



Enterprise Technology Projects

Fiscal Year 2016–17
First Quarter Report

Quarter Ending September 30, 2016

Enterprise Projects

Fiscal Year 2016/2017–First Quarter

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 \$20.2 million, not expended during fiscal year 2015/2016, is available for use during fiscal year 2016/2017. As part of the Governor's 2016/2017 Budget, an additional \$37.6 million was allocated specifically for the Pension Solution Project. See Appendix A for detailed budget information by appropriation.

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

Jack Ehnes
Chief Executive Officer

Cassandra Lichnock
Chief Operating Officer

Robin Madsen
Chief Financial Officer

Lisa Blatnick
Chief of Administrative Services

Grant Boyken
Public Affairs
Executive Officer

Ashish Jain
Chief Technology Officer

Andrew Roth
Benefits and Services
Executive Officer

Major Enterprise Projects Fiscal Year 2016/2017 – First Quarter

Project Name	Duration	Project Total ¹	Total Expended ²	Schedule	Budget
<u>Major Projects</u>					
403bCompare Site Redesign	Sep 2015 – Nov 2016	\$935,780	\$552,843	●	●
Data Preparation	Nov 2011 – Dec 2016	\$11,024,855	\$9,343,428	⚠ ³	●
Multimodal Communication Upgrade	Nov 2015 – Jan 2017	\$5,500,000	\$1,470,800	●	●
Pension Solution	Jul 2014 – Dec 2020	\$251,800,000 ⁴	\$34,702,568	⚠ ⁵	●
Space Optimization	Nov 2015 – Jul 2016	\$1,891,900	\$1,385,634	●	●

Schedule & Budget Indicators:

● **Acceptable**

⚠ **Warning**

◆ **Critical**

◆ **Complete**

◆ **Cancelled**

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

³ Data Preparation – Warning status due to resource constraints.

⁴ Pension Solution – Represents the total board approved budget.

⁵ Pension Solution – Warning status due to delays in finalizing deliverables.

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.

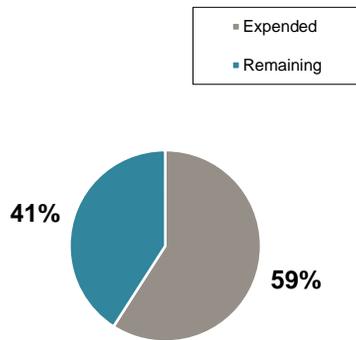
Period Ending September 30, 2016:

- Implemented feedback from second usability study.
- Completed mockups and functional design specifications for system administrator and vendor administrator pages.
- Continued development for integration with financial data provider.
- Integrated 'help and resources' content with functionality.

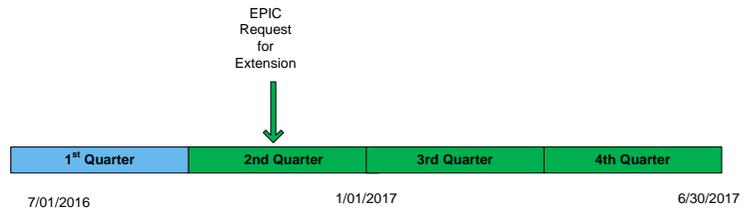
Planned Deliverables by December 31, 2016:

- Develop and test functionality to create and maintain vendor entities and product data.
- Develop and test system administrator functionality to manage vendor entities.
- Continue development on integration with financial data provider.
- Develop mockups and functional design for employer administration.
- Request Enterprise Program Investment Council (EPIC) approval to extend project schedule to provide improved functionality.

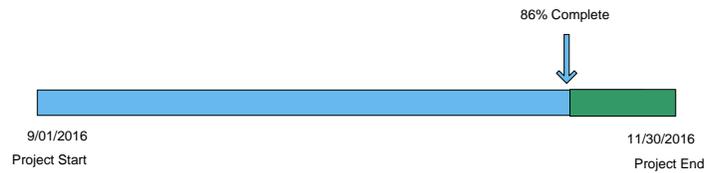
**Total Project Budget
\$936 Thousand**



Major Fiscal Year 2016/2017 Milestones



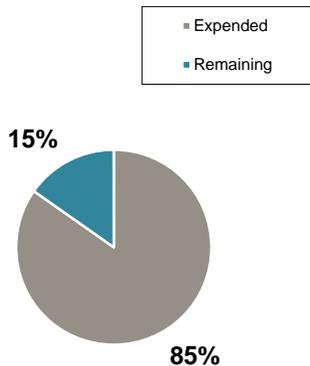
Project Schedule Status Timeline



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.

**Total Project Budget
\$11 Million**



Period Ending September 30, 2016:

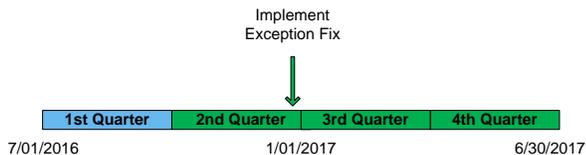
- Completed 91% of basic issue cleansing related to Pension Solution's Functional Rollout 1.
- Completed complex data issues analysis and documented resulting decisions and policies related to Pension Solution's Functional Rollout 1.
- Continued to align Data Preparation activities with the Pension Solution's Functional Rollout Plan.
- Completed requirements and coding for the complex data issue of Exceptions.
- Obtained sponsor and steering committee approval on approach for addressing the Functional Rollout 2 complex data issues.

Planned Deliverables by December 31, 2016:

- Implement complex data issue fix for Exceptions.
- Request approval from the Enterprise Program Investment Count (EPIC) to extend the scope, schedule and budget and gain additional resources to address basic issues related to Functional Rollout 1 and complex issues related to both Functional Rollouts 1 and 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.

Schedule Warning: Project is at risk due to resource constraints and current project end date of 12/31/16. This schedule does not allow for the completion of planned work. The project is returning to EPIC to request approval to extend the schedule and gain additional resources.

Major Fiscal Year 2016/2017 Milestones



Project Schedule Status Timeline



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, 15th Floor Control Room, and 15th Floor Edit Suite. Phase 2 includes all medium and large conference rooms, training rooms and building displays.

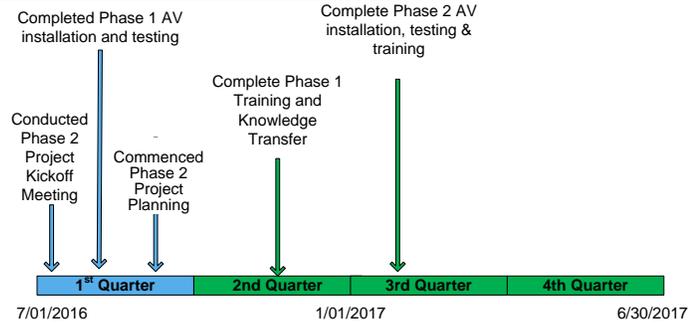
Period Ending September 30, 2016:

- Completed Phase 1 Audio Visual equipment installation and testing.
- Conducted Phase 2 project kickoff meeting.
- Commenced Phase 2 project planning.
- Commenced Phase 2 construction and equipment commissioning.

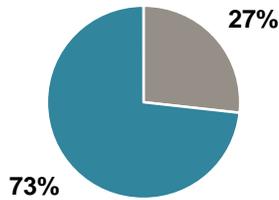
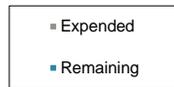
Planned Deliverables by December 31, 2016:

- Complete Phase 1 training and knowledge transfer.
- Continue Phase 2 construction and equipment commissioning.
- Commence Phase 2 testing and training.

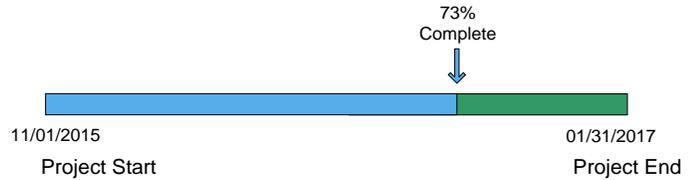
Major Fiscal Year 2016/2017 Milestones



Total Project Budget \$5.5 Million



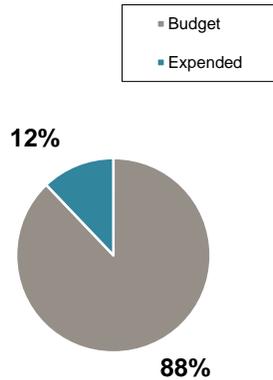
Project Schedule Status Timeline



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.

**Total Project Budget
\$251.8 Million**



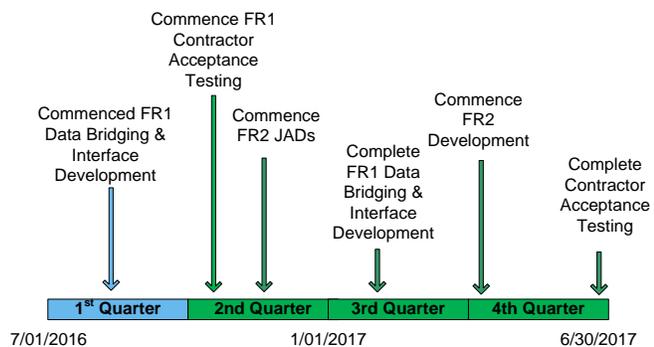
Period Ending September 30, 2016:

- Commenced development activities for interfaces and bridges required for the first functional rollout.
- Continued data conversion activities and performed mock conversions.
- Commenced planning for user acceptance test (UAT) activities.
- Commenced Infrastructure installs for second build out phase.

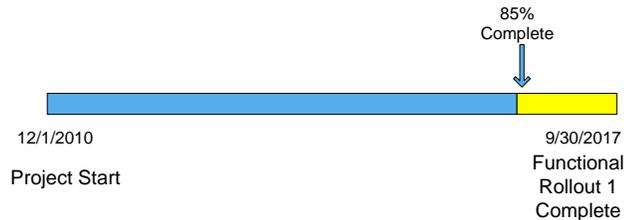
Planned Deliverables by December 31, 2016:

- Continue development activities for interfaces and bridges required for the first functional rollout.
- Continue data conversion activities and perform mock conversions.
- Continue planning for user acceptance test (UAT) activities.
- Continue Infrastructure installs for second build out phase.
- Obtain approval of detailed conversion plan.
- Obtain approval of technical design document.
- Deliver training to CalSTRS staff performing UAT.
- Commence Contractor Acceptance Testing for Functional Rollout 1.
- Commence Joint Application Development (JAD) sessions for Functional Rollout 2.

Major Fiscal Year 2016/2017 Milestones



Project Schedule Status Timeline¹



¹Pension Solution Status Timeline reflects the percent complete from the project Discovery phase through the first functional rollout. The September 30, 2017 date is subject to change pending negotiations between CalSTRS and the implementation vendor, Team CGI.

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 short-term growth. The current scope and schedule represents optimization activities on floors 5, 9, 11 and 12.

Period Ending September 30, 2016:

- Approved proposed optimized floor plan for 16th floor.

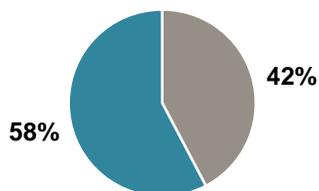
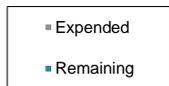
Planned Deliverables by December 31, 2016:

- Request approval from Enterprise Program Investment Council (EPIC) to extend the project schedule to include activities for remaining tower floors 3-4, 6-8, 10, and 14-16.
- Commence optimization activities for floors 4, 6, and 14-16.

Major Fiscal Year 2016/2017 Milestones

2015/2016 Project Budget

\$1.9 Million



Project Schedule Status Timeline



Other Enterprise Projects- Under \$1 Million Fiscal Year 2016/2017 – First Quarter

<u>Other Projects</u>	<u>Duration</u>	<u>Total Budget</u>	<u>Total Expended</u>	<u>Schedule</u>	<u>Budget</u>
Additional Earnings/Credit 2014 & 2015 The Additional Earnings and Annuity Credit 2014 & 2015 project implements the system changes and business processes that allows CalSTRS to credit or pay the Additional Earnings Credits for 2014 and 2015.	Jan 2016 – Oct 2016	\$143,350	\$56,039	●	●
Confirmation of Account Changes The Confirmation of Account Change project adds a layer of communication that will give members the ability to identify when changes to their <i>myCalSTRS</i> account are initiated.	Jun 2016 – Dec 2016	\$0*	\$0	●	●
Defined Benefit Supplement (DBS) Single Life Annuity (SLA) and Period Certain Annuity (PCA) Calculation Updates The Defined Benefit Supplement (DBS) Single Life Annuity (SLA) and Period Certain Annuity (PCA) Calculation Updates Project will update CalSTRS corporate database system functionality to accurately calculate DBS SLA with a cash refund account at the time of death and calculate members' reinstatement with a PCA using the present value 'table in effect' at the time of the original benefit effective date.	Jun 2016 – Nov 2017	\$0*	\$0	●	●
IT Service Management System The IT Service Management (ITSM) System project will replace the current, unsupported Service Desk system with a modern and hosted ITSM solution.	May 2016 – May 2017	\$475,000	\$0	●	●
Remove Estimation for Service Credit and Final Compensation The Remove Estimation for Service Credit and Final Compensation project will result in increasing benefit payment accuracy by utilizing the actual data residing in the corporate database for the initial benefit calculations instead of the estimated payment information.	Jun 2016 – Nov 2016	\$0*	\$0	●	●

Schedule & Budget Indicators:

● **Acceptable**
 Warning
 ◆ **Critical**
 ◆ **Complete**
 ◆ **Cancelled**
 Not Started

* Projects utilize internal resources and operational program budgets.

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

Appendix A Technology Project Appropriations Report Fiscal Year 2016/2017 – First Quarter

The Technology Project Appropriations Report provides information on the budgetary status¹ of current technology appropriations and reappropriations. For Fiscal Year 2016/2017, the current technology appropriations and reappropriations available for encumbrance and expenditure include:

- Fiscal Year 2016-17 Technology Appropriation
- Two Technology Reappropriations from Fiscal years 2014-15 and 2015-16
- Three Pension Solution Appropriations

FY 2016-17 Technology Project Appropriation

Project Name	Budget	Consumed	Expended
Remaining Available Budget	\$ 5,990,998.79	\$ -	\$ -
BusinessRenew Program Support	\$ 124,043.79	\$ 8,007.75	\$ 8,007.75
Data Preparation	\$ 1,088,062.00	\$ 407,663.96	\$ 407,663.96
Pension Solution Project	\$ 4,377,352.42	\$ 4,377,352.42	\$ -
Pension Solution Staff Augmentation	\$ 6,176,251.00	\$ 200,862.59	\$ 200,862.59
Independent Project Oversight	\$ 743,292.00	\$ 459,756.00	\$ -
	\$ 18,500,000.00	\$ 5,453,642.72	\$ 616,534.30

FY 2016-17 Technology Project Reappropriation (originally from FY 2014-15)

Project Name	Budget	Consumed	Expended
Remaining Available Budget	\$ 5,208,288.65	\$ -	\$ -
Additional Earnings/Annuity Credit	\$ 64,550.54	\$ -	\$ -
Multimodal Communication Upgrade	\$ 1,300,776.30	\$ 771,576.03	\$ 771,576.03
IT Services Management System	\$ 475,000.00	\$ -	\$ -
Data Preparation Project	\$ 84,600.18	\$ 84,600.00	\$ 42,253.00
	\$ 7,133,215.67	\$ 856,176.03	\$ 813,829.03

FY 2016-17 Technology Project Reappropriation (originally from FY 2015-16)

Project Name	Budget	Consumed	Expended
Remaining Available Budget	\$ 12,861,692.27	\$ -	\$ -
Additional Earnings/Annuity Credit Project	\$ 119,535.41	\$ 3,232.15	\$ 3,232.15
BusinessRenew Program Support	\$ 25,107.76	\$ -	\$ -
Data Preparation Project	\$ 10,777.29	\$ -	\$ -
	\$ 13,017,112.73	\$ 3,232.15	\$ 3,232.15

Pension Solution Project (appropriated to date)

Project Name	Budget	Consumed	Expended
FY 2014-15 Pension Solution	\$ 61,564,000.00	\$ 57,974,627.15	\$ 6,965,603.51
FY 2015-16 Pension Solution	\$ 63,099,000.00	\$ 45,834,577.47	\$ 7,280,974.32
FY 2016-17 Pension Solution	\$ 37,553,000.00	\$ 21,670,049.43	\$ 2,074,714.81
	\$ 162,216,000.00	\$ 125,479,254.05	\$ 16,321,292.64

¹ Project data in this Appendix includes data from current appropriations and reappropriations available for encumbrance and expenditure in fiscal year 2016-17. Project data reported throughout other portions of the report includes project lifetime totals which may include data from previous year appropriations and reappropriations.