Enterprise Technology Projects

Fiscal Year 2016–17
Second Quarter Report

Quarter Ending December 31, 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 2016-17 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 – Second 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 – Mar 2017</td>
<td>$835,173³</td>
<td>$640,216</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Preparation</td>
<td>Nov 2011 – Sept 2017</td>
<td>$19,458,734</td>
<td>$10,163,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multimodal Communication Upgrade</td>
<td>Nov 2015 – Apr 2017</td>
<td>$5,600,000</td>
<td>$3,419,640</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension Solution</td>
<td>Jul 2014 – Dec 2020</td>
<td>$251,800,000⁴</td>
<td>$44,917,066</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Space Optimization</td>
<td>Nov 2015 – Jul 2017</td>
<td>$1,891,900</td>
<td>$1,385,634</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Schedule & Budget Indicators:
- **Acceptable**
- **Warning**
- **Critical**
- **Complete**
- **Cancelled**
- **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. 403bCompare Site Redesign – Fully funded by 403b vendors. Budget reduced from 935,780 to remove budget for resources already paid for by the 403b vendor fund.
4. Pension Solution – Represents the total board approved budget.
5. Pension Solution – Delays in finalizing approval of key change requests.

**Quarter Ending December 31, 2016**
**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, 2016:
- Completed development and testing of end user functionality.
- Completed design and mockups for vendor management and product management functionality.
- Continued development and testing of vendor management and product management functionality.
- Completed design and mockups for employer management functionality.
- Continued development on financial data provider integration.

Planned Deliverables by March 31, 2017:
- Complete development and testing for vendor management and product management functionality.
- Complete development and testing for employer functionality.
- Complete integration with financial data provider.
- Project completion and production go live.

**Total Project Budget**
**$835 Thousand**

- Expended
- Remaining

23%

77%

Major Fiscal Year 2016/2017 Milestones

- Complete Employer Mgmt. Functionality
- Complete Vendor/Product Mgmt. Functionality
- Complete Financial Data Provider Integration
- Complete Data Integrity Effort
- Production Go Live

**Project Schedule Status Timeline**

- 83% Complete
- 03/31/2017
- Project End
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Purpose</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Preparation</td>
<td>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.</td>
<td><strong>Period Ending December 31, 2016:</strong>&lt;br&gt;• Completed 92% of basic issue cleansing related to Pension Solution’s Functional Rollout 1.&lt;br&gt;• Continued to align Data Preparation activities with the Pension Solution’s Functional Rollout Plan.&lt;br&gt;• Implemented complex data issue fix for Exceptions.&lt;br&gt;• Received approval from the Enterprise Program Investment Count (EPIC) to extend the scope, schedule and budget and gain additional resources to address basic issues and complex issues.</td>
</tr>
<tr>
<td><strong>Total Project Budget</strong></td>
<td>$13.6 Million</td>
<td><strong>Planned Deliverables by March 31, 2017:</strong>&lt;br&gt;• Complete highest priority data cleaning activities related to the Pension Solution Functional Rollout 1 including basic issues and the Archive Flag complex issue.&lt;br&gt;• Begin requirements identification for complex data issues including Benefit Continuity; Termination Out of Balance; and Benefit Account Updates.&lt;br&gt;• Continue to align Data Preparation activities with the Pension Solution’s Functional Rollout Plan.</td>
</tr>
</tbody>
</table>
| **25%** | | **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>
<tr>
<td>Implemented Exception Fix</td>
<td>Implement Archive Flag</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Project Schedule Status Timeline</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11/1/2011</th>
<th>9/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Start</td>
<td>Project End</td>
</tr>
</tbody>
</table>

84% Complete
### 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 December 31, 2016:
- Completed Phase 1 testing and training.
- Continued Phase 2 construction and equipment commissioning.
- Commenced Phase 2 testing and training.

### Planned Deliverables by March 31, 2017:
- Complete Phase 1 documentation and knowledge transfer.
- Continue Phase 2 construction and equipment commissioning.
- Complete Phase 2 testing and training.
- Complete Phase 2 documentation and knowledge transfer.

