Enterprise Technology Projects

Fiscal Year 2017–18
Third Quarter Report

Quarter Ending March 31, 2018
The Enterprise Program Investment Council (EPIC) is responsible for governance of all enterprise projects which includes prioritization, resource allocation, and oversight of the $18.5 million annual EPIC projects budget. An additional $16.7 million of remaining available budget from fiscal year 2016/2017 is available for use during fiscal year 2017/2018. As part of the Governor’s 2017-18 Budget, an additional $27 million was allocated specifically for the Pension Solution Project.

The Project Management Office (PMO) monitors and reports on the EPIC projects’ budget and enterprise projects monthly to EPIC and quarterly to the Teachers’ Retirement Board.

Enterprise Program Investment Council Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jack Ehnes</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Robin Madsen</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Grant Boyken</td>
<td>Public Affairs Executive Officer</td>
</tr>
<tr>
<td>Andrew Roth</td>
<td>Benefits and Services Executive Officer</td>
</tr>
<tr>
<td>Cassandra Lichnock</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>Lisa Blatnick</td>
<td>Chief of Administrative Services</td>
</tr>
<tr>
<td>Ashish Jain</td>
<td>Chief Technology Officer</td>
</tr>
</tbody>
</table>
### Major Enterprise Projects

**Fiscal Year 2017/2018 – Third Quarter**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Duration</th>
<th>Project Total</th>
<th>Total Expended</th>
<th>Schedule</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension Solution</td>
<td>Jul 2014 – Jan 2023</td>
<td>$251,800,000&lt;sup&gt;3&lt;/sup&gt;</td>
<td>$93,397,556&lt;sup&gt;3&lt;/sup&gt;</td>
<td>●</td>
<td>❗</td>
</tr>
<tr>
<td>Space Optimization</td>
<td>Nov 2015 – Sep 2017</td>
<td>$2,001,605</td>
<td>$1,999,709</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

### Schedule & Budget Indicators:

- ● On Track
- ❗ Warning
- ❗ Critical
- ✤ Complete
- ✪ Cancelled
- ❌ Not Started

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<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> Total Expended – Amount represents the total expended amount captured in our financial systems for each project.

<sup>3</sup> Pension Solution – Represents the total board approved budget beginning July 2014.

<sup>4</sup> Pension Solution – Warning status pending formal approval of budget changes.
**Business Transformation**

The Business Transformation project will support business areas and prepare our staff to be ready for impacts, changes and benefits from large enterprise modernization efforts.

**Total Project Budget**

$16.4 Million

<table>
<thead>
<tr>
<th>Expend</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>21%</td>
<td>79%</td>
</tr>
</tbody>
</table>

**Period Ending March 31, 2018:**

- Utilized Change Champion Network to communicate changes to Pension Solution project scope and schedule.
- Updated training plan to reflect Soft Launch approach and schedule.
- Delivered Notes learning activity to pilot group and finalized two other system functionality learning activities.
- Began Business Process Readiness work with the Service Retirement division, drafted plan for areas affected by the second and largest Pension Solution functional rollout.
- Certified all Change Management Team staff (and key business peers) in Prosci ADKAR methodology.
- Rolled out updated Change Champion roles and responsibilities and provided introductory change management training to Change Champions.

**Planned Deliverables by June 30, 2018:**

- Pilot Terminology learning activity.
- Pilot Business Process Management (Case Management and Workflow) learning activity.
- Finalize soft launch training plan.
- Begin Business Process Readiness work with the Disability Services program area.
- Create Change Management plan for proposed changes to employer reporting.
- Execute a campaign to increase awareness of the Pension Solution project’s benefits.

**Major Fiscal Year 2017/2018 Milestones**

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/01/2017</td>
<td>1/01/2018</td>
<td>6/30/2018</td>
<td></td>
</tr>
</tbody>
</table>

**Project Schedule Status Timeline**

- 45% Complete

7/01/2016 Project Start 6/31/2020 Project End
## Project Name: Data Preparation

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

### Total Project Budget

| Amount | $26 Million |

### Period Ending March 31, 2018:

- Completed the development phase for the Reported versus Calculated and the Archive Flag Phase 2 efforts.
- Began the testing phase for Reported versus Calculated and Archive Flag Phase 2 efforts.
- Onboarded one new contract developer.
- Completed the contract developer and test resources interview processes.

### Planned Deliverables by June 30, 2018:

- Implement the Reported versus Calculated and the Archive Flag Phase 2 efforts.
- Onboard additional contract development and test resources.

### Major Fiscal Year 2017/2018 Milestones

- **1st Quarter:**
  - Completed Archive Flag Phase 1
  - Completed Multiple Subsequent Line Adjustments

- **2nd Quarter:**
  - 7/01/2017

- **3rd Quarter:**
  - 1/01/2018
  - Complete Archive Flag Phase 2

- **4th Quarter:**
  - 6/30/2018
  - Complete Calculated vs Reported

### Project Schedule Status Timeline

- **11/1/2011**: Project Start
- **6/30/2020**: Project End

- 72% Complete

- Expended
- Remaining

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Quarter Ending March 31, 2018
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.

**Total Project Budget**

$251.8 Million

- Expended
- Remaining

### Period Ending March 31, 2018:

- Continued data conversion activities and performed mock conversions.
- Continued planning for user acceptance test (UAT) activities.
- Completed Functional Rollout 1 Contractor Acceptance Testing.
- Continued Functional Rollout 2 Joint Application Development (JAD) sessions.
- Continued Functional Rollout 2 Coding and Unit Testing.
- Commenced Functional Rollout 2 Contractor Acceptance Testing planning activities.
- Finalized agreement with CalSTRS and CGI regarding project scope and schedule.
- Obtained Teacher’s Retirement Board approval for a $34 million contract increase to CGI along with a 2-year project schedule extension to cover additional required scope and give the CalSTRS and CGI project teams sufficient time to design, develop, test, and implement the solution.

### Planned Deliverables by June 30, 2018:

- Continue data conversion activities and perform mock conversions.
- Continue planning for user acceptance test (UAT) activities.
- Continue Functional Rollout 2 Joint Application Development (JAD) sessions.
- Continue Functional Rollout 2 Coding and Unit Testing.
- Continue Functional Rollout 2 Contractor Acceptance Testing planning activities.
- Commence External Partner engagement regarding interface design and changes.
- Commence New File Format JAD sessions.
- Review and baseline revised project schedule.

**Budget Warning:** Warning status pending formal approval for budget changes as a result of the agreements between CalSTRS and CGI. Formal board approval is anticipated in July 2018.

### Major Fiscal Year 2017/2018 Milestones

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/01/2017</td>
<td>1/01/2018</td>
<td>6/30/2018</td>
<td>02/28/23</td>
</tr>
</tbody>
</table>

- Commenced FR2 Fit/Gap Analysis
- Completed FR2 Fit/Gap Analysis
- Completed Project Improvement Sessions
- Completed Contractor Acceptance Testing for FR1
- Baseline Revised Project Schedule

### Project Schedule Status Timeline

07/01/2014  Project Start  02/28/23  Project End

60%

**Note:** Pension Solution Status Timeline represents the project period beginning with the fiscal year 14/15 board approved budget. Pre-implementation project activities date back to 12/1/2010.
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments/Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space Optimization</td>
<td>The Space Optimization project will optimize workspace throughout the building in order to provide growth for current business needs and the expected short-term growth. The current scope and schedule represents optimization activities on all remaining HQ floors (3, 4, 6, 7, 8, 10, 14, 15 and 16).</td>
<td>Project completed within scope, schedule and budget during the first quarter.</td>
</tr>
</tbody>
</table>

**Total Project Budget**

- **$2 Million**

![Pie chart showing 11% Expended and 89% Remaining]

**Major Fiscal Year 2017/2018 Milestones**

- 7/01/2017 1st Quarter
- 1/01/2018 2nd Quarter
- 6/30/2018 3rd Quarter
- Close-out Report Complete
- Completed 3rd Flr. – Phase 2 Optimization
- Completed 10th Flr. Optimization
- 10th Flr. Optimization

**Project Schedule Status Timeline**

- 11/01/2015 Project Start
- 9/30/2017 Project End
- 100% Complete
## Other Projects

<table>
<thead>
<tr>
<th>Other Projects</th>
<th>Duration</th>
<th>Project Total Budget¹</th>
<th>Total Expended²</th>
<th>Schedule</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AB 1875 Special Needs Trust</strong></td>
<td>May 2017 – Sep 2017</td>
<td>$0*</td>
<td>$0</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>AB 1875 Special Needs Trust project will ensure compliance with AB 1875, signed into law effective January 1, 2017, and allows election of a Special Needs Trust as an option or annuity beneficiary. This project is necessary to ensure the development of accurate and consistent business practices to process AB 1875 cases.</td>
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</tr>
<tr>
<td><strong>Contact Center Migration Project</strong></td>
<td>Jun 2017 – Jul 2018</td>
<td>$401,428</td>
<td>$189,686</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Contact Center Migration project will migrate from the existing Contact Center solution to the new cloud platform with ‘like for similar’ functionality and processes.</td>
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</tr>
<tr>
<td><strong>CMS Removal of SSN</strong></td>
<td>Feb 2018 – Jun 2018</td>
<td>$0*</td>
<td>$0</td>
<td>●</td>
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</tr>
<tr>
<td>The CMS Removal of SSN project will update CalSTRS current pension administration system to accommodate the replacement of the SSN with the new Medicare Beneficiary Identifier number as required by the Centers for Medicare &amp; Medicaid Services (CMS).</td>
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<tr>
<td><strong>EIM Initiatives</strong></td>
<td>Jan 2017 – Dec 2020</td>
<td>$643,184</td>
<td>$257,186</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>The Enterprise Information Management (EIM) Initiatives project will implement three initiatives in order to reach CalSTRS' goals of having safe, secure, and trusted information. The initiatives are: Mitigate information/data related operation and reputation risk details; Contribute to CalSTRS employee productivity through improved information management; and Mature CalSTRS EIM capabilities.</td>
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<tr>
<td><strong>FI$Cal R17 Changes</strong></td>
<td>Dec 2016 – Sep 2018</td>
<td>$319,965</td>
<td>$209,926</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>The FI$Cal R17 Changes project will update file formats and file transfer processes necessary to support the exchange of files associated with the FI$Cal project. Note: This effort is currently on hold pending the restart of FI$Cal’s testing effort.</td>
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<tr>
<td><strong>GASB 74/75</strong></td>
<td>Jan 2017 - Feb 2018</td>
<td>$732,500</td>
<td>$732,500</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>The GASB 74/75 project will implement business functionality and processes to comply with new GASB standards that require our employers to book a proportionate share of our OPEB liability (calculated by our external actuary) in their financial statements.</td>
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**Schedule & Budget Indicators:**
- ● On Track
- ▲ Warning
- ◆ Critical
- ◆ Complete
- ◆ Cancelled
- ❄ Not Started

* Projects utilize internal resources and operational program budgets.
¹ Project Total Budget – Amount represents the sum of the projects’ prior years’ actual expended and remaining encumbrance amounts, and current and future years budgeted amounts.
² Total Expended – Amount represents the total expended amount captured in our financial systems for each project.

Quarter Ending March 31, 2018
### Other Enterprise Projects- Under $1 Million
#### Fiscal Year 2017/2018 – Third Quarter

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<thead>
<tr>
<th>Other Projects</th>
<th>Duration</th>
<th>Project Total Budget</th>
<th>Total Expended ²</th>
<th>Schedule</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IT Service Management System</strong></td>
<td>May 2016 – Jul 2018</td>
<td>$475,000</td>
<td>$172,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IT Service Management (ITSM) System project will replace the current, unsupported Service Desk system with a modern and hosted ITSM solution.</td>
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</tbody>
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| **IT DR Gap Analysis and Risk Assessment**          | Nov 2016 – Jan 2018       | $500,000             | $495,808         |          |        |
| The product of the IT DR Gap Analysis and Risk Assessment project was a Gap Analysis, Risk Assessment, and a Mitigation Plan for CalSTRS IT Disaster Recovery. |

| **LAUSD Systemic Sick Leave Correction**            | Aug 2017 – Jun 2018       | $0                  | $0               |          |        |
| The LAUSD Systemic Sick Leave Correction project will correct the sick leave balances of LAUSD member accounts, as a result of a systemic audit finding, and will ensure that the accurate payment of benefits is documented in the members’ account. |

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² Total Expended – Amount represents the total expended amount captured in our financial systems for each project.

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**Quarter Ending March 31, 2018**