



Enterprise Technology Projects

Fiscal Year 2017–18
First Quarter Report

Quarter Ending September 30, 2017

Enterprise Projects

Fiscal Year 2017/2018– 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 \$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. 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 2017/2018 –First Quarter

Project Name	Duration	Project Total ¹	Total Expended ²	Schedule	Budget
<u>Major Projects</u>					
Data Preparation	Nov 2011 – Jun 2020	\$25,981,894	\$12,774,797	●	●
Pension Solution	Jul 2014 – Feb 2021	\$251,800,000 ³	\$79,412,539	◆ ⁴	●
Space Optimization	Nov 2015 – Sep 2017	\$2,001,605	\$1,927,755	◆	◆

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.

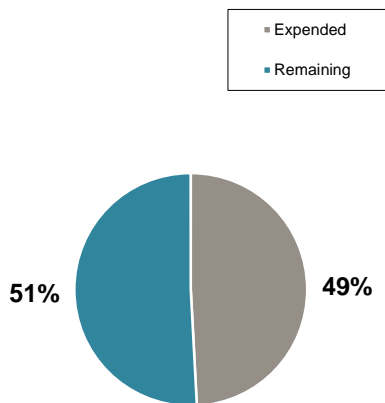
³ Pension Solution – Represents the total board approved budget beginning July 2014.

⁴ Pension Solution – Critical warning status due to testing and planned implementation activities delays.

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
\$26 Million**



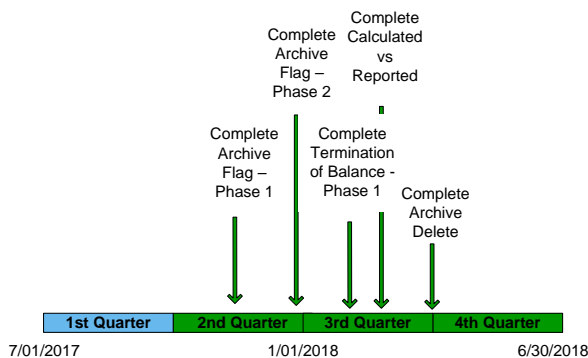
Period Ending September 30, 2017:

- Onboarded new Project Manager and Business Analyst.
- Received Enterprise Program Investment Council (EPIC) approval for schedule, budget, scope and resource increase for data cleansing related to Pension Solution Functional Rollout 2 and support of conversion data issues as identified by Pension Solution.
- Completed analysis of the reverted account population.
- Completed phase 1 of populations 1 and 4 of the Member Lifecycle issue in partnership with Technology Services.
- Continued requirements identification for complex data issues including Calculated versus Reported; Benefit Continuity; and Termination Out of Balance.
- Continued to align Data Preparation activities with the Pension Solution's Functional Rollout Plan.
- Adopted remaining populations of Member Lifecycle in scope of work.

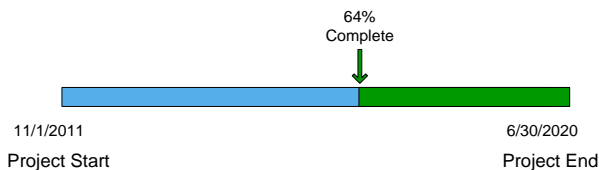
Planned Deliverables by December 31, 2017:

- Implement Phase 1 of Archive Flag complex issue related to Pension Solution Functional Rollout 1.
- Implement Multiple Subsequent Year Adjustments complex issue related to Pension Solution Functional Rollout 2.
- Continue requirements identification and commence development for complex data issues including Calculated versus Reported; Benefit Continuity; Termination Out of Balance; and Member Lifecycle.
- Continue to align Data Preparation activities with the Pension Solution's Functional Rollout Plan.
- Release Request for Offer solicitation document to obtain additional developer and tester resources.

Major Fiscal Year 2017/2018 Milestones



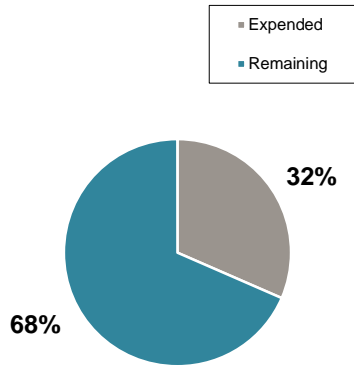
Project Schedule Status Timeline



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, 2017:

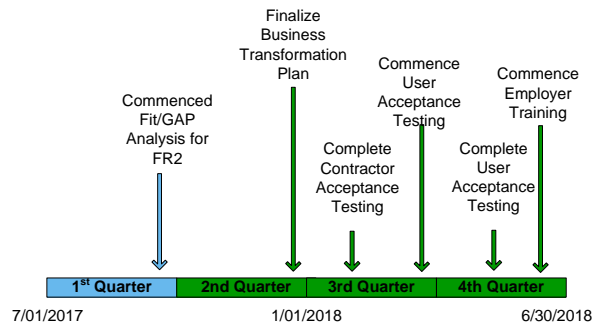
- Continued data conversion activities and performed mock conversions.
- Continued planning for user acceptance test (UAT) activities.
- Continued development of Business Transformation Plan.
- Continued updating Functional Rollout 1 Change Impact Inventory.
- Continued development of Employer Training Plan.
- Continued Contractor Acceptance Testing for Functional Rollout 1.
- Continued Joint Application Development (JAD) sessions for Functional Rollout 2.
- Continued Coding and Unit Testing for Functional Rollout 2.
- Commenced Fit/Gap Analysis for Functional Rollout 2.

Planned Deliverables by December 31, 2017:

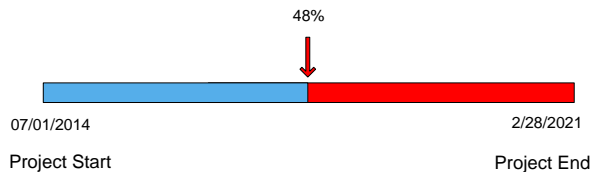
- Continue data conversion activities and perform mock conversions.
- Continue planning for user acceptance test (UAT) activities.
- Finalize Business Transformation Plan.
- Continue updating Functional Rollout 1 Change Impact Inventory.
- Continue development of Employer Training Plan.
- Continue Contractor Acceptance Testing for Functional Rollout 1.
- Continue Joint Application Development (JAD) sessions for Functional Rollout 2.
- Continue Coding and Unit Testing for Functional Rollout 2.
- Complete Fit/Gap Analysis for Functional Rollout 2.
- Commence and complete Project Improvement Idea sessions.

Schedule Warning: Critical status due to delays in Contractor Acceptance Test activities not meeting the schedule baselined completion date and Functional Rollout 1 not meeting the planned baselined implementation date.

Major Fiscal Year 2017/2018 Milestones



Project Schedule Status Timeline¹



¹Pension Solution Status Timeline represents the project period beginning with the fiscal year 14/15 board approved budget. Pre-implementation project activities date back 12/1/2010.

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 all remaining HQ floors (3, 4, 6, 7, 8, 10, 14, 15 and 16).

Period Ending September 30, 2017:

- Completed all project activities within scope, schedule, and budget.
- Completed project close-out report.

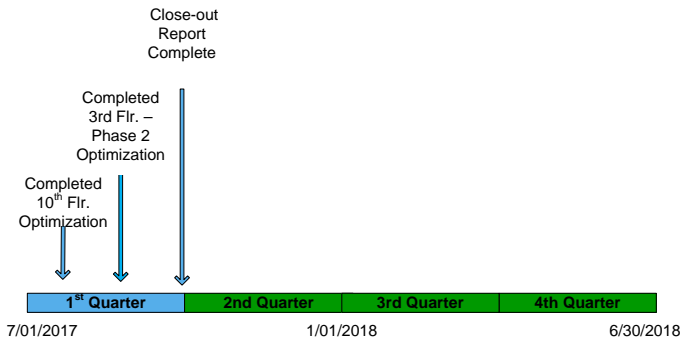
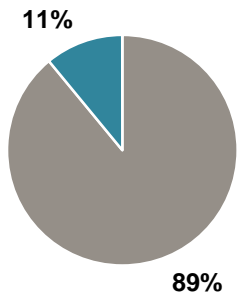
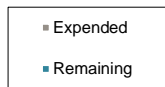
Planned Deliverables by December 31, 2017:

- None - Project complete.

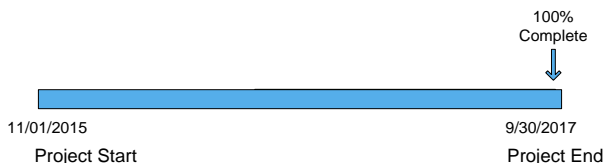
Major Fiscal Year 2017/2018 Milestones

2015/2016 Project Budget

\$2 Million



Project Schedule Status Timeline



Other Enterprise Projects- Under \$1 Million Fiscal Year 2017/2018 – First Quarter

<u>Other Projects</u>	<u>Duration</u>	<u>Project Total Budget</u> ¹	<u>Total Expended</u> ²	<u>Schedule</u>	<u>Budget</u>
AB 1875 Special Needs Trust The 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.	May 2017 – Sep 2017	\$0*	\$0	●	●
Contact Center Migration Project The Contact Center Migration project will migrate from the existing Contact Center solution to the new cloud platform with 'like for similar' functionality and processes.	Jun 2017 – Jul 2018	\$200,000	\$26,246	●	●
EIM Initiatives 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.	Jan 2017 – Dec 2020	\$732,675	\$95,315	●	●
FI\$Cal R17 Changes 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.	Dec 2016 – Sep 2018	\$319,165	\$209,707	●	●
GASB 74/75 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. Our Medicare Premium Payment Program is considered an OPEB plan and is impacted by these new accounting standards.	Jan 2017 - Jan 2018	\$732,500	\$227,157	●	●
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 – Jan 2018	\$475,000	\$0	◆ ³	●
IT DR Gap Analysis and Risk Assessment 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.	Nov 2016 – Jan 2018	\$500,000	\$358,776	●	●
LAUSD Systemic Sick Leave Correction 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.	Aug 2017 – Jun 2018	\$0*	\$0	●	●

Schedule & Budget Indicators: ● Acceptable ◻ 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.

³ IT Service Management System – Critical warning due to extended procurement and delayed project start.

Appendix A

Technology Project Appropriations Report

Fiscal Year 2017/2018 – First Quarter

The Technology Project Appropriations Report provides information on the budgetary status of current technology appropriations and reappropriations. For Fiscal Year 2017/2018, the current technology appropriations and reappropriations available for encumbrance and expenditure include:

- Fiscal Year 2017-18 Technology Appropriation
- Three Technology Appropriations/Reappropriations from Fiscal Years 2014-15, 2015-16 and 2016-17
- Four Pension Solution Appropriations

FY 2017-18 Technology Project Appropriation			
Project Name	Budget	Consumed	Expended
Remaining Available Budget	\$ 12,772,960	\$ -	\$ -
EIM Initiatives	\$ 210,519	\$ 45,858	\$ 45,858
EPIC Funded Backfill	\$ 100,000	\$ (242)	\$ (242)
Data Preparation	\$ 1,625,081	\$ 431,514	\$ 429,908
Independent Project Oversight	\$ 743,292	\$ 743,292	\$ -
Space Optimization	\$ 92,997	\$ 65,024	\$ 65,024
Multimodal Comm Upgrade	\$ 33,589	\$ 8,665	\$ 8,665
Pension Solution	\$ 2,616,754	\$ 2,616,754	\$ -
Pension Solution Staff Augmentation	\$ 304,807	\$ 258,569	\$ 258,569
Grand Total	\$ 18,500,000	\$ 4,169,434	\$ 807,782

FY 2016-17 Technology Project Appropriation			
Project Name	Budget	Consumed	Expended
Remaining Available Budget	\$ 7,967,641	\$ -	\$ -
EIM Initiative	\$ 56,012	\$ 49,462	\$ 49,462
BusinessRenew Program Support	\$ 8,010	\$ 8,010	\$ 8,010
Enterprise Business Transformation	\$ 1,802,205	\$ 1,802,205	\$ 1,802,205
Data Preparation	\$ 2,024,904	\$ 1,462,193	\$ 1,462,091
Independent Project Oversight	\$ 743,292	\$ 459,756	\$ 373,620
Space Optimization	\$ 109,705	\$ 98,691	\$ 98,691
IT DR Gap Analysis and Risk Assessment	\$ 500,000	\$ 358,776	\$ 358,776
Pension Solution Project	\$ 4,377,352	\$ 4,377,352	\$ 4,377,352
Pension Solution Staff Augmentation	\$ 910,880	\$ 906,480	\$ 906,480
Grand Total	\$ 18,500,000	\$ 9,522,924	\$ 9,436,686

FY 2016-17 Technology Project Reappropriation (originally from FY 2014-15)			
Project Name	Budget	Consumed	Expended
Remaining Available Budget	\$ 158,004	\$ -	\$ -
Data Preparation Project	\$ 3,880,510	\$ 2,523,279	\$ 905,627
Fl\$Cal R17	\$ 319,965	\$ 272,107	\$ 209,707
IT Services Management System	\$ 475,000	\$ 385,715	\$ -
Multimodal Communication Upgrade	\$ 1,400,776	\$ 1,400,776	\$ 1,400,776
Pension Solution Staff Augmentation	\$ 898,960	\$ 898,960	\$ 411,895
Grand Total	\$ 7,133,216	\$ 5,480,837	\$ 2,928,005

Appendix A – Continued

Technology Project Appropriations Report

Fiscal Year 2017/2018 – First Quarter

FY 2016-17 Technology Project Reappropriation (originally from FY 2015-16)			
	Budget	Consumed	Expended
Remaining Available Budget	\$ 8,606,580	\$ -	\$ -
Additional Earnings/Annuity Credit Project	\$ 14,913	\$ 14,913	\$ 14,913
Data Preparation Project	\$ 2,647,131	\$ 685,000	\$ 685,000
GASB 74/75	\$ 633,180	\$ 574,038	\$ 227,158
Miscellaneous Project Support	\$ 752,109	\$ 346,109	\$ 346,109
Contact Center System Migration	\$ 200,000	\$ 149,995	\$ 26,247
Pension Solution Staff Augmentation	\$ 163,200	\$ 163,200	\$ -
Grand Total	\$ 13,017,113	\$ 1,933,255	\$ 1,299,426

Pension Solution Project (appropriated to date)			
	Budget	Consumed	Expended
FY 2014-15 Pension Solution	\$ 61,564,000	\$ 58,033,029	\$ 35,563,060
FY 2015-16 Pension Solution	\$ 63,099,000	\$ 56,533,075	\$ 8,337,199
FY 2016-17 Pension Solution	\$ 37,553,000	\$ 27,835,805	\$ 10,045,174
FY 2017-18 Pension Solution	\$ 26,981,778	\$ 10,063,427	\$ 2,613,242
Grand Total	\$ 189,197,778	\$ 152,465,336	\$ 56,558,675