### Major Fiscal Year 2016/2017 Milestones

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted Phase 2 Project Kickoff Meeting</td>
<td>1st Quarter</td>
</tr>
<tr>
<td>Complete Phase 1 AV Installation and Testing</td>
<td>1st Quarter</td>
</tr>
<tr>
<td>Completed Phase 1 Training and Knowledge Transfer</td>
<td>1st Quarter</td>
</tr>
<tr>
<td>Commenced Phase 2 Project Planning</td>
<td>2nd Quarter</td>
</tr>
<tr>
<td>Complete Phase 2 AV Installation, Testing &amp; Training</td>
<td>2nd Quarter</td>
</tr>
<tr>
<td>Complete Phase 2 AV Installation, Testing &amp; Training</td>
<td>3rd Quarter</td>
</tr>
<tr>
<td>Complete Phase 2 AV Installation, Testing &amp; Training</td>
<td>4th Quarter</td>
</tr>
<tr>
<td>Complete Phase 2 AV Installation, Testing &amp; Training</td>
<td>6/30/2017</td>
</tr>
</tbody>
</table>

### Total Project Budget

- **$5.6 Million**
  - 39% Expended
  - 61% Remaining

### Project Schedule Status Timeline

- **78% Complete**
  - Project Start: 11/01/2015
  - Project End: 04/30/2017
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

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**Pension Solution**

**Purpose**

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.

**Accomplishments**

- Continued development activities for interfaces and bridges required for the first functional rollout.
- Continued data conversion activities and performed mock conversions.
- Continued planning for user acceptance test (UAT) activities.
- Continued Infrastructure installs for second build out phase.
- Obtained approval of detailed conversion plan.
- Obtained approval of technical design document.
- Delivered training to CalSTRS staff performing UAT.
- Commenced Joint Application Development (JAD) sessions for Functional Rollout 2.

**Period Ending December 31, 2016:**

- Continued development activities for interfaces and bridges required for the first functional rollout.
- Continued data conversion activities and performed mock conversions.
- Continued planning for user acceptance test (UAT) activities.
- Continued Infrastructure installs for second build out phase.
- Obtained approval of detailed conversion plan.
- Obtained approval of technical design document.
- Delivered training to CalSTRS staff performing UAT.
- Commenced Joint Application Development (JAD) sessions for Functional Rollout 2.

**Planned Deliverables by March 31, 2017:**

- Complete 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 Organizational Change Management Plan.
- Obtain approval of Transition Plan.
- Commence Business Transformation Plan.
- Continue Joint Application Development (JAD) sessions for Functional Rollout 2.
- Commence Coding and Unit Testing for Functional Rollout 2.

**Schedule Warning:** Project is at risk due to delays in finalizing approval of key change requests which have an impact on scope and schedule.

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**Major Fiscal Year 2016/2017 Milestones**

1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter
---|---|---|---
Commenced FR1 Contractor Acceptance Testing | Complete FR1 Data Bridging & Interface Development | Commence FR2 JADs | Commence FR2 Data Bridging & Interface Development
Commence FR1 Data Bridging & Interface Development | Commence FR2 JADs | Commence FR2 Development | Complete Contractor Acceptance Testing

**Project Schedule Status Timeline**

12/1/2010 Project Start | 8/30/2017 Functional Rollout 1 Complete

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1Pension Solution Status Timeline reflects the percent complete from the project Discovery phase through the first functional rollout.
**Project Name**  
**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 all remaining HQ floors (3, 4, 6, 7, 8, 10, 14, 15 and 16).

**Period Ending December 31, 2016:**
- Received 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.
- Approved proposed optimized plans for floors 3 - 4, 6 – 8, 10, and 14 - 16.
- Completed 16th floor optimization.

**Planned Deliverables by March 31, 2017:**
- Complete floor 14 optimization activities.

**2015/2016 Project Budget**  
$1.9 Million

**2015/2016 Project Schedule Status Timeline**

**Major Fiscal Year 2016/2017 Milestones**

- 11th/12th Flr. Optimization
- Received EPIC approval for Optimization of Remaining Floors
- Completed 16th Flr. Optimization
- Complete 3rd & 14th Flr. Optimization
- Complete 5th & 7th Flr. Optimization
- Complete 8th Flr. Optimization

**Expended Remaining**

- 42%
- 58%
<table>
<thead>
<tr>
<th>Other Projects</th>
<th>Duration</th>
<th>Total</th>
<th>Total</th>
<th>Schedule</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Budget</td>
<td>Expended</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Additional Earnings and Annuity Credit 2014 &amp; 2015 project implements the system changes and business processes that allows CalSTRS to credit or pay the Additional Earnings Credits for 2014 and 2015.</td>
<td></td>
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<tr>
<td>Confirmation of Account Changes</td>
<td>Jun 2016 – Dec 2016</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>The Confirmation of Account Change project adds a layer of communication that will give members the ability to identify when changes to their myCalSTRS account are initiated.</td>
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<tr>
<td>Defined Benefit Supplement (DBS) Single Life Annuity (SLA) and Period Certain Annuity (PCA) Calculation Updates</td>
<td>Jun 2016 – Jun 2017</td>
<td>$0</td>
<td>$0</td>
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<td></td>
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<tr>
<td>The Defined Benefit Supplement (DBS) Single Life Annuity (SLA) and Period Certain Annuity (PCA) Calculation Updates Project will update CalSTRS corporate database system functionality to accurately calculate DBS SLA with a cash refund account at the time of death and; calculate members’ reinstatement with a PCA using the present value ‘table in effect’ at the time of the original benefit effective date.</td>
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<tr>
<td>FIS$Cal R17 Changes</td>
<td>Dec 2016 – Jul 2017</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>The FIS$Cal R17 Changes project will update file formats and file transfer processes necessary to support the exchange of files associated with the FIS$Cal project.</td>
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</tr>
<tr>
<td>IT Service Management System</td>
<td>May 2016 – May 2017</td>
<td>$475,000</td>
<td>$0</td>
<td></td>
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</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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</tr>
<tr>
<td>IT DR Gap Analysis and Risk Assessment</td>
<td>Nov 2016 – Jun 2017</td>
<td>$500,000</td>
<td>$85,172</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The product of the IT DR Gap Analysis and Risk Assessment project will be a Gap Analysis, Risk Assessment, and a Mitigation Plan for CalSTRS IT Disaster Recovery.</td>
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</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 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.</td>
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</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.

**Quarter Ending December 31, 2016**
The Technology Project Appropriations Report provides information on the budgetary status\(^1\) 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

<table>
<thead>
<tr>
<th>Project Name</th>
<th>FY 2016-17 Technology Project Appropriation</th>
<th>FY 2016-17 Technology Project Reappropriation (originally from FY 2014-15) (^1)</th>
<th>FY 2016-17 Technology Project Reappropriation (originally from FY 2015-16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining Available Budget</td>
<td>$3,993,818.79</td>
<td>$661,658.65</td>
<td>$10,225,338.27</td>
</tr>
<tr>
<td>BusinessRenew Program Support</td>
<td>$124,043.79</td>
<td>$64,550.54</td>
<td>$119,535.41</td>
</tr>
<tr>
<td>Data Preparation</td>
<td>$3,180,743.00</td>
<td>$1,300,776.30</td>
<td>$1,264,710.43</td>
</tr>
<tr>
<td>Pension Solution Project</td>
<td>$4,377,352.42</td>
<td>$743,292.00</td>
<td>$743,292.00</td>
</tr>
<tr>
<td>Pension Solution Staff Augmentation</td>
<td>$5,580,750.00</td>
<td>$500,000.00</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>Independent Project Oversight</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IT DR Gap Analysis and Risk Assessment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>$18,500,000.00</td>
<td>$6,810,695.74</td>
<td>$1,777,934.90</td>
</tr>
</tbody>
</table>

\(^1\) Timing differences between expenses recognized and incurred by property manager generated credit of budgetary expenditures in the second quarter. Expenditures will be recognized in the third quarter.

Quarter Ending December 31, 2016