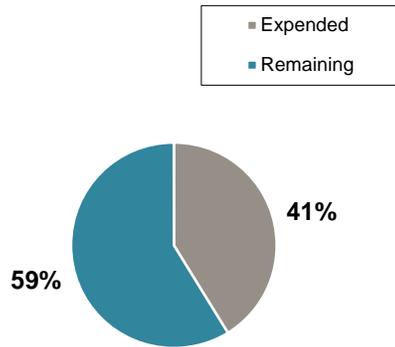
**Period Ending March 31, 2016:**

- Completed monthly comprehensive status reports for Pension Solution, and Data Preparation.
- Monitored the Data Preparation Phase 1 cleansing activities.
- Monitored the Pension Solution project phases.
- Monitored adherence to the Pension Solution governance process.
- Developed board presentation regarding the status of the Pension Solution and related projects.
- On boarded new team members.

**Planned Deliverables by June 30, 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 phases.
- Monitor adherence to the Pension Solution governance process.
- Develop board presentation regarding the status of the Pension Solution and related projects.

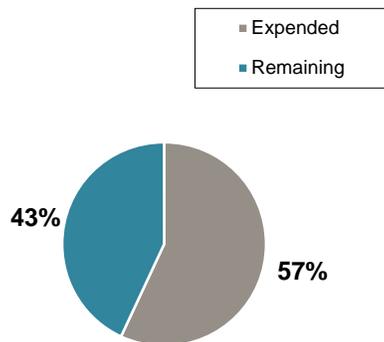
**2015/2016 Project Budget**  
\$462 Thousand



**Project Schedule Status Timeline**



**Total Project Budget**  
\$6.2 Million



**Multimodal Communication Upgrade (MCU) Project**

The Multimodal Communication Upgrade – The project consists of two phases to upgrade the audio visual equipment throughout the headquarters building. Phase 1 includes 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. Phase 2 includes all medium and large conference rooms, training rooms and building displays.

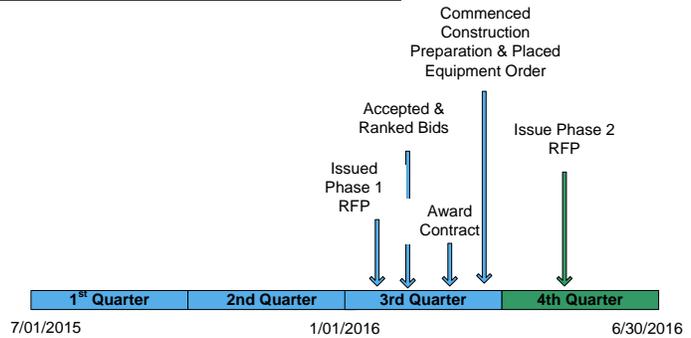
**Period Ending March 31, 2016:**

- Developed and released Request for Proposal (RFP) for Phase 1 equipment and implementation services.
- Awarded Phase 1 contract to implementation vendor.
- Began Phase 1 construction preparation.
- Hosted Project kickoff meeting for Phase 1.

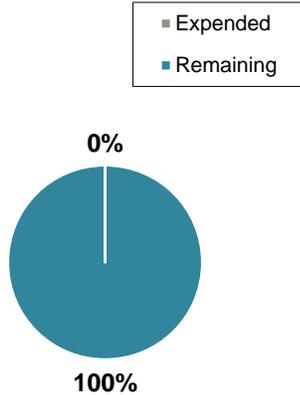
**Planned Deliverables by June 30, 2016:**

- Order Phase 1 audiovisual equipment.
- Complete Phase 2 construction documents, equipment list and Request for Proposal (RFP).
- Request and receive Enterprise Program Investment Council (EPIC) approval to extend project scope and budget to include Phase 2.
- Release Phase 2 RFP for bid.

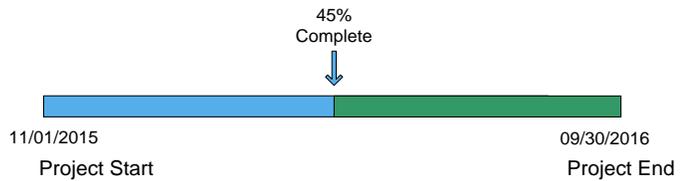
**Major Fiscal Year 2015/2016 Milestones**



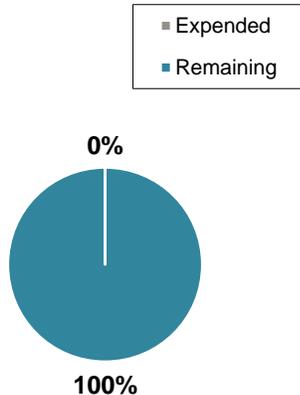
**2015/2016 Project Budget \$2 Million**



**Project Schedule Status Timeline**



**Total Project Budget \$2 Million**



Project Name	Purpose	Accomplishments
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**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 March 31, 2016:**

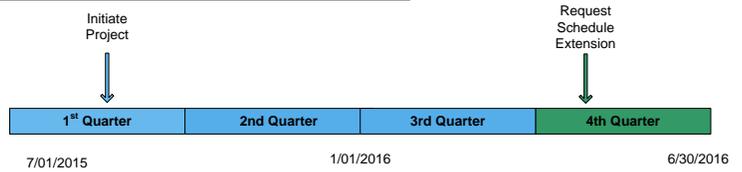
- Refined project resource estimate for system enhancements to the corporate database, START, and myCalSTRS.
- Refined implementation schedule and new project end date.

**Planned Deliverables by June 30, 2016:**

- Request and receive Enterprise Program Investment Council (EPIC) approval to extend the project schedule.
- Complete Project Charter, schedule baseline, and project kick-off activities.

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

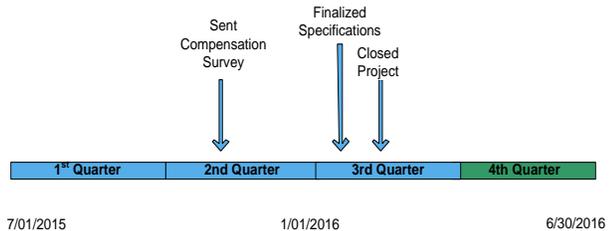
**Period Ending March 31, 2016:**

- Finalized Pension Program classifications specifications.
- Finalized CalHR Board Item package.
- Completed project closeout activities.

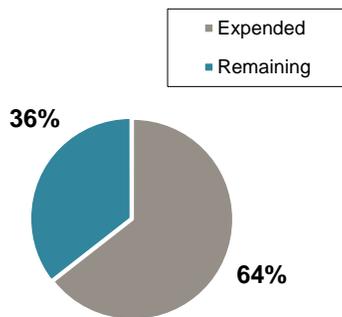
**Planned Deliverables by June 30, 2016:**

- Project completed.

**Major Fiscal Year 2015/2016 Milestones**



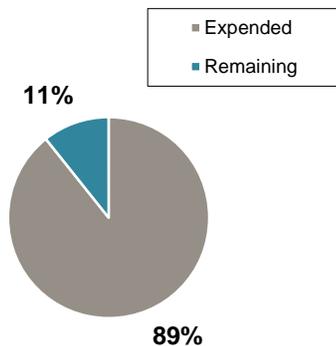
**2015/2016 Project Budget**  
\$61 Thousand



**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.

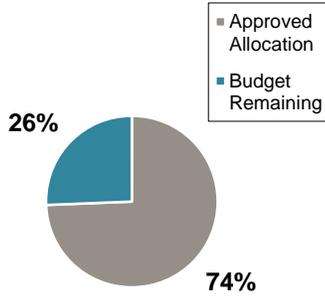
**Period Ending March 31, 2016:**

- Finalized the Business Process Alignment document.
- Developed Functional Rollout Plan.
- Onboarded Independent Verification and Validation (IV&V) vendor.

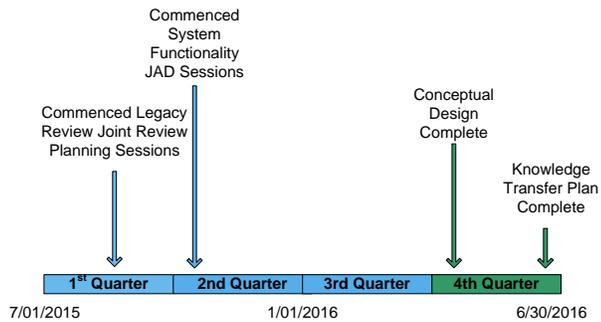
**Planned Deliverables by June 30, 2016:**

- Finalize Conceptual Design Document including the functional and technical design specifications.
- Finalize Knowledge Transfer Plan.
- Conduct Interfaces and Bridging Joint Application Development work sessions.
- Commence data conversion activities.
- Complete selection process for Independent Security Assessment vendor.
- Release the BusinessDirect retrofit Request for Proposal.

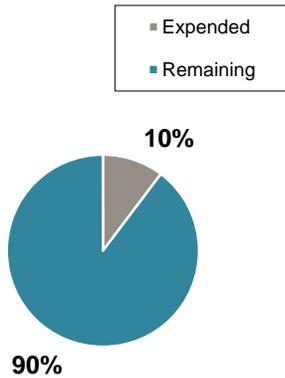
**\*2015/2016  
Approved Allocation vs.  
Budget Remaining  
\$63 Million**



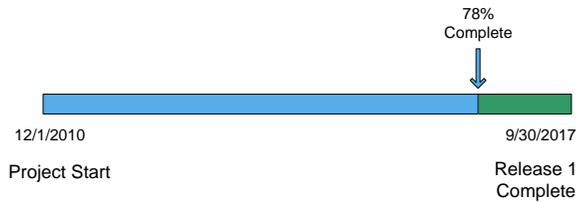
**Major Fiscal Year 2015/2016 Milestones**



**\*2015/2016  
Approved Allocation  
vs. Actual  
\$47 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.

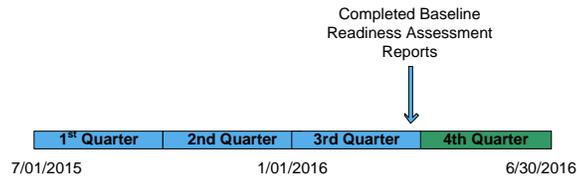
**Period Ending March 31, 2016:**

- Provided on-going project support.
- Provided on-going risk and issue management and vendor management for the Pension Solution project.
- Provided on-going change management support for Pension Solution and the Space Optimization project for the 5<sup>th</sup> Floor.
- Delivered change management training to technology leadership team.
- Utilized the change champion program to provide ongoing change support for internal stakeholders.
- Initiate plan for next series of readiness assessments.
- Provided ongoing support for employers.
- Conducted Employer Forums.

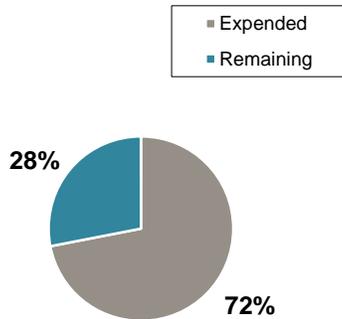
**Planned Deliverables by June 30, 2016:**

- Provide on-going change management support for Pension Solution and the final phase of the Space Optimization project for the 5<sup>th</sup> floor.
- Provide on-going risk and issue management and vendor management for the Pension Solution project.
- Utilize the change champion program to provide ongoing change support for internal stakeholders.
- Develop plan for next series of readiness assessments.
- Provide ongoing support for employers.
- Conduct Employer Forums.

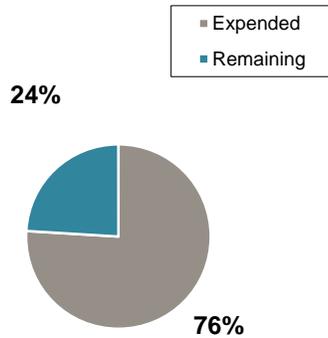
**Major Fiscal Year 2015/2016 Milestones**



**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 March 31, 2016:**

- Completed working sessions for test and release management.
- Completed configuration design for test and release management.
- Initiated testing of the configuration design for test and release management.

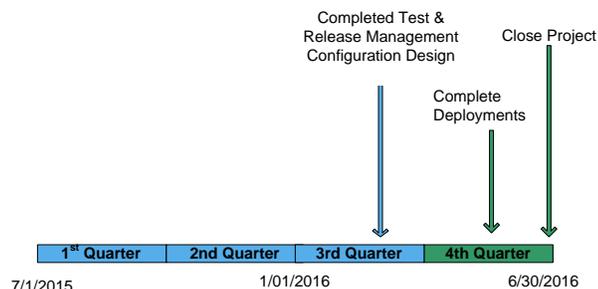
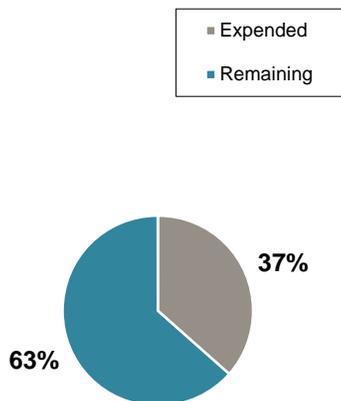
**Planned Deliverables by June 30, 2016:**

- Complete test and release management testing deployment.
- Complete test and release management training and transition.
- Complete project closeout activities.

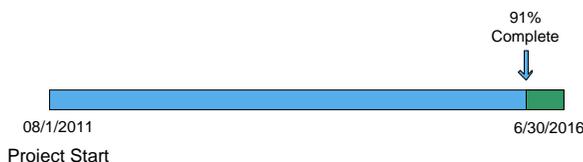
**Major Fiscal Year 2015/2016 Milestones**

**2015/2016 Project Budget**

**\$447 Thousand**

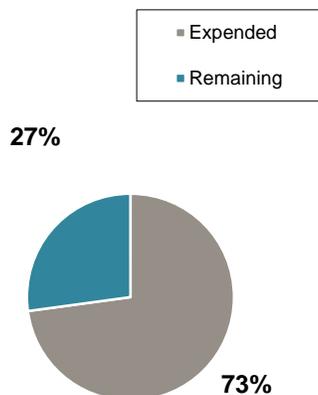


**Project Schedule Status Timeline**



**Total Project Budget**

**\$1.1 Million**



Project Name	Purpose	Accomplishments
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**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 March 31, 2016:**

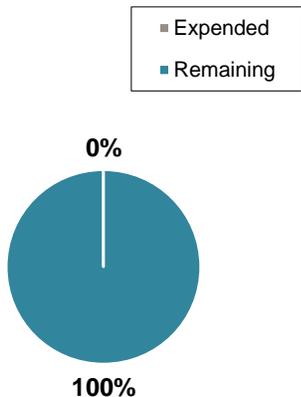
- Completed first three (3) phases of the 5<sup>th</sup> floor space optimization effort.
- Executed communication and change management activities.

**Planned Deliverables by June 30, 2016:**

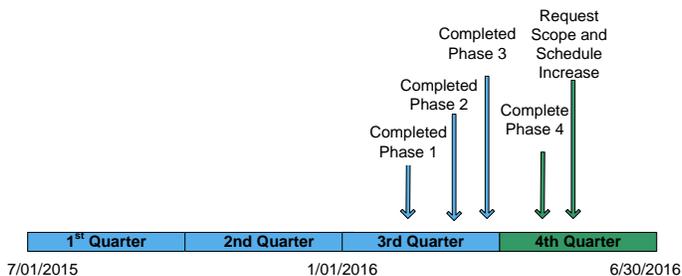
- Complete phase 4 of the 5<sup>th</sup> floor space optimization effort.
- Complete project close-out activities for the 5<sup>th</sup> floor space optimization effort.
- Request and receive Enterprise Program Investment Council (EPIC) approval to extend the scope and schedule to include space optimization activities for floors 9, 11 and 12.

**2015/2016 Project Budget**

**\$1.9 Million**

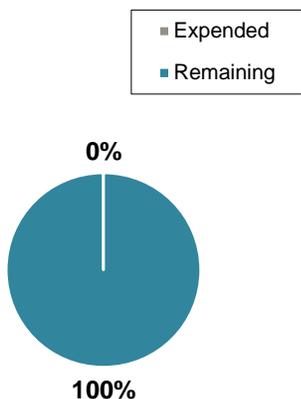


**Major Fiscal Year 2015/2016 Milestones**



**Total Project Budget**

**\$1.9 Million**



**Project Schedule Status Timeline**

