Enterprise Technology Projects

Fiscal Year 2016–17
First Quarter Report

Quarter Ending September 30, 2016
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.

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**Enterprise Program Investment Council Members**

- **Jack Ehnes**
  Chief Executive Officer

- **Robin Madsen**
  Chief Financial Officer

- **Grant Boyken**
  Public Affairs Executive Officer

- **Andrew Roth**
  Benefits and Services Executive Officer

- **Cassandra Lichnock**
  Chief Operating Officer

- **Lisa Blatnick**
  Chief of Administrative Services

- **Ashish Jain**
  Chief Technology Officer
### Major Enterprise Projects
#### Fiscal Year 2016/2017 – First 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>403bCompare Site Redesign</td>
<td>Sep 2015 – Nov 2016</td>
<td>$935,780</td>
<td>$552,843</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Data Preparation</td>
<td>Nov 2011 – Dec 2016</td>
<td>$11,024,855</td>
<td>$9,343,428</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Multimodal Communication Upgrade</td>
<td>Nov 2015 – Jan 2017</td>
<td>$5,500,000</td>
<td>$1,470,800</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Pension Solution</td>
<td>Jul 2014 – Dec 2020</td>
<td>$251,800,000</td>
<td>$34,702,568</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Space Optimization</td>
<td>Nov 2015 – Jul 2016</td>
<td>$1,891,900</td>
<td>$1,385,634</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

**Schedule & Budget Indicators:**
- [●] Acceptable
- [ARRANT] Warning
- [CRITICAL] Critical
- [COMPLETE] Complete
- [CANCELLED] Cancelled
- [NOT STARTED] Not Started

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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.

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Quarter Ending September 30, 2016
403bCompare Site Redesign

Project Name  Purpose  Accomplishments

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

Project Schedule Status Timeline

Major Fiscal Year 2016/2017 Milestones

1st Quarter 2nd Quarter 3rd Quarter 4th Quarter

- Expended
- Remaining

EPIC Request for Extension

9/01/2016 6/30/2017
Project Start Project End

59% 41%

Quarter Ending September 30, 2016
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| 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. | **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. |

**Total Project Budget**  
$11 Million  

![Expended Remaining]  

15%  
85%  

**Major Fiscal Year 2016/2017 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>7/01/2016</td>
<td>1/01/2017</td>
<td>6/30/2017</td>
<td></td>
</tr>
</tbody>
</table>

**Project Schedule Status Timeline**  
91% Complete  

11/1/2011 Project Start  
12/31/2016 Project End
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
- Conducted Phase 2 Project Kickoff Meeting
- Completed Phase 1 AV installation and testing
- Complete Phase 1 Training and Knowledge Transfer
- Commenced Phase 2 Project Planning
- Complete Phase 2 AV installation, testing & training
- Commenced Phase 2 construction and equipment commissioning
- Commence Phase 2 testing and training

Total Project Budget
$5.5 Million

Project Schedule Status Timeline

Quarter Ending September 30, 2016
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

12%

88%

**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 Joint Application Development (JAD) sessions for Functional Rollout 2.

**Major Fiscal Year 2016/2017 Milestones**

1. **1st Quarter**
   - Commence FR1 Data Bridging & Interface Development
   - Commence FR1 Contractor Acceptance Testing

2. **2nd Quarter**
   - Complete FR1 Data Bridging & Interface Development
   - Commence FR2 JADs

3. **3rd Quarter**
   - Commence FR2 Development
   - Complete FR1 Data Bridging & Interface Development

4. **4th Quarter**
   - Commence Contractor Acceptance Testing
   - Complete FR2 Development

**Project Schedule Status Timeline**

- Project Start: 12/1/2010
- 85% Complete
- Functional Rollout 1 Complete: 9/30/2017

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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.
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.

