

North Carolina Department of State Treasurer

STRATEGIC PLAN and INFORMATION TECHNOLOGY PLAN FY 2017 - 2019



By

Janet Cowell, North Carolina Department of State Treasurer

10/31/16

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1. North Carolina Department of State Treasurer Strategic Plan

Executive Summary

The Strategic Plan provides the vision, mission, strategic goals, and performance measures for ensuring the desired results for the Department of State Treasurer. The plan is a result of the assessment, goal setting, and planning process of the Department, designed to influence future success and achieve departmental goals.

Strategic Goals

The Department has identified the following strategic goals for the new Strategic plan:

Goal 1: Provide Public Leadership in Finance, Fiscal and Health Policy

Goal 2: Enhance Accountability of Department Services

Goal 3: Innovate and Modernize Operations

Goal 4: Maximize Our Talent

Strategic Goal 1: Provide Public Leadership in Finance, Fiscal and Health Policy

Consistent with DST's mission, government agencies have a responsibility of continuously improving the value of the services that citizens receive.

DST recognizes that in order to improve that value, it must continuously increase the standards by which it operates and collaborate and lead in both public and private initiatives that are serving the needs of North Carolinians.

Strategic Goal 2: Enhance Accountability of Department Services

DST, and all government agencies, have a fiduciary responsibility to the citizens we serve to see that their resources are used in accordance with the laws and regulations and to demonstrate that it serves the best interests of North Carolinians.

This is necessary to ensure public confidence and maintain public support for needed government services.

Strategic Goal 3: Innovate and Modernize Operations

It is important to balance resource investments in ensuring a stable and reliable business infrastructure while also leveraging new public or private solutions that could have a meaningful impact on the services that are provided to the citizens of North Carolina.

Creating and supporting a culture of innovation can also help attract the best talent to DST.

Strategic Goal 4: Maximize Our Talent

DST employees hold the keys to DST's successful pursuit of its mission. By maximizing talent, DST is able to add value to and instill confidence in the state's citizens, customers, and the financial community by providing exemplary oversight and customer service.

Strategic Measures of Success

DST will continuously develop its methodologies for measuring the effectiveness of its strategic plan. There is a spectrum of measures that can be used, ranging from process and milestone metrics to outcome-based metrics some of which DST may not be able to directly impact.

DST will identify measurable outcomes for which DST can directly impact but will seek to align those to measures of strategic importance for the state of North Carolina and its citizens. The following table depicts examples of measures across this spectrum to demonstrate the expected evolution of strategic measures for DST.

2. North Carolina Department of State Treasurer Quick Reference Guide

Goal 1 – Provide Public Leadership in Finance, Fiscal, and Health Policy		
Objective 1.1 - Create a proactive strategy for the long-term sustainability of retirement and health benefits		
1.1.1 – Weighted average price of secondary sales prudent relative to intrinsic value and opportunity cost of proceeds; lowering of fund-of-fund fees; and reasonable administrative expenses for liquidating trust	Initiative	Evaluate restructuring/exiting Fund of Funds and legacy low-conviction funds/managers
		Hire a third party advisor to conduct hold/sell analysis for Fund of Funds and legacy low-conviction funds/managers. Execute sales and restructurings as prudent, including in real estate, private equity, and inflation sensitive. Expect completion of process by June 2017.
1.1.2 – Timeliness; third-party assessment that fees, lock-ups, and terms are materially better than commingled market; and all-in cost of vehicles on MAP have at least 35bps savings versus commingled market	Initiative	Implement Managed Accounts Program and initial components of direct Hedged Equity program
		On board first direct equity hedge funds in Spring/Summer 2016. Fees, transparency, and control aspects of such relationships are expected to be materially better than market.
1.1.3 – Select a third-party fiduciary at market competitive costs with contractual right to insource at option of DST	Initiative	Research and implement strategic co-investments program(s) and/or secondary program(s)
		Conduct a systematic search for fiduciary(ies), including reviewing internal portfolio management capabilities by June 2017.
1.1.4 –Develop criteria for identifying small and emerging manager exposures within each asset class; staff Investment	Initiative	Review Small and Emerging Manager programs across NCRS
		Consistently apply identification criteria for small and emerging programs and direct engagements to understand use and effectiveness over time of the strategy. Complete by December 2017.

<i>Committee review of historical track-record of effectiveness; and staff input on optimal role and design across DST funds</i>		
1.1.5 – Movement of index fund assets to internal management with returns consistent with external manager implementations	Initiative	<i>Implement internal equity index fund</i>
	<i>Working with Piedmont Advisors and other consultants, use peer benchmarking to target low-cost internalization of equity assets in 2018.</i>	
1.1.6 – No audit findings after implementation of new GASBs.	Initiative	<i>Lead Planning & Implementation of New Technical Accounting Guidance</i>
	<i>Lead the planning efforts and establish milestones for implementation of GASB 74 and 75 OPEB standards.</i>	
1.1.7 – Rate and year over year trend in participation	Initiative	<i>Expansion of Health Engagement Program</i>
	<i>Build on Healthy Lifestyles and Positive Pursuits to include additional chronic conditions and move towards incentivizing members for outcomes rather than just participation.</i>	
1.1.8 – Implementation of policies and environmental changes within public worksites in the State.	Initiative	<i>Enhance Worksite Wellness</i>
	<i>Award and implement a Worksite Wellness Contract to address comprehensive wellness within worksites.</i>	
1.1.9 – Health Status of participating members and non-participating measures via Spectrum of Health or Clinic Risk Group Analysis ; ROI estimation.	Initiative	<i>Population Health Management Services</i>
	<i>Award an implement a new Population Health Management Contract that assists members and providers in improving members' health and coordinate with the Plan's other vendor partners.</i>	

1.1.10 – Post Open Enrollment (OE) feedback from Members and HBRs as well as the types and number of OE exception requests.	Initiative	<i>Improve Member Experience</i>
	Enhance the member enrollment workflow in eEnroll which is the online member enrollment portal provided through the Benefitfocus contract.	
1.1.11 – Administer the benefits approved by the SHP Board of Trustees	Initiative	<i>Third Party Administration (TPA) of Claims and related services RFP</i>
	Award an implement a new Population Health Management Contract that assists members and providers in improving members' health and coordinate with the Plan's other vendor partners.	
Objective 1.2 – Grow the retirement system investments over the long-term with prudent risk management		
1.2.1 – Decrease the audit cycle from approximately 20 years to audit the DST Audit Universe to less than 6 years.	Initiative	<i>Increase staff in the Internal Audit Division to provide adequate coverage of risk areas</i>
	<i>Work with management to develop staffing plan as noted in the Quality Assurance Review completed by the Office of Internal Audit.</i>	
Objective 1.3 – Promote prudent financial decision making and conservative debt management		
1.3.1 – Reduce overpayments and more effectively collect on them when they occur	Initiative	<i>Overpayment Overhaul</i>
	<i>Evaluate policy and legislative proposals to prevent and more timely identify, collect overpayment balances owed to RSD.</i>	
1.3.2 – Increased traffic on Fiscal Management webpage; document usage of various products; survey users as to usefulness of materials	Initiative	<i>Improve fiscal training materials available to local governments</i>
	Provide modern training and tools to local governments via the internet through the use of webinars, videos, and interactive websites	
1.3.3 – Members of the General Assembly who respond positively and favorably to 1) DST budget requests; 2) DST legislative requests;	Initiative	<i>Protection of the Local Government Commission which provides leadership in public finance and fiscal management</i>
	Educate members of the General Assembly and local government officials on best-practices in debt management; Education of local government officials and staffs on prudent financial decision-making and fiscal responsibility.	

3) DST views on proposed legislation		
Objective 1.4 – <i>Integrate financial and health wellness resources in multiple aspects of Department outreach</i>		
1.4.1 – Overall percentage of NC public servants on track to replace 80% of their salary by age 62	Initiative	<i>Annual Benefit Statement project in support of retirement readiness</i>
	<i>Oversee development of ABS and associated communications plan with the intent of educating members about their individual retirement needs.</i>	
1.4.2 – Legislation passed	Initiative	<i>Auto-enrollment & auto-escalation legislation</i>
	<i>Develop plan of action, strategy, who we can leverage, stakeholders to increase member participation in support of retirement readiness initiative.</i>	
1.4.3 – Overall percentage of NC public servants on track to replace 80% of their salary by age 62	Initiative	<i>NC Save for Retirement Month</i>
	<i>Oversee development and implementation of communications plan with the intent of educating our members about retirement readiness.</i>	
1.4.4 – Overall percentage of NC public servants on track to replace 80% of their salary by age 62	Initiative	<i>NC State Fair</i>
	<i>Oversee development and implementation of communications plan with the intent of educating our members about retirement readiness.</i>	
1.4.5 – Overall percentage of NC public servants on track to replace 80% of their salary by age 62	Initiative	<i>Retirement planning conferences/tours</i>
	<i>Work with Member Services and Financial Education Director to revise partner presentation to reflect new branding of NC Total Retirement Plans.</i>	
1.4.6 – Increased combined DC/DB counseling sessions, benefit fairs, etc.	Initiative	<i>Total Retirement Plans</i>
	<i>To totally integrate the Defined Contribution segment of retirement into a total package with the Defined Benefit plan and educate members on the importance of both.</i>	
1.4.7 – Successful implementation of NC ABLE Program	Initiative	<i>NC ABLE (Achieving Better Life Experiences)</i>
	<i>Develop and Implement this New Program</i>	

1.4.8 – Reduction of retiree outflows from SRP	Initiative	Reduce retiree outflows from the plans.
	Leverage Retiree Advocate and other communication / education strategies to retain participants / assets in the plans and thereby maintain competitive participant fees and services.	
1.4.9 – Overall percentage of NC public servants on track to replace 80% of their salary by age 62	Initiative	Retirement readiness Initiative
	Support retirement readiness initiative with ongoing NC Total Retirement Plans communications efforts.	
1.4.10 – Number of members participating in roadshows, tele-town halls, and other outreach events.	Initiative	Pre-65 Outreach
	Educate members turning 65 in the next year regarding their SHP benefits and Medicare.	
1.4.11 – Number of members participating in different SHP 101 activities.	Initiative	SHP 101 Webinar Series
	Educate members on a variety of health plan literacy topics in an effort to help them understand their benefits.	
1.4.12 – Track attendance and feedback at quarterly events and monthly webinars. Seek HBR feedback through online surveys.	Initiative	HBR Outreach and Education
	Increase HBR education and training opportunities by providing both quarterly regional HBR training, monthly webinars and better web tools.	
Objective 1.5 –Support comprehensive strategies around K-12, community colleges and university education		
1.5.1 – # of Employees trained and later impact on Financial Compliance	Initiative	Community College local government training program pilot
	In January, a course to train local government employees in the basics of required financial procedures will be offered in four pilot locations across the State. If the pilot is successful there may be a need for additional resources.	
Goal 2 – Enhance Accountability of Department Services		
Objective 2.1 – Promote and improve transparency and ethical processes		
2.1.1 – New	Initiative	Finalize IAC consultation, updating, and Treasurer approval of IMD

Treasurer adopts new policies, after IAC consultation, as statutorily required		policies/procedures
	Comprehensively review and update IMD policies and procedures, creating/eliminating to enhance effectiveness. June 2017.	
2.1.2 – Ability to identify, monitor, reduce, and eliminate risk is strengthened.	Initiative	Enhance capacity of Internal Audit Division in order to address risk areas.
	Hire 2 auditors in the Internal Audit Division. NOTE: 2 FTEs will be a proposed budget expansion item.	
Objective 2.2-Strengthen board and committee oversight		
2.2.1 – Design, development and implementation of department wide agendas, board books, and board member on-boarding materials	Initiative	Board Document Consistency
	Development of more similarly structured documents for all DST boards and commissions to help ensure better transparency and constancy throughout the organization.	
2.2.2 – Design, development and implementation of board annual self-assessments.	Initiative	Board Self-Assessment
	Development of board assessments to better understand board’s view on supporting the department’s mission and vision, building and monitoring strategy, overseeing programs, services, and reports, board-management relationships, advocacy, participation and board behavior.	
Objective 2.3 -Enhance constituent relationships-including members, customers, Department, government, stakeholders & citizens		
2.3.1 – Closed accounts, accounts setup for retirement, deaths processed	Initiative	Identify and contact Fire and Rescue members who are 53 and over and have Pension Fund monies/service in the fund.
	Identify members that are eligible to retire and get them set up for retirement. Identify members over 70 ½ who have contributions in the system and must take a distribution/refund. Identify members who are deceased, but not reported to our office; process any return of contributions due to death. Identify members who have contributions in the system and will never meet retirement eligibility; process a refund	
2.3.2 – Create a reliable and reasonably priced system to enhance transparency and operational effectiveness.	Initiative	Financial system for local governments
	Work with UNCC to develop an RFP for a Financial system for local governments that meets all State and Federal requirements.	

2.3.3 – If win-win achieved then pilot will lead to other opportunities.	Initiative	Work with Wayne County and three towns to make all sewer operations more sustainable and affordable.
	Eureka, Fremont, Goldsboro and Wayne County have agreed to look at a win-win solution to improve the efficiency of all sewer operations in the County. If the pilot is successful there may be a need for additional resources.	
Objective 2.4 – Effectively manage risk, resources and compliance		
2.4.1 – Increased beneficiary updates and reduced contested cases	Initiative	Beneficiary update initiative
	Oversee development and implementation of communications plan to assist members with ensuring their beneficiaries are correct.	
2.4.2 – Successfully develop a critical task timeline tracker to ensure continuity of business with the appropriate checks and balances	Initiative	Continuous Compliance Monitoring
	Develop a comprehensive approach to tracking compliance-related milestones (i.e., legal mandates, key ORBIT updates, deadlines related to member engagement).	
2.4.3 – Policies & Procedures are developed and updated timely	Initiative	Internal policy development and monitoring
	Timely updates, revise, and develop internal policies and procedures to conform with legislative, policy, and Rulemaking applicable to the RSD.	
2.4.4 – Successfully pass legislation that effectively balances the needs of the members while protecting the integrity of the NC Retirement Systems	Initiative	Sick Leave Policy
	Evaluate policy proposals for more effective sick leave administration for possible legislation.	
2.4.5 – Higher percentage of payrolls received in "good order" and being processed	Initiative	To lower employer payroll errors of member records submitted to the Retirement System
	The team is working towards upgrading certain critical errors that would reduce the volume of errors on a monthly basis. They are working towards making the reports available on line for the employers. Additionally, they have restructured their metric evaluation to focus on memberships and not errors so that members’ records are corrected first due to adverse impact membership records can have on the system.	
2.4.6 – Progress towards project completion	Initiative	Establish 3 (38) style "delegated manager" for 401(k) / 457 Glidepath
	Resulting in an enhanced glidepath and investment plan design to enhance participant outcomes.	

2.4.7 – Number of service audits of member data	Initiative	Continue working with IT to cleanse the Fire/Rescue data so we will have accurate data to upload into the new ORBiT module once developed.
	Data cleanse work will continue on a daily basis until we are confident we have data our members can rely on to be correct in our system. This will rebuild our integrity within the Firefighter and Rescue Squad Workers’ community (Member Satisfaction)	
2.4.8 – Maintain a stable work force with appropriate number of staff to meet compliance requirements and mitigate risk.	Initiative	Training and Development of Personnel
	Hire 2 new accountants. Put Cross Training & Backup plans in place. Hire 2 FTEs for Unclaimed Property Division. NOTE: 4 FTEs will be a proposed budget expansion item.	
2.4.9 – Standardized risk reporting provided to staff Investment Committee on a quarterly basis; and design of risk budget	Initiative	Implement total fund risk systems and processes
	Materially complete by December 2017.	
Goal 3 – Innovate and Modernize Operations		
Objective 3.1 – Improve data analytic and use of metrics in decision-making processes		
3.1.1 – Successful leverage of data to target message to members	Initiative	Leverage Marketing Research data analytics to enhance communications
	Targeted Communications have proved to be highly effective in driving actions by participants and employers.	
Objective 3.2-Strategically implement technology-based applications		
3.2.1 – Migration of IMD records and implementation of effective retention schedules.	Initiative	Implement Records Retention IT application
	Dependent on State IT processes and approvals.	
3.2.2 – Successfully migrate to one data base for all emails and increase the number of emails for active members	Initiative	Database merger project
	Develop a plan to merge iContact and ORBIT data into one database so that we can better communicate with our members.	

and retirees		
3.2.3 – Increased usage of core knowledge	Initiative	Core Knowledge Upgrade
	Implement a process to indexes information and allows for a more efficient, user-friendly experience for the end user.	
3.2.4 – Progress towards project completion	Initiative	Applying for Retirement Online Project
	The Retirement Systems Division anticipates a "Retirement Boom" in coming year; retirements are projected to increase 43% from 2012 through 2024. The Applying for Retirement through Self Service project will enhance the Online Retirement Benefits through Integrated Technology (ORBIT) self - service portal, to allow members to apply for retirement benefits online.	
3.2.5 – Progress towards project completion	Initiative	Develop/Implement Self-Service Pension Fund module for Fire & Rescue department/squads and their members.
	First initiative that we want to implement in Self Service is the ability for depts/squads to enter member's annual contributions online and pay electronically. We hope to implement this by 2017 first quarter.	
3.2.6 – Successful implementation of workforce management tool to accurately identify trends, etc.	Initiative	Implement a Workforce Management solution
	To accurately create a staffing model as well as track and monitor schedule adherence.	
3.2.7 – Progress towards project completion	Initiative	Execute System enhancement with Benefit focus for health billing
	Goal is to get BenefitFocus, Cobra Guard and Retirement System aligned from a software perspective to improve accuracy of premium deductions for health insurance.	
3.2.8 – Progress towards project completion	Initiative	Fire and Rescue Project
	The project was initiated due to new legislation. RSD took this opportunity to enhance ORBIT to be more customer friendly for members and agencies by improving information available through self-service, providing an online solution to processing contributions with real time data, adding EFT ability and helping to ensure roster compliance	
3.2.9 – Progress towards project completion	Initiative	ORBIT re-write of the Fire/Rescue Pension Fund production processing module.
	Continue working with IT to gather the applicable information so IT can begin writing code for this new ORBIT production module. Work alongside of IT when testing is required until we can get to implementation of the product.	

3.2.10 – Progress towards project completion	Initiative	Upgrade Workflow
	RSD is working with IT and the vendor to gather requirements, test and prepare for the Workflow upgrade. Workflow is a pertinent part of RSD business operations. Workflow manages the flow of business processes throughout RSD and has many processes open at one time related to refunds, retirements, and other activities.	
3.2.11 – 100% of new hires by beginning CY 2017 are provided the link for the new e-onboarding site	Initiative	Talent Acquisition and Management
	Electronic Onboarding platform - the site is utilized to create a more streamlined and efficient onboarding process during their Day 1 activities	
3.2.12 – Progress towards project completion.	Initiative	Applying for Other Benefits Online Project
	The Applying for Other Benefits Online project expands on the Applying for Retirement Online project through the addition of several new modules to accommodate additional online transactions through the ORBiT self-service portal. Proposed modules include electronic applications for refunds of contributions, declaring and updating retirees' beneficiaries and contact information online, and electronic submission of annual statement of income forms to ensure compliance with disability statutes and prevent overpayments more efficiently.	
Objective 3.3 - Continuously improve core functions and programs		
3.3.1 – Migration of IMD records and implementation of effective retention schedules.	Initiative	Formalize Operating Committee charter and develop an IMD strategic plan
	Finalize committee charter by December 2016, after onboarding new Director of Investment Operations. IMD Strategic Plan to be finalized in 2017.	
3.3.2 – Reduction in not in good order; quicker turnaround for forms maintenance	Initiative	Forms and letters process review
	Review and update process with stakeholders to streamline process.	
3.3.3 - Implementation of automated invoicing, where possible	Initiative	Invoice System Upgrades
	Explore IT and other systems upgrades to improve invoicing process for RSD functions and increase automation.	
3.3.4 – Successfully transition NC 403(b) Program from TIAA	Initiative	NC 403(b) Record Keeper (RK) Transition
	Transition the Program to a new RK resulting in increased resources, improved marketing / communication capabilities and consistent pricing across all Plans /	

to Prudential	Programs	
3.3.5 – Successful implementation of Divisions projects and processes with FOD assistance.	Initiative	Maintain focus on core operational functions.
	All areas of FOD are relied upon by other divisions/agencies to perform its operational responsibilities accurately and consistently.	
3.3.6 – WF is successfully implemented	Initiative	Talent Acquisition and Management
	Transition all hiring and salary related paperwork to an electronic workflow (WF) that allows one central staff person to log the WF and appropriately assign the action thereby updating HR metrics for the SLA and TAT	
3.3.7 – Receive and return unclaimed property to rightful owners in the timeframe required by NC General Statute 116B.	Initiative	Manage increasing volume of Unclaimed Property receipts and claims
	Hire 2 FTEs in the Unclaimed Property Division. The additional positions will allow UPD to perform the key functions of receiving and returning unclaimed property to rightful owners in the timeframe required by NC General Statute 116B. NOTE: 2 FTEs will be a proposed budget expansion item.	
Goal 4 – Maximize our Talent		
Objective 4.1 – Enrich our workforce through the effective use of strategic talent acquisition and retention		
4.1.1 – Reward and retain Division staff	Initiative	Maximize talent by offering market-based compensation
	Determine market-based compensation package for Division Staff; Implementation of self-directed compensation process based on receipts-supported status.	
4.1.2 – EEO Officer is permanent staff member who operates in an autonomous fashion	Initiative	Diversity and Inclusion
	Hire an EEO Officer who reports into the HR Office	
4.1.3 – Complete all necessary salary and reclassification transactions with OSHR, OSBM and OSC's assistance no later than the Spring of 2017	Initiative	Total Rewards
	Implement new 3 stand-alone compensation plans within the DST - ensure that framework is created to all comp and classification plans are able to be maintained appropriately well into the future	
4.1.4 – Provide	Initiative	Employee Relations

feedback for managers and to help retain staff	Implement electronic incoming and exit surveys for staff in order to assess and more readily benchmark data	
Objective 4.2- Develop an integrated talent management system		
4.2.1 – Finalized career development plan and curriculum	Initiative	Institute 360 degree feedback for senior management and career development program for team leaders, portfolio managers, and analysts
	360 Degree feedback was completed Spring 2016. Career development program in progress with material completion expected in 2017.	
4.2.2 –Successful completion of OSHR's LAAL curriculum	Initiative	Middle Management Development
	Professionally grow and develop RSD middle managers	
4.2.3 – Increase number of employees who can perform similar services	Initiative	Payroll Services
	Continue to cross train to ensure continuity business	
Objective 4.3 - Promote a culture of engagement and collaboration		
4.3.1 – Improved engagement scores/results	Initiative	Support employee engagement survey results
	Oversee development and implementation of new RSD newsletter communications plan.	
4.3.2 –Development of RSD Action Plan and progress towards its completion	Initiative	Engagement Action Plan
	Develop Engagement Action Plans in support of growing engagement of RSD staff	
4.3.3 – Development and delivery of a Diversity and Inclusion training	Initiative	Diversity and Inclusion
	Successfully implement the launch of a new Diversity and Inclusion team led by the EEO Officer – incorporate Diversity and Inclusion training for all DST staff	
4.3.4 – Lunch and Learns are developed and then delivered to staff	Initiative	Learning and Development
	Launch Lunch and Learns for Management and Staff on a variety of HR topics that coincide with all functional areas	
4.3.5 –Funds are	Initiative	Learning and Development

<p><i>truly dedicated to the HR on an annual basis for training and certifications - the HR team does not have to seek sponsorship for attendance at trainings from other divisions</i></p>	<p><i>Create a budget to allow all HR staff to attend HR training</i></p>
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4. Enterprise Opportunities

The purpose of this section is to learn about additional initiatives that your agency envisions possible joint funding opportunities that the agency may be planning with other agencies, and other funding sources that could be utilized at the enterprise level. Please consider both IT and non-IT initiatives. Most initiatives that are enterprise in nature will likely require both business and IT resources.

3.1. Potential Initiatives

We will need additional resources if we are to successfully create an automated financial management system capable of serving all local governments in the State.

3.2. Collaborative Opportunities

State and Local Government Division

Our partners include the School of Government at UNC, the NC League of Municipalities, the NC Association of County Commissioners, the NC Government Finance Officers, the NC Department of Commerce, the NC Department of Environmental Quality, the Funder's Forum, the Large City/County Finance Officers and the NC General Assembly.

State Health Plan

The Integrated Health Management (IHM) team in the State Health Plan is working on a coordinated report with DHHS Division of Medical Assistance and Division of Public Health to address Diabetes and Chronic Diseases in the States required by Session Laws 2013-207 and 2013 -192

IHM works with Division of Public Health to raise awareness on Pre-diabetes and the risks of diabetes and promote the appropriate self-management for Hypertension.

IHM works with Office of State Human Resources (OSHR) to promote worksite wellness and build leadership in worksite wellness.

5. North Carolina Department of State Treasurer Vision, Mission, and Values

4.1 Vision

Our vision is to create and maintain a healthy, prosperous and financially sound North Carolina.

4.2 Mission

Our mission is to add value to and instill confidence in the state's citizens, customers, and the financial community by providing exemplary oversight and customer service.

4.3 Values

At the heart of the Department's work are its core values, which are implemented consistently at all levels and across all Divisions. These include:

- Customer Orientation

Focus on our customers, the citizens of the state of North Carolina

- Diversity

Recognize and value the benefits of diverse ideas, perspectives, and people

- Integrity

Establish and maintain the highest level of integrity and ethics

- Long-Term View

Maintain a big picture perspective and strategic approach

- Performance-Driven

Operate with performance excellence to achieve optimum results

- Transparency

Structure and conduct all aspects of our work with an open and transparent policy, promoting both trust and accountability

6. North Carolina Department of State Treasurer Goals, Objectives, and Measures of Success

Goal 1 - Provide Public Leadership in Finance, Fiscal and Health Policy

Consistent with DST's mission, government agencies have a responsibility of continuously improving the value of the services that citizens receive.

DST recognizes that in order to improve that value, it must continuously increase the standards by which it operates and collaborate and lead in both public and private initiatives that are serving the needs of North Carolinians.

1.1 Objective - Create a proactive strategy for the long-term sustainability of retirement and health benefits

1.1.1 Measures of Success

1.1.1.1 -Weighted average price of secondary sales prudent relative to intrinsic value and opportunity cost of proceeds; lowering of fund-of-fund fees; and reasonable administrative expenses for liquidating trust

Related to initiative: 1.1.2.1

1.1.1.2 -Timeliness; third-party assessment that fees, lock-ups, and terms are materially better than commingled market; and all-in cost of vehicles on MAP have at least 35bps savings versus commingled market

Related to initiative: 1.1.2.2

1.1.1.3 -Select a third-party fiduciary at market competitive costs with contractual right to insource at option of DST

Related to initiative: 1.1.2.3

1.1.1.4 -Develop criteria for identifying small and emerging manager exposures within each asset class; staff Investment Committee review of historical track-record of effectiveness; and staff input on optimal role and design across DST funds

Related to initiative: 1.1.2.4

1.1.1.5 -Movement of index fund assets to internal management with returns consistent with external manager implementations

Related to initiative: 1.1.2.5

1.1.1.6 -No audit findings after implementation of new GASBs.

Related to initiative: 1.1.2.6

1.1.1.7 -Rate and year over year trend in participation

Related to initiative: 1.1.2.7

1.1.1.8 -Claims experience and self-reported Health Status of participating members and non-participating measures

Related to initiative: 1.1.2.7

1.1.1.9 -New vendor is fully implemented and in place for 1/1/2018 or start of contract

Related to initiative: 1.1.2.8

1.1.1.10 - Implementation of policies and environmental changes within public worksites in the State.

Related to initiative: 1.1.2.8

1.1.1.11 -New vendor is fully implemented and in place for 1/1/2018 or start of contract

Related to initiative: 1.1.2.9

1.1.1.12 -Health Status of participating members and non-participating measures via Spectrum of Health or Clinic Risk Group Analysis ; ROI estimation.

Related to initiative: 1.1.2.9

1.1.1.13 -Post Open Enrollment (OE) feedback from Members and HBRs as well as the types and number of OE exception requests.

Related to initiative: 1.1.2.10

1.1.1.14 -Select TPA(s) that are willing to partner with the Plan to meet the goals and initiatives outlined in the Strategic Plan. The successful bidder must have the systems and processes required to administer the benefits approved by the SHP Board of Trustees.

Related to initiative: 1.1.2.11

1.1.2 Strategies/Initiatives -

1.1.2.1- Evaluate restructuring/exiting Fund of Funds and legacy low-conviction funds/managers: Hire a third party advisor to conduct hold/sell analysis for Fund of Funds and legacy low-conviction funds/managers. Execute sales and restructurings as prudent, including in real estate, private equity, and inflation sensitive. Expect completion of process by June 2017.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.1

1.1.2.2- Implement Managed Accounts Program and initial components of direct Hedged Equity program: On board first direct equity hedge funds in Spring/Summer 2016. Fees, transparency, and control aspects of such relationships are expected to be materially better than market.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.2

1.1.2.3- Research and implement strategic co-investments program(s) and/or secondary program(s): Conduct a systematic search for fiduciary(ies), including reviewing internal portfolio management capabilities by June 2017.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.3

1.1.2.4- Review Small and Emerging Manager programs across NCRS: Consistently apply identification criteria for small and emerging programs and direct engagements to understand use and effectiveness over time of the strategy. Complete by December 2017.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.4

1.1.2.5- Implement internal equity index fund: Working with Piedmont Advisors and other consultants, use peer benchmarking to target low-cost internalization of equity assets in 2018.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.5

1.1.2.6- Lead Planning & Implementation of New Technical Accounting Guidance: Lead the planning efforts and establish milestones for implementation of GASB 74 and 75 OPEB standards.

Division Responsible: Financial Operations Division

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.6

1.1.2.7- Expansion of Health Engagement Program: Build on Healthy Lifestyles and Positive Pursuits to include additional chronic conditions and move towards incentivizing members for outcomes rather than just participation.

Division Responsible: State Health Plan

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.7 & 1.1.1.8

1.1.2.8- Enhance Worksite Wellness: Award and implement a Worksite Wellness Contract to address comprehensive wellness within worksites.

Division Responsible: State Health Plan

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.9 & 1.1.1.10

1.1.2.9- Population Health Management Services: Award and implement a new Population Health Management Contract that assists members and providers in improving members' health and coordinate with the Plan's other vendor partners.

Division Responsible: State Health Plan

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.11 & 1.1.1.12

1.1.2.10- Improve Member Experience: Enhance the member enrollment workflow in enroll which the online member enrollment portal is provided through the Benefitfocus contract.

Division Responsible: State Health Plan

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.13

1.1.2.11- Third Party Administration (TPA) of Claims and related services RFP: Issue TPA RFP and award contract that includes criteria to improve the members' experience and ensure financial stability through mechanisms such as alternative payment strategies, and value based benefits. The RFP will also evaluate the programs available to improve members' health. Services under the new contract(s) targeted to begin January 1, 2019.

Division Responsible: State Health Plan

Budget: Current Operating Budget

Related to Measure(s): 1.1.1.14

1.2 Objective – Grow the retirement system investments over the long-term with prudent risk management

1.2.1 Measures of Success -

1.2.1.1 -To decrease the audit cycle from approximately 20 years to audit the DST Audit Universe to less than 6 years. Adding four additional staff (to current staff of three) will allow us to achieve this goal. The Office of Internal Audit recommended a staff total of 12 which would increase our staff by nine. Because of our work with Compliance, we feel that we can adequately address risks with a total staff of seven instead of 12.

Related to initiative: 1.1.2.11

1.2.2 Strategies/Initiatives -

1.2.2.1- Increase staff in the Internal Audit Division to provide adequate coverage of risk areas: Work with management to develop staffing plan as noted in the Quality Assurance Review completed by the Office of Internal Audit. Budget: Budget Expansion

Division Responsible: Office of State Treasurer- Audit Section

Budget: Current Operating Budget

Related to Measure(s): 1.2.1.1

1.3 Objective – Promote prudent financial decision making and conservative debt management

1.3.1 Measures of Success -

1.3.1.1- Reduce overpayments and more effectively collect on them when they occur

Related to initiative: 1.3.2.1

1.3.1.2- Increased traffic on Fiscal Management webpage; document usage of various products; survey users as to usefulness of materials

Related to initiative: 1.3.2.2

1.3.1.3- Members of the General Assembly who respond positively and favorably to 1) DST budget requests; 2) DST legislative requests; 3) DST views on proposed legislation

Related to initiative: 1.3.2.3

1.3.2 Strategies/Initiatives -

1.3.2.1- Overpayment Overhaul: Evaluate policy and legislative proposals to prevent and more timely identify, collect overpayment balances owed to RSD.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.3.1.1

1.3.2.2- Improve fiscal training materials available to local governments: Provide modern training and tools to local governments via the internet through the use of webinars, videos, and interactive websites

Division Responsible: State and Local Government Finance Division

Budget: Current Operating Budget & may request funds through legislature

Related to Measure(s): 1.3.1.2

1.3.2.3- Protection of the Local Government Commission which provides leadership in public finance and fiscal management: Educate members of the General Assembly and local government officials on best-practices in debt management; Education of local government officials and staffs on prudent financial decision-making and fiscal responsibility.

Division Responsible: State and Local Government Finance Division

Budget: Current Operating Budget

Related to Measure(s): 1.3.1.3

1.4 Objective – Promote prudent financial decision making and conservative debt management

1.4.1 Measures of Success –

1.4.1.1- Overall percentage of NC public servants on track to replace 80% of their salary by age 62

Related to initiative: 1.4.2.1, 1.4.2.3, 1.4.2.4, 1.4.2.5, & 1.4.2.9

1.4.1.2 Auto-enrollment & auto-escalation legislation passed

Related to initiative: 1.4.2.2

1.4.1.3- Increased combined DC/DB counseling sessions, benefit fairs, etc.

Related to initiative: 1.4.2.6

1.4.1.4- Successful implementation of NC ABLE Program

Related to initiative: 1.4.2.7

1.4.1.5- Reduction of retiree outflows from SRP

Related to initiative: 1.4.2.8

1.4.1.5- Number of members participating in roadshows, tele-town halls, and other outreach events.

Related to initiative: 1.4.2.10

1.4.1.7- Number of members participating in different SHP 101 activities.

Related to initiative: 1.4.2.11

1.4.1.8- Track attendance and feedback at quarterly events and monthly webinars. Seek HBR feedback through online surveys.

Related to initiative: 1.4.2.12

1.4.2 Strategies/Initiatives –

1.4.2.1- Annual Benefit Statement project in support of retirement readiness: Oversee development of ABS and associated communications plan with the intent of educating members about their individual retirement needs.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.1

1.4.2.2- Auto-enrollment & auto-escalation legislation: Develop plan of action, strategy, which we can leverage, stakeholders to increase member participation in support of retirement readiness initiative.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.2

1.4.2.3- NC Save for Retirement Month: Oversee development and implementation of communications plan with the intent of educating our members about retirement readiness.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.1

1.4.2.4- NC State Fair: Oversee development and implementation of communications plan with the intent of educating our members about retirement readiness.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.1

1.4.2.5- Retirement planning conferences/tours: Work with Member Services and Financial Education Director to revise partner presentation to reflect new branding of NC Total Retirement Plans.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.1

1.4.2.6- Total Retirement Plans: To totally integrate the Defined Contribution segment of retirement into a total package with the Defined Benefit plan and educate members on the importance of both.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.3

1.4.2.7- NC ABLE (Achieving Better Life Experiences): Develop and Implement this New Program

Division Responsible: Retirement Systems Division

Budget: Requesting Budget Expansion

Related to Measure(s): 1.4.1.4

1.4.2.8- Reduce retiree outflows from the plans: Leverage Retiree Advocate and other communication / education strategies to retain participants / assets in the plans and thereby maintain competitive participant fees and services.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.5

1.4.2.9- Retirement readiness Initiative: Support retirement readiness initiative with ongoing NC Total Retirement Plans communications efforts.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.1

1.4.2.10- Pre-65 Outreach: Educate members turning 65 in the next year regarding their SHP benefits and Medicare.

Division Responsible: State Health Plan

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.6

1.4.2.11- SHP 101 Webinar Series: Educate members on a variety of health plan literacy topics in an effort to help them understand their benefits.

Division Responsible: State Health Plan

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.7

1.4.2.12- HBR Outreach and Education: Increase HBR education and training opportunities by providing both quarterly regional HBR training, monthly webinars and better web tools.

Division Responsible: State Health Plan

Budget: Current Operating Budget

Related to Measure(s): 1.4.1.8

1.5 Objective – Support comprehensive strategies around K-12, community colleges and university education

1.5.1 Measures of Success -

1.5.1.1- Number of employees trained and later impact on Financial Compliance

Related to initiative: 1.5.2.1

1.5.2 Strategies/Initiatives -

1.5.2.1- Fiscal & Debt Management Community College local government training program pilot: In January a course to train local government employees in the basics of required financial procedures will be offered in four pilot locations across the State. If the pilot is successful there may be a need for additional resources.

Division Responsible: State and Local Government Finance Division

Budget: Requesting Budget Expansion

Related to Measure(s): 1.5.1.1

Goal 2 - Enhance Accountability of Department Services

DST, and all government agencies, have a fiduciary responsibility to the citizens we serve to see that their resources are used in accordance with the laws and regulations and to demonstrate that it serves the best interests of North Carolinians.

This is necessary to ensure public confidence and maintain public support for needed government services.

2.1 Objective - Promote and improve transparency and ethical processes

2.1.1 Measures of Success –

2.1.1.1- New Treasurer adopts new policies, after IAC consultation, as statutorily required

Related to initiative: 2.1.2.1

2.1.1.2- Ability to identify, monitor, reduce, and eliminate risk is strengthened.

Related to initiative: 2.1.2.2

2.1.2 Strategies/Initiatives –

2.1.2.1- Finalize IAC consultation, updating, and Treasurer Approval of IMD policies/procedures: Comprehensively review and update IMD policies and procedures, creating/eliminating to enhance effectiveness. June 2017.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 2.1.1.1

2.1.2.2- Enhance capacity of Internal Audit Division in order to address risk areas:

Hire 2 auditors in the Internal Audit Division.

NOTE: 2 FTEs will be a proposed budget expansion item

Division Responsible: Office of State Treasurer – Internal Audit

Budget: Current Operating Budget and Budget Expansion Request

Related to Measure(s): 2.1.1.2

2.2 Objective – Strengthen board and committee oversight

2.2.1 Measures of Success –

2.2.1.1- Design, development and implementation of department wide agendas, board books, and board member on-boarding materials

Related to initiative: 2.2.2.1

2.2.1.2- Design, development and implementation of annual board self-assessments.

Related to initiative: 2.2.2.2

2.2.2 Strategies/Initiatives –

2.1.2.1- Board Document Consistency: Development of more similarly structured documents for all DST boards and commissions to help ensure better transparency and constancy throughout the organization.

Division Responsible: Office of the State Treasurer – Program Office

Budget: Current Operating Budget

Related to Measure(s): 2.2.1.1

2.1.2.2- Board Self-Assessment: Development of board assessments to better understand board's view on supporting the department's mission and vision, building and monitoring strategy, overseeing programs, services, and reports, board-management relationships, advocacy, participation and board behavior.

Division Responsible: Office of State Treasurer – Internal Audit

Budget: Current Operating Budget

Related to Measure(s): 2.2.1.2

2.3 Objective – Enhance constituent relationships-including members, customers, Department, government, stakeholders & citizens

2.3.1 Measures of Success –

2.3.1.1- Closed accounts, accounts setup for retirement, deaths processed

Related to initiative: 2.3.2.1

2.3.1.2- Create a reliable and reasonably priced system to enhance transparency and operational effectiveness.

Related to initiative: 2.3.2.2

2.3.1.3- If win-win achieved then pilot will lead to other opportunities.

Related to initiative: 2.3.2.3

Strategies/Initiatives -

2.3.2.1- Identify and contact Fire and Rescue members who are 53 and over and have Pension Fund monies/service in the fund: Identify members that are eligible to retire and get them set up for retirement. Identify members over 70 ½ who have contributions in the system and must take a distribution/refund. Identify members who are deceased, but not reported to our office; process any return of contributions due to death. Identify members who have contributions in the system and will never meet retirement eligibility; process a refund

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 2.3.1.1

2.3.2.2- Financial system for local governments: Work with UNCC to develop an RFP for a financial system for local governments that meets all State and Federal requirements.

Division Responsible: State and Local Government Finance Division

Budget: Current Operating Budget & Potential Budget Expansion Request

Related to Measure(s): 2.3.1.2

2.3.2.3- Work with Wayne County and three towns to make all sewer operations more sustainable and affordable: Eureka, Fremont, Goldsboro and Wayne County have agreed to look at a win-win solution to improve the efficiency of all sewer operations in the County. If the pilot is successful there may be a need for additional resources.

Division Responsible: State and Local Government Finance Division

Budget: Current Operating Budget & Potential Budget Expansion Request

Related to Measure(s): 2.3.1.3

2.4 Objective – Effectively manage risk, resources and compliance

2.4.1 Measures of Success -

2.4.1.1- Increased beneficiary updates and reduced contested cases

Related to initiative: 2.4.2.1

2.4.1.2- Successfully develop a critical task timeline tracker to ensure continuity of business with the appropriate checks and balances

Related to initiative: 2.4.2.2

2.4.1.3- Policies & Procedures are developed and updated timely

Related to initiative: 2.4.2.3

2.4.1.4- Successfully pass legislation that effectively balances the needs of the members while protecting the integrity of the NC Retirement Systems

Related to initiative: 2.4.2.4

2.4.1.5- Higher percentage of payrolls received in "good order" and being processed

Related to initiative: 2.4.2.5

2.4.1.6- Progress towards project completion

Related to initiative: 2.4.2.6

2.4.1.7- Number of service audits of member data

2.4.1.8- Maintain a stable work force with appropriate number of staff to meet compliance requirements and mitigate risk.

Related to initiative: 2.4.2.7

2.4.1.9- Standardized risk reporting provided to staff Investment Committee on a quarterly basis; and design of risk budget

Related to initiative: 2.4.2.8

2.4.2 Strategies/Initiatives - Repeat as Necessary.

2.4.2.1- Beneficiary update initiative: Oversee development and implementation of communications plan to assist members with ensuring their beneficiaries are correct.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 2.4.1.1

2.4.2.2- Continuous Compliance Monitoring: Develop a comprehensive approach to tracking compliance-related milestones (i.e., legal mandates, key ORBIT updates, deadlines related to member engagement).

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 2.4.1.2

2.4.2.3- Internal policy development and monitoring: Timely update, revise, and develop internal policies and procedures to conform with legislative, policy, and Rulemaking applicable to the RSD.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 2.4.1.3

2.4.2.4- Sick Leave Policy: Evaluate policy proposals for more effective sick leave administration for possible legislation.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 2.4.1.4

2.4.2.5- To lower employer payroll errors of member records submitted to the Retirement System: The team is working towards upgrading certain critical errors that would reduce the volume of errors on a monthly basis. They are working towards making the reports available on line for the employers.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 2.4.1.5

2.4.2.6- Establish 3 (38) style "delegated manager" for 401(k) / 457 Glidepath: Additionally, they have restructured their metric evaluation to focus on memberships

and not errors so that members' records are corrected first due to adverse impact membership records can have on the system.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 2.4.1.6

2.4.2.7- Continue working with IT to cleanse the Fire/Rescue data so we will have accurate data to upload into the new ORBiT module once developed: Resulting in an enhanced glidepath and investment plan design to enhance participant outcomes. Data cleanse work will continue on a daily basis until we are confident we have data our members can rely on to be correct in our system. This will rebuild our integrity within the Firefighter and Rescue Squad Workers' community (Member Satisfaction)

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 2.4.1.7

2.4.2.8- Training and Development of Personnel: "Hire 2 new accountants. Hire 2 FTEs for Unclaimed Property Division. Put Cross Training & Backup plans in place.

Division Responsible: Financial Operations Division and Unclaimed Property

Budget: 4 FTEs will be a requested budget expansion item

Related to Measure(s): 2.4.1.8

2.4.2.9- Implement total fund risk systems and processes: Materially complete by December 2017.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 2.4.1.9

Goal 3- Innovate and Modernize Operations

It is important to balance resource investments in ensuring a stable and reliable business infrastructure while also leveraging new public or private solutions that could have a meaningful impact on the services that are provided to the citizens of North Carolina.

Creating and supporting a culture of innovation can also help attract the best talent to DST.

3.1 Objective - Improve data analytic and use of metrics in decision-making processes

3.1.1 Measures of Success –

3.1.1.1 Successful leverage of data to target message to members

Related to initiative: 3.1.2.1

3.1.2 Strategies/Initiatives –

3.1.2.1- Leverage Marketing Research data analytics to enhance communications: Targeted Communications have proved to be highly effective in driving actions by participants and employers.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.1.1.1

3.2 Objective – Strategically implement technology-based applications

3.2.1 Measures of Success -

3.2.1.1 Migration of IMD records and implementation of effective retention schedules.

Related to initiative: 3.2.2.1

3.2.1.2 Successfully migrate to one data base for all emails and increase the number of emails for active members and retirees

Related to initiative: 3.2.2.2

3.2.1.3 Increased usage of core knowledge

Related to initiative: 3.2.2.3

3.2.1.4 Progress towards project completion

Related to initiative: 3.2.2.4, 3.2.2.5, 3.2.2.7, 3.2.2.8, 3.2.2.9, 3.2.2.10, & 3.2.2.12

3.2.1.5 Successful implementation of workforce management tool to accurately identify trends, etc.

Related to initiative: 3.2.2.6

3.2.1.7 100% of new hires by beginning CY 2017 are provided the link for the new e-onboarding site and then the site is utilized to create a more streamlined and efficient onboarding process during their Day 1 activities

Related to initiative: 3.2.2.11

3.2 .2 Strategies/Initiatives -

3.2.2.1- Implement Records Retention IT application: Dependent on State IT processes and approvals.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.1

3.2.2.2- Database merger project: Develop a plan to merge iContact and ORBIT data into one database so that we can better communicate with our members.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.2

3.2.2.3- Core Knowledge Upgrade: Implement a process to indexes information and allows for a more efficient, user-friendly experience for the end user.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.3

3.2.2.4- Applying for Retirement Online Project: The Retirement Systems Division anticipates a "Retirement Boom" in coming year; retirements are projected to increase 43% from 2012 through 2024. The Applying for Retirement through Self Service project will enhance the Online Retirement Benefits through Integrated Technology (ORBIT) self - service portal, to allow members to apply for retirement benefits online.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.4

3.2.2.5- Develop/Implement Self-Service Pension Fund module for Fire & Rescue department/squads and their members: First initiative that we want to implement in Self Service is the ability for depts/squads to enter member's annual contributions online and pay electronically. We hope to implement this by 2017 first quarter.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.4

3.2.2.6- Implement a Workforce Management solution: To accurately create a staffing model as well as track and monitor schedule adherence.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.5

3.2.2.7- Execute System enhancement with Benefit focus for health billing: Goal is to get BenefitFocus, Cobra Guard and Retirement System aligned from a software perspective to improve accuracy of premium deductions for health insurance.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.4

3.2.2.8- Fire and Rescue Project: The project was initiated due to new legislation. RSD took this opportunity to enhance ORBiT to be more customer friendly for members and agencies by improving information available through self-service, providing an online solution to processing contributions with real time data, adding EFT ability and helping to ensure roster compliance

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.4

3.2.2.9- ORBiT re-write of the Fire/Rescue Pension Fund production processing module: Continue working with IT to gather the applicable information so IT can begin writing code for this new ORBiT production module. Work alongside of IT when testing is required until we can get to implementation of the product.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.4

3.2.2.10- Upgrade Workflow: RSD is working with IT and the vendor to gather requirements, test and prepare for the Workflow upgrade.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.2.1.4

3.2.2.11- Talent Acquisition and Management: Workflow is a pertinent part of RSD business operations. Workflow manages the flow of business processes throughout RSD and has many processes open at one time related to refunds, retirements, and other activities.

Division Responsible: Office of State Treasurer- Human Resources

Budget: Current Operating Budget

Related to Measure(s): 3.2.2.7

3.2.2.12- Applying for Other Benefits Online Project: The Applying for Other Benefits Online project expands on the Applying for Retirement Online project through the addition of several new modules to accommodate additional online transactions through the ORBiT self-service portal. Proposed modules include electronic applications for refunds of contributions, declaring and updating retirees' beneficiaries and contact information online, and electronic submission of annual statement of income forms to ensure compliance with disability statutes and prevent overpayments more efficiently.

Division Responsible: Retirement Systems Division and Information Technology

Budget: Budget Expansion Request

Related to Measure(s): 3.2.2.4

3.3 Objective – Continuously improve core functions and programs

3.3.1 Measures of Success -

3.3.1.1 Adoption of final Operating Committee charter by Treasurer; and publication of IMD Strategic Plan after input from IAC

Related to initiative: 3.3.2.1

3.3.1.2 Reduction in not in good order; quicker turnaround for forms maintenance

Related to initiative: 3.3.2.2

3.3.1.3 Implementation of automated invoicing, where possible

Related to initiative: 3.3.2.3

3.3.1.4 Successfully transition NC 403(b) Program from TIAA to Prudential

Related to initiative: 3.3.2.4

3.3.1.5 Successful implementation of Divisions projects and processes with FOD assistance.

Related to initiative: 3.1.2.5

3.3.1.6 WF is successfully implemented - paperwork and email dependency for HR actions is reduced - manual reporting in HR is drastically reduced or eliminated

Related to initiative: 3.1.2.6

3.3.1.7 Receive and return unclaimed property to rightful owners in the timeframe required by NC General Statute 116B.

Related to initiative: 3.1.2.7

3.3.2 Strategies/Initiatives -

3.3.2.1- Formalize Operating Committee charter and develop an IMD strategic plan:
Electronic Onboarding platform

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 3.3.1.1

3.3.2.2- Forms and letters process review: Finalize committee charter by December 2016, after onboarding new Director of Investment Operations. IMD Strategic Plan to be finalized in 2017.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.3.1.2

3.3.2.3- Invoice System Upgrades: Review and update process with stakeholders to streamline process.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.3.1.3

3.3.2.4- NC 403(b) Record Keeper (RK) Transition: Explore IT and other systems upgrades to improve invoicing process for RSD functions and increase automation.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 3.3.1.4

3.3.2.5- Maintain focus on core operational functions: Transition the Program to a new RK resulting in increased resources, improved marketing / communication capabilities and consistent pricing across all Plans / Programs

All areas of FOD are relied upon by other divisions/agencies to perform its operational responsibilities accurately and consistently.

Division Responsible: Financial Operations Division

Budget: Current Operating Budget

Related to Measure(s): 3.3.1.5

3.3.2.6- Talent Acquisition and Management: Transition all hiring and salary related paperwork to an electronic workflow (WF) that allows one central staff person to log the WF and appropriately assign the action thereby updating HR metrics for the SLA and TAT

Division Responsible: Office of State Treasurer- Human Resources

Budget: Current Operating Budget

Related to Measure(s): 3.3.1.6

3.3.2.7- Manage increasing volume of Unclaimed Property receipts and claims:

Hire 2 FTEs in the Unclaimed Property Division. The additional positions will allow UPD to perform the key functions of receiving and returning unclaimed property to rightful owners in the timeframe required by NC General Statute 116B.

NOTE: 2 FTEs will be a proposed budget expansion item.

Division Responsible: Unclaimed Property

Budget: Current Operating Budget and Budget Expansion Request

Related to Measure(s): 3.3.1.7

Goal 4- Maximize Our Talent

DST employees hold the keys to DST's successful pursuit of its mission. By maximizing talent, DST is able to add value to and instill confidence in the state's citizens, customers, and the financial community by providing exemplary oversight and customer service.

4.1 Objective - Enrich our workforce through the effective use of strategic talent acquisition and retention

4.1.1 Measures of Success –

4.1.1.1 Reward and retain Division staff

Related to initiative: 4.1.2.1

4.1.1.2 EEO Officer is permanent staff member who operates in an autonomous fashion - direct reporting line to the HR Director

Related to initiative: 4.1.2.2

4.1.1.3 Obtain BoT and Treasurer approval of all 3 new compensation and classification plans by end of 2016 CY; ensure framework for legacy updates are stored on SharePoint or shared file for HR staff; complete all necessary salary and reclassification transactions with OSHR, OSBM and OSC's assistance no later than the Spring of 2017; launch the Exempt staff handbook/policy on Compass no later than the end of FY 2016 with appropriate legal review as a resource for Exempt staff throughout DST

Related to initiative: 4.1.2.3

4.1.1.4 The surveys are created, launched and sent to appropriate staff, results are regularly analyzed and data is used to help improve onboarding for new hires, provide feedback for managers and to help retain staff

Related to initiative: 4.1.2.4

4.1.2 Strategies/Initiatives -

4.1.2.1- Maximize talent by offering market-based compensation: Determine market-based compensation package for Division Staff; Implementation of self-directed compensation process based on receipts-supported status.

Division Responsible: State and Local Government Finance Division

Budget: Current Operating Budget

Related to Measure(s): 4.1.1.1

4.1.2.2- Diversity and Inclusion: Hire an EEO Officer who reports into the HR Office

Division Responsible: Office of State Treasurer- Human Resources

Budget: Budget Expansion Request

Related to Measure(s): 4.1.1.2

4.1.2.3- Total Rewards: Implement new 3 stand-alone compensation plans within the DST - ensure that framework is created to all comp and classification plans are able to be maintained appropriately well into the future

Division Responsible: Office of State Treasurer- Human Resources

Budget: Current Operating Budget

Related to Measure(s): 4.1.1.3

4.1.2.4- Employee Relations: Implement electronic incoming and exit surveys for staff in order to assess and more readily benchmark data

Division Responsible: Office of State Treasurer- Human Resources

Budget: Current Operating Budget

Related to Measure(s): 4.1.1.4

4.2 Objective – Develop an integrated talent management system

4.2.1 Measures of Success -

4.2.1.1 Finalized career development plan and curriculum

Related to initiative: 4.2.2.1

4.2.1.2 Successful completion of OSHR's LAAL curriculum

Related to initiative: 4.2.2.2

4.2.1.3 Increase number of employees who can perform similar services

Related to initiative: 4.2.2.3

4.2.2 Strategies/Initiatives –

4.2.2.1- Institute 360 degree feedback for senior management and career development program for team leaders, portfolio managers, and analysts: 360 Degree feedback was completed Spring 2016. Career development program in progress with material completion expected in 2017.

Division Responsible: Investment Management Division

Budget: Current Operating Budget

Related to Measure(s): 4.2.1.1

4.2.2.2- Middle Management Development: Professionally grow and develop RSD middle managers

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 4.2.1.2

4.2.2.3- Payroll Services: Continue to cross train to ensure continuity business

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 4.2.1.3

4.3 Objective – Promote a culture of engagement and collaboration

4.3.1 Measures of Success -

4.3.1.1 Improved engagement scores/results

Related to initiative: 4.3.2.1

4.3.1.2 Development of RSD Action Plan and progress towards its completion

Related to initiative: 4.3.2.2

4.3.1.3 Diversity and Inclusion team is created and meets regularly with authentic purpose - replaces the action currently being performed by the CRE team for the EEO officer - development and delivery of a Diversity and Inclusion training (if not provided by OSHR) which is assigned via the LMS and then supplemented with additional Lunch and Learns throughout DST - training is mandatory and compliance is tracked

Related to initiative: 4.3.2.3

4.3.1.4 Lunch and Learns are developed and then delivered to staff - several are optional and some will be mandatory - ideally, online training will also be created for the LMS which will help reinforce the content of the Lunch and Learn topic and serve as an additional resource

Related to initiative: 4.3.2.4

4.3.1.5 Funds are truly dedicated to the HR on an annual basis for training and certifications - the HR team does not have to seek sponsorship for attendance at trainings from other divisions

Related to initiative: 4.3.2.5

4.3.2 Strategies/Initiatives -

4.3.2.1- Support employee engagement survey results: Oversee development and implementation of new RSD newsletter communications plan.

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 4.3.1.1

4.3.2.2- Engagement Action Plan: Develop Engagement Action Plans in support of growing engagement of RSD staff

Division Responsible: Retirement Systems Division

Budget: Current Operating Budget

Related to Measure(s): 4.3.1.2

4.3.2.3 - Diversity and Inclusion: Successfully implement the launch of a new Diversity and Inclusion team led by the EEO Officer – incorporate Diversity and Inclusion training for all DST staff

Division Responsible: Office of State Treasurer- Human Resources

Budget: Current Operating Budget

Related to Measure(s): 4.3.1.3

4.3.2.4- Learning and Development: Launch Lunch and Learns for Management and Staff on a variety of HR topics that coincide with all functional areas

Division Responsible: Office of State Treasurer- Human Resources

Budget: Current Operating Budget

Related to Measure(s): 4.3.1.4

4.3.2.5- Learning and Development: Create a budget to allow all HR staff to attend HR training (annual conferences - national and state, specific topics that are relevant to projects, training for certifications, and areas of interest for the DST) which will create a workforce who think and work in a strategic manner and are able to have a stronger and more uniform base of knowledge throughout the entire HR team

Division Responsible: Office of State Treasurer- Human Resources

Budget: Current Operating Budget

Related to Measure(s): 4.3.1.5

7. North Carolina Department of State Treasurer Information Technology Plan Executive Summary

The past two years have been a period of incredible change for the Department of State Treasurer, with no greater change than the relocation of the entire department to new offices on Atlantic Avenue in Raleigh. The Department had occupied the Albemarle Building since the 1970s, and vacating it was no small feat. Over a period of five months in the summer of 2015, the entire IT Division conducted a phased migration of all critical information technology to the Longleaf Building. This migration, which entailed seven weekend shutdowns of business applications, was successfully concluded in September of 2015 with only three hours of planned outage time during normal business hours. In the midst of this relocation project, the Department also implemented a major upgrade to the Core Banking Platform, a critical system for statewide financial operations.

With the relocation complete, the IT Division turned its attention to enhancements and upgrades, virtualizing the database infrastructure of the agency and implementing upgrades to systems used in the Retirement Systems Division and the Financial Operations Division. Work is also being completed on an overhaul of the IT systems of the State and Local Government Finance Division with the rollout of a new Debt Management System in early 2017.

Looking ahead to the next two years, the Department is faced with another period of dramatic change. In 2017, for the first time in eight years, North Carolina will have a new State Treasurer, and with it, new strategic directions. The IT Division expects to continue efforts to improve self-service technologies and data analytics capabilities, but expects new initiatives to emerge with the change in Department leadership. The IT Division is also facing a new technology landscape, with Platform-as-a-Service, Infrastructure-as-a-Service, and hyper-converged systems offering new models for the delivery of IT systems and services. The IT Division must remain focused on completing ongoing projects, respond to new initiatives, and navigate the changing technology landscape in the years ahead.

8. North Carolina Department of State Treasurer Information Technology Quick Reference Guide

Goal	Objective	Initiative	Brief Description	Funding Mechanism	Anticipated Completion Date
Goal 1 Maintain a stable and secure IT infrastructure to support business operations.	Objective 1.1 Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.	Initiative 1.1.1 Desktop and Laptop Refresh	Complete delayed refresh of laptop and desktop hardware with upgrade to 64-bit OS	Receipts	3Q 2017
	Objective 1.2 Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department	Initiative 1.2.1 Enhance DR Capabilities	Implement replication to Western Data Center with high-availability database clusters for hot-site recovery capabilities for critical applications.	Receipts	4Q 2017
		Initiative 1.2.2 Enhance Infrastructure Services	Expand use of Microsoft System Center, explore use of Hyper-V, converged systems, and IaaS/PaaS as alternative platforms	Receipts	4Q 2018

Goal	Objective	Initiative	Brief Description	Funding Mechanism	Anticipated Completion Date
Goal 2 Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Objective 2.1 Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.				
	Objective 2.2 Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department	Initiative 2.2.1 Increase Mobility Capabilities	Expand Enterprise Mobility Services for remote workers and field personnel. Implement mobility services for boards and commissions.	Receipts	4Q 2018
		Initiative 2.2.2 Replace Helpdesk and Enhanced App. Lifecycle Management	Replace Departmental Helpdesk system. Expand use of Team Foundation Server and/or Visual Studio Team Services for development backlog management, build/deploy/test management	Receipts	4Q 2017

Goal	Objective	Initiative	Brief Description	Funding Mechanism	Anticipated Completion Date
Goal 3 Secure DST electronic information and systems by employing an IT risk management methodology, a well-sponsored State-compliant Security Program, enterprise grade monitoring and detection security services, and audits and reviews.	Objective 3.1 Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.				
	Objective 3.2 Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department	Initiative 3.2.1 Expand Identity Management Services	Upgrade existing on-premise Active Directory. Establish synchronization with Azure and O365. Leverage Azure AD for integration with SaaS products.	Receipts	4Q 2017

Goal	Objective	Initiative	Brief Description	Funding Mechanism	Anticipated Completion Date
Goal 4 Plan, design and implement new technology solutions to meet changing business needs and objectives.	Objective 4.1 Implement initiatives in the project portfolio meeting project planning targets of +/- 10% in budget, scheduling, and defined requirements in the interest of customer service.				
	Objective 4.2 Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department	Initiative 4.2.1 Long-Term Electronic Document Strategy	Develop strategy to consolidate electronic document management platforms. Replace EMC Centera. Explore DIT services, alternative products to EMC solutions.	Receipts	1Q 2018
		Initiative 4.2.2 Relocate Server Operations	Begin migration to equipment to Eastern Data Center and/or Western Data Center. Explore SaaS replacements for existing applications. Pursue IaaS/PaaS where appropriate	Receipts	4Q 2018

Goal	Objective	Initiative	Brief Description	Funding Mechanism	Anticipated Completion Date
Goal 5 Procure and manage contractual relationships with technology and staffing vendors critical to the delivery of IT services.	Objective 5.1 Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.				

Goal	Objective	Initiative	Brief Description	Funding Mechanism	Anticipated Completion Date
Goal 6 Securely manage and deliver the data components of DST operations and integrated systems and coordinate the analysis of data for business decision making.	Objective 6.1 Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.	Initiative 6.1.1 SQL Server Virtualization	Virtualization of SQL Server platform. Upgrades to SQL Server 2014 or 2016. Setup for high-availability clusters	Receipts	2Q 2017
	Objective 6.2 Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department	Initiative 6.2.1 New Data Analytics Capabilities	Expand data analytics capabilities of agency. Implement new tools for visualization and analysis. Expand data feeds to GDAC. Establish project governance	Receipts	4Q 2018

9. North Carolina Department of State Treasurer IT Vision, Mission, and Values

8.1 IT Vision

The vision of the North Carolina Department of State Treasurer is to create and maintain a fiscally sound and economically prosperous North Carolina.

8.2 IT Mission

The Information Technology Division's mission is to deliver comprehensive technology solutions that allow the Department of State Treasurer to achieve a fiscally sound and prosperous North Carolina.

8.3 IT Values

- **Reliability**
Maintain a stable and secure IT infrastructure to support business operations.
- **Innovation**
Identify and capitalize on opportunities for enhancement to existing systems to reduce risk and increase operational efficiencies.
- **Service Orientation**
Expand technology services to support improvements in customer and citizen services.
- **Expertise**
Develop and maintain the capacity of IT personnel to effectively deliver IT services in accordance with industry standards for project management, operational service delivery, software development, and information security.
- **Collaboration**
Advise and execute the expansion of measurement and analysis of information to achieve higher levels of operational effectiveness.

10. North Carolina Department of State Treasurer IT Goals, Objectives, and Measures of Success

Goal 1 - Maintain a stable and secure IT infrastructure to support business operations.

1.1 Objective - Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.

Measures of Success

- Critical system uptime of 99% during business hours minus scheduled maintenance.
- Successful application of all Critical-level patches to each production server within seven days of release and High-Level patches every 30 days.
- Response to 99% of Very High/Emergency Tickets within one hour, and 99% of High Tickets within four hours.
- Ticket closure with incident resolution not prompting a re-opened ticket in 95% of all incident reports.
- Customer Rating of 4-star or higher for 90% of rated Helpdesk tickets.
- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.

1.1.1 Initiative – Desktop and Laptop Refresh

In 2015, the IT Division initiated a refresh of desktop hardware which had been delayed as a result of the building relocation project. The older computers had reached end-of-life, according to departmental policies related to refresh cycles. Computer failure rates were increasing, as were maintenance costs, as vendor support had expired on many units. Employee productivity was also being negatively impacted due to slow performance as a result of insufficient hardware resources. The newer computers deployed to the department offer faster speed with multiple core processors, better graphics for handling video, improved energy efficiency, and an overall improvement in user experience. The hardware refresh also opened the door to software improvements by utilizing a 64-bit operating system that supports many of the 64-bit applications used by the agency.

1.2 Objective – Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department.

Measures of Success

- Critical system uptime of 99% during business hours minus scheduled maintenance.
- Successful application of all Critical-level patches to each production server within seven days of release and High-Level patches every 30 days.
- Response to 99% of Very High/Emergency Tickets within one hour, and 99% of High Tickets within four hours.

- Ticket closure with incident resolution not prompting a re-opened ticket in 95% of all incident reports.
- Customer Rating of 4-star or higher for 90% of rated Helpdesk tickets.
- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.

1.2.1 Initiative - Enhance DR Capabilities

For over seven years, the Department of State Treasurer has utilized a “warm-site” configuration at the State of NC Western Data Center (WDC) for the recovery of critical business systems. A collection of physical database servers and virtualized application servers have been maintained in a ready state and in the event of a disaster, recovery of current data and some minor reconfiguration are all that are necessary to restore systems. Despite the ready state of these systems, a large volume of data must be moved to the WDC for recovery, whether it involves the physical transport of tape backups or the electronic transfer of large files. A great deal of system recovery time involves data transport, and this is an area upon which the IT Division can make improvements.

Utilizing technologies such as SAN replication, as well as application synchronization capabilities in products like Microsoft SQL Server, issues with data transport can be addressed and the WDC can be reconfigured to a “hot” site, ready to be utilized quickly in the event of a disaster. By maintaining system and data replication, it may also be possible to expand the critical services to be recovered in the event of a disaster. Bi-directional synchronization and replication will also address long-standing issues involving the return of normal operations to the Raleigh area following the resolution of a disaster situation.

Moving toward “hot site” disaster recovery capabilities has long been a goal of the IT Division and the technology environment of the Department of State Treasurer is almost in a position to support this configuration. As part of the Building Move and Consolidation initiative, the IT Division developed a great deal of experience in site-to-site SAN replication of data and virtual machines. This was the foundation of the successful building move and can serve as the basis upon which a new DR infrastructure can be developed.

The IT Division has moved a SAN device to the State’s Western Data Center (WDC) and this SAN is being used to house data and virtual machines that are required for disaster recovery. Due to the age of existing hardware at the WDC and the desire to move to a fully virtualized environment, aligned with the ongoing database server virtualization efforts in the Raleigh office, new hardware for the WDC must be procured and installed. Once in place, along with some network reconfiguration activities, the implementation of replication with site recovery services can take place.

Critical virtual servers in Raleigh will be replicated to the WDC and poised to come online in the event of a disaster. Bi-directional replication will permit a recovery to normal operations at end of a disaster event. Due to the unique nature of database servers, technologies such as high-availability clustering will be implemented to allow little-to-no data loss during a cutover of operations between Raleigh and the WDC.

1.2.2 Initiative - Enhance Infrastructure Services

There is a great deal of growth in the technologies available for information technology infrastructure. Some of these technologies include converged and hyper-converged solutions, software defined networking, software defined storage, automation and cloud computing, as well as on premise solutions. These technologies and others will be evaluated for their potential to enhance service delivery of desktop, server and infrastructure solutions while decreasing deployment times and complexities.

Key areas of research will include alternative virtualization platforms and converged solutions. While the IT Division currently uses VMWare for virtualization, Microsoft Hyper-V is a virtualization solution that runs on Windows Server 2008 R2 and may reduce cost while increasing IT agility and flexibility across on-premises and cloud resources. Converged solutions require an entirely different way of looking at infrastructure solutions. Converged infrastructure will leverage our existing virtual technologies while reducing resources, lowering cost, reducing system management, faster provisioning, and providing an easier path to cloud-based infrastructure. Outside of on-premise solutions, the IT Division will continue to monitor and evaluate Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS) and hybrid solutions. The IT Division has had a great deal of success deploying SaaS solutions for focused business needs and the implementation of more SaaS products is expected to continue.

The IT Division will also seek to expand the current use of Microsoft System Center to provide a unified management solution for provisioning, monitoring, and securing the infrastructure while eliminating the use of multiple third party solutions providing these services.

Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.

2.1 Objective - Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.

Measures of Success

- Critical system uptime of 99% during business hours minus scheduled maintenance.
- Successful application of all Critical-level patches to each production server within seven days of release and High-Level patches every 30 days.
- Response to 99% of Very High/Emergency Tickets within one hour, and 99% of High Tickets within four hours.
- Ticket closure with incident resolution not prompting a re-opened ticket in 95% of all incident reports.
- Customer Rating of 4-star or higher for 90% of rated Helpdesk tickets.
- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.

2.2 Objective - Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department

Measures of Success

- Critical system uptime of 99% during business hours minus scheduled maintenance.
- Successful application of all Critical-level patches to each production server within seven days of release and High-Level patches every 30 days.
- Response to 99% of Very High/Emergency Tickets within one hour, and 99% of High Tickets within four hours.
- Ticket closure with incident resolution not prompting a re-opened ticket in 95% of all incident reports.
- Customer Rating of 4-star or higher for 90% of rated Helpdesk tickets.
- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.

2.2.1 Initiative - Increase Mobility Capabilities

The Department of State Treasurer has experienced an increase in the number of personnel working remotely, whether resulting from work-related travel or as a permanent assignment as a division field representative. Simultaneously, the IT Division has seen an increase in requests for Enterprise Mobility Services, tools and technologies that will permit staff to remain connected and permit access to departmental systems at any time.

The Department of State Treasurer, like many State agencies, also conducts business with a large number of boards and commissions. The Local Government Commission, the Investment Advisory Committee, and the Teachers' and State Employees' Retirement System Board of Trustees are just a few of the boards and commissions for which the agency must prepare

volumes of physical documents for each meeting. The preparation process is time-consuming and inefficient, especially as board and committee members have expressed a desire to move to the use of electronic media for meeting material.

With the increase in the mobile workforce, the IT Division must develop an infrastructure to meet these demands. Appropriate policies must be developed and tools identified to ensure compliance with public record retention while balancing personal privacy. Cloud-based technologies to support collaboration and information sharing among staff and external entities must be researched and implemented, again, balancing the data security requirements of the agency with the need to expand access to data across a variety of platforms.

2.2.2 Initiative - Replace Helpdesk and Enhanced App. Lifecycle Management

As part of the effort to improve overall service delivery, and in accordance with the recommendations of the IT Operational Study, the IT Division will seek to replace the current Helpdesk system used by the Department of State Treasurer. The current Helpdesk system is a custom developed application, first released in 2007. It has become challenging to maintain, drawing development resources from other pressing needs, and it lacks many features necessary for better operational performance management.

The IT division will be exploring both on-premises and cloud solutions to replace our Helpdesk system. Ideally, the new system will have scalable components to include custom reporting, a knowledge base, asset management capabilities, change management capabilities, and process control and workflow for incidents and service requests. The selection of a commercial product with minimal customization will also impose industry best-standard practices upon the IT Division for incident and service request management.

The current Helpdesk system has also been designed to perform application lifecycle management (ALM) functions and serves as the IT Division's development backlog and tracking system. The Systems Development group has been using Microsoft Team Foundation Server (TFS) for source control management for almost eight years, and many of the ALM functions of TFS could be leveraged to replace functions performed by the Helpdesk system. Work items for development requests and defects can be created and routed for analysis, coding and code review, and when combined with source code control, an ALM system can ensure only well-tested and vetted changes are pushed into a Production environment. It may also be possible to leverage features of TFS for automated deployment, eliminating the human error risk involved in production changes. The migration from on-premise TFS to the Microsoft Azure Visual Studio Team Services (VSTS) will also be explored.

Goal 3 - Secure DST electronic information and systems by employing an IT risk management methodology, a well-sponsored State-compliant Security Program, enterprise grade monitoring and detection security services, and audits and reviews.

3.1 Objective - Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.

Measures of Success

- Critical system uptime of 99% during business hours minus scheduled maintenance.
- Successful application of all Critical-level patches to each production server within seven days of release and High-Level patches every 30 days.
- Response to 99% of Very High/Emergency Tickets within one hour, and 99% of High Tickets within four hours.
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3.2 Objective - Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department

Measures of Success

- Critical system uptime of 99% during business hours minus scheduled maintenance.
- Successful application of all Critical-level patches to each production server within seven days of release and High-Level patches every 30 days.
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- Ticket closