

Submission of the "Information Technology Capital Investment Fund Request" confirms approval and certifies the agency head approval(s) have been received and that all appropriate finance and budget areas have been informed.

I. Project Identification

Project Title

STATE EMPLOYEES RETIREMENT SYSTEM (SERS) REPLACEMENT PROJECT

Submitter: Full Name

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Participating Agencies

Agency Name	Agency Business Unit		
State Comptrollers Office	OSCM1		
Select to Indicate Primary Agency:	<input checked="" type="checkbox"/>		
Title	Full Name	Telephone	e-Mail
Agency Head	Kevin Lembo	(860) 702-3300	kevin.lembo@po.state.ct.us
Agency CIO / IT Director:	Angelo Romano	(860) 622-2513	angelo.romano@po.state.ct.us
Agency CFO:	Nancy McMahon	(860) 702-3340	nancy.mcmahon@po.state.ct.us
Project Manager:	Angelo Romano	(860) 622-2513	angelo.romano@po.state.ct.us
OPM Budget Analyst	Patti Maroney	(860) 418-6328	patti.maroney@ct.gov

II. Project Details

This information will be used for listings and report to the Governor and General Assembly on capital funded projects.

A. Proposed Dates

Enter the date as shown in this example: MM/DD/YYYY.

Proposed Start Date	Expected Completion Date	Duration (in months)
09/01/2013	08/30/2016	36

B. Project Description

Please enter short description of project.

This project will replace the current State Employee Retirement System (SERS) with the PeopleSoft Pension Administration Module.

C. Summary

Describe the high level summary of this project in plain English without technical jargon.

This project is a business reengineering and system modernization project that will be jointly implemented by OSC's Retirement and ITD/CORE Divisions, which will implement a modern, efficient pension administration software package.

Purpose

Describe the purpose of the project.

By implementing the Pension Administration application into the Core-CT environment, the Retirement Division will be able to effectively and efficiently utilize data from Core-CT's Human Resources, Payroll & Time and Attendance modules in order to streamline business processes. Additional benefits for employees and retirees include pension self-service functionality, the viewing of retirement direct deposit information, and improved customer service tools such as an on-line retirement portal and a helpdesk call center.

Importance

Describe why this project is important.

The SERS application was implemented in 1986, and lacks the functionality of modern software. The Pension Administration Module is part of the PeopleSoft Human Capital Management software suite that Core-CT utilizes. Utilizing additional PeopleSoft functionality will leverage the State's previous investments in Core-CT.

State's previous investments in Core-CT.



Outcomes

What are the expected outcomes of this project.

An integrated Core-CT module which delivers a more efficient and user friendly pension system based on existing data in the Human Resources, Payroll and Time & Attendance modules.



Approaches and Success Evaluation

Provides details of how the success of the project will be evaluated.

After the configuration and installation of the software, and a redesign of the relevant business processes has taken place, there will be a 9 month testing and training period . During this time, all business processes will be tested to ensure that they are producing the desired results, and a verification will be required to ensure that the infrastructure's performance and reliability are acceptable. Once completed, implementation will occur.



D. Business Goals:

List up to 5 key business goals you have for this project, when (FY) the goal is expected to be achieved, and how you will measure achievement. Must have at least one.

- Please use action phrases beginning with a verb to state each goal. Example: "Reduce the permitting process by 50%".
- In the Expected Results field, please explain what data you will use to demonstrate the goal is being achieved and any current metrics.

Example

Business Goal	
Reduce permitting process/timeline by 50%	Target FY for Goal
Current Condition	FY14
Current average processing is 60 days	
Expected Result	
Reduce processing time to 30 days	

Business Goal	
Reduce the time it takes to finalize a retirement application, as well as the resulting backlog.	
Current Condition	
Presently, the average finalization process takes 5 years to complete, resulting in the current backlog, as well as interest payments due to retirees whose pension payments were underestimated.	
Expected Result	Target FY
After fully implemented, employee retirement finalization will occur within 30 days of retirement. As a result, retired state employees will receive a timely finalized pension, and the state will avoid paying millions of dollars in interest payments from the Retirement Fund	FY 17
Business Goal	
Improve service delivery to employees and retirees and help stabilize the	

Improve service delivery to employees and retirees and help stabilize the Retirement Fund by no longer paying interest penalties.	
Current Condition	
All processes associated with the current State Employees Retirement System are paper-based.	
Expected Result	Target FY
A pension portal and call center with self-service functionality will reduce paper form usage by 75%.	FY 17
Business Goal	
Provide better insight into pension costs.	
Current Condition	
The State Employees Retirement System in place has extremely limited reporting capabilities.	
Expected Result	Target FY
Business analytics capabilities associated with the Pension Administration Module will improve the budget development process.	FY 17

E. Technology Goals.

From a technical perspective, following the above example, list up to 3 key technology goals you have for this project and in which Fiscal Year (FY) the goal is expected to be achieved. Please use action phrases beginning with a verb to state each goal.

Technical Goal		Remove Technical Goal	Add Technical Goal
Consolidate OSC's statewide Information Technology applications platform on the PeopleSoft ERP system.			
Current Condition			
All of OSC's statewide technology systems are on PeopleSoft except for pension administration. The current pension administration system is an IBM IMS application.			
Expected Result			Target FY

Expected Result		Target FY
In FY2017, OSC will only have to support and maintain one statewide application system resulting in better utilization of staff.	▲ ▼	FY 17
Technical Goal		Remove Technical Goal
Maximize the usage of the Core-CT Infrastructure.	▲ ▼	
Current Condition		
Core-CT is a robust enterprise environment that can accomodate additional workloads.	▲ ▼	
Expected Result		Target FY
In FY 2017, Core-CT will host the pension administration system without any additional licensing or maintenance costs.	▲ ▼	FY 17



F. Priority Alignment

***NOTE:** The criteria in this section, in concert with other factors, will be used to determine project priorities in the capital funding approval process. Briefly describe how the proposed projects will align with each criterion.

Priority Criterion

Is this project aligned with Governor's key priorities? Yes No

Governor's key priorities.

This project adheres to the priority of making strategic IT investments that will streamline Connecticut State Government's delivery of services.

Is this project aligned with business and IT goals of your agency? Yes No

This project will provide more efficient business processes and standardize the IT platform on a modern, industry leading product (PeopleSoft).

Does the project reduce or prevent future increases to the agency's operating budget? Yes No

Without a business reengineering project, OSC will need to add additional staff to keep up with the increasing workload.

Will this product result in shared capabilities? Yes No

This will be a statewide application, utilized by Human Resources personnel in every state agency.

Is this project being Co-Developed through participation of multiple agencies? Yes No

Has the agency demonstrated readiness to manage a project of this size and scope? Yes No

OSC has successfully managed Core-CT since inception in 2001, including various upgrades and the implementation of additional modules.

Is the agency ready to deliver the business value of this project? Yes No

OSC has demonstrated its ability to reengineer business processes based on ERP system best practices.

G. Organizational Preparedness.

Is your agency prepared to undertake this project? Is senior management committed, willing to participate, and willing to allocate the necessary time, energy and staffing resources? How will the project be managed and/or governed and who will make the key project decisions?

Yes, OSC is prepared for the project. We have a large team of people with many years of experience implementing and managing PeopleSoft applications. The project management structure will consist of a project manager who will oversee the day-to-day operations, a project director who will set direction and manage the budget, and an executive sponsor who will approve all major decisions.

H. Project Ramp Up.

If capital funds are awarded for this project, how long will it take to ramp up? What are the key ramp-up requirements and have any of these already been started? For example, has a project manager been identified? Has an RFI been issued? Is a major procurement required such as an RFP?

The project will have a three (3) month ramp-up. During that time, project team members will be identified, and initial project plans will be developed. This project will require an RFP for implementation services. At this time, we believe that hiring a firm to help identify the RFP requirements will be a prudent approach. An RFI was issued, which helped formulate the project budget.

I. Organizational Skills.

Do you have the experienced staff with the proper training to sustain this initiative once it's a production system? Do you anticipate having to hire additional staff to sustain this? What training efforts are expected to be needed to maintain this system?

The Core-CT PeopleSoft system has been in production since 2003, and has a highly experienced support staff of 86. No additional support staff will be required to add the pension administration module into the current environment.

J. Financial Estimates.

Please provide the estimated total development cost	\$20,000,000.00
Please provide the estimated total capital funding request	\$20,000,000.00
Please provide the estimated annual operating cost	\$0.00
Please provide the one time financial benefit	\$0.00
Please provide the recurring annual financial benefit	\$800,000.00

Explanation of Estimates

Estimates are based on the RFI responses, and OSC/Core-CT operating budget. Please note that the estimated annual operating costs have been included in the regular Core-CT operating budget.

Assumptions.

Please list key assumptions you are using to estimate project development and implementation costs.

Key Assumptions

The costs provided in the RFI responses were accurate.



III. Expanded Business Case

A. Project Impact.

Beyond the top business goals identified in Section II, please provide descriptions for those topics as they apply to your project.

- What impacts will this project have, if any, in the targeted areas below?
- What would be the impact of not doing this project?
- How will the project demonstrate benefits are achieved?

(1) Impact Area (Vision)

Will this project provide efficient and easily accessible services for all constituents? Yes No

Whereas constituent users impacted by the implementation of this important module are the thousands of state retirees, information will be more easily accessible.

Will this project promote open and transparent government with the citizens of the state? Yes No

The system will provide more detailed information on state pension costs.

Will this project establish efficient and modern business processes? Yes No

This project will implement the business practices of the PeopleSoft Pension Administration System, which is based on industry best practices.

Will this project increase accuracy and timeliness of data for policy making, service delivery and results evaluation? Yes No

Once completed, the state's complete Human Resource Management System (HRMS) function will be processed in the centralized PeopleSoft system. This will result in increased accuracy and timeliness of data. A business intelligence component will provide enhanced policy making and results evaluation capabilities.

(2) What is the expected impact of NOT doing this project?

- 1) Continued significant delays in the finalization of pension payments (resulting in interest payments in cases where an understated benefit has been paid over years).
- 2) Hiring additional staff to continue the paper-based processes currently in place.
- 3) Failing to fully leverage the state's previous investments in the Core-CT PeopleSoft ERP system.

(3) How will you demonstrate achievement of benefits?

- 1) The finalization of pension payments within 30 days of retirement and the avoidance of paying interest penalties out of the Retirement Fund

out of the Retirement Fund.

- 2) Consolidation of the current retirement system IT support group into the Core-CT support group. This will provide more flexibility in maintaining a complete Core-CT system.
- 3) A reduction in the number of Retirement service representatives required due to the introduction of self-service functionality and a 75% reduction in paper-based form usage.



B. Statutory/Regulatory Mandates.

- 1) Cite and describe federal and state mandates that this project is intended to address.
- 2) What would be the impact of non-compliance?

(1)

Mandate

The Office of the State Comptroller has a statutory mandate to maintain a State Employees Retirement System.



Impact of Non-Compliance

If the project is not approved, the current system will remain in use. The inability to meet processing requirements will remain, and the risk of system failure, as well as personal services and other expenses costs, will increase.



This section below will allow users to attach more than one supporting document to this form. However, users can only attach one file at a time. The attachment dialog will allow users to list more than one file, but will not allow users to select (or highlight) more than one file at a time. Only the highlighted file will be attached.