**Space Optimization**

### 2015/2016 Project Budget

$1.9 Million

- Expended
- Remaining

58% 42%

### 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

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/01/2016</td>
<td>100%</td>
<td>11/01/2015</td>
<td>07/31/2016</td>
</tr>
<tr>
<td></td>
<td>Complete</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Project Schedule Status Timeline

- Completed 11th/12th Fvr. Optimization
- EPIC Request for Optimization of Remaining Floors
- 1st Quarter
- 2nd Quarter
- 3rd Quarter
- 4th Quarter
- 6/30/2017
- 1/01/2017
- 6/30/2017
- 100% Complete

Quarter Ending September 30, 2016
<table>
<thead>
<tr>
<th>Other Projects</th>
<th>Duration</th>
<th>Total Budget</th>
<th>Total Expended</th>
<th>Schedule</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Additional Earnings and Annuity Credit 2014 &amp; 2015 project implements the</td>
<td>project that allows CalSTRS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>system changes and business processes that allows CalSTRS to credit or pay</td>
<td>the Additional Earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the Additional Earnings Credits for 2014 and 2015.</td>
<td>Credits for 2014 and 2015.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confirmation of Account Changes</td>
<td>Jun 2016 – Dec 2016</td>
<td>$0*</td>
<td>$0</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>The Confirmation of Account Change project adds a layer of communication that</td>
<td>will give members the ability to identify when changes to their myCalSTRS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>account are initiated.</td>
<td>account are initiated.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined Benefit Supplement (DBS) Single Life Annuity (SLA) and Period Certain</td>
<td>Jun 2016 – Nov 2017</td>
<td>$0*</td>
<td>$0</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Annuity (PCA) Calculation Updates Project will update CalSTRS corporate</td>
<td>project that will update</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>database system functionality to accurately calculate DBS SLA with a cash</td>
<td>CalSTRS corporate database</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>refund account at the time of death and calculate members’ reinstatement with</td>
<td>database system functiona</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a PCA using the present value ‘table in effect’ at the time of the original</td>
<td>lity to accurately calculate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>benefit effective date.</td>
<td>DBS SLA with a cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Service Management System</td>
<td>May 2016 – May 2017</td>
<td>$475,000</td>
<td>$0</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>The IT Service Management (ITSM) System project will replace the current,</td>
<td>will replace the current,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>unsupported Service Desk system with a modern and hosted ITSM solution.</td>
<td>unsupported Service Desk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remove Estimation for Service Credit and Final Compensation</td>
<td>Jun 2016 – Nov 2016</td>
<td>$0*</td>
<td>$0</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>The Remove Estimation for Service Credit and Final Compensation project will</td>
<td>project will result in</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>result in increasing benefit payment accuracy by utilizing the actual data</td>
<td>increasing benefit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>residing in the corporate database for the initial benefit calculations</td>
<td>payment accuracy by using</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>instead of the estimated payment information.</td>
<td>the actual data residing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 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.
The Technology Project Appropriations Report provides information on the budgetary status 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

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Budget</th>
<th>Consumed</th>
<th>Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining Available Budget</td>
<td>$5,990,998.79</td>
<td>-</td>
<td>$8,007.75</td>
</tr>
<tr>
<td>Business Renew Program Support</td>
<td>$124,043.79</td>
<td>$407,663.96</td>
<td>$407,663.96</td>
</tr>
<tr>
<td>Data Preparation</td>
<td>$1,088,062.00</td>
<td>$407,663.96</td>
<td>$407,663.96</td>
</tr>
<tr>
<td>Pension Solution Project</td>
<td>$4,377,352.42</td>
<td>$4,377,352.42</td>
<td>-</td>
</tr>
<tr>
<td>Pension Solution Staff Augmentation</td>
<td>$6,176,251.00</td>
<td>$200,862.59</td>
<td>$200,862.59</td>
</tr>
<tr>
<td>Independent Project Oversight</td>
<td>$743,292.00</td>
<td>$459,756.00</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,500,000.00</strong></td>
<td><strong>5,453,642.72</strong></td>
<td><strong>$616,534.30</strong></td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Budget</th>
<th>Consumed</th>
<th>Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining Available Budget</td>
<td>$12,861,692.27</td>
<td>-</td>
<td>$3,232.15</td>
</tr>
<tr>
<td>Additional Earnings/Annuity Credit Project</td>
<td>$119,535.41</td>
<td>$3,232.15</td>
<td>$3,232.15</td>
</tr>
<tr>
<td>Business Renew Program Support</td>
<td>$25,107.76</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Data Preparation Project</td>
<td>$10,777.29</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13,017,112.73</strong></td>
<td><strong>3,232.15</strong></td>
<td><strong>3,232.15</strong></td>
</tr>
</tbody>
</table>

### Pension Solution Project (appropriated to date)

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

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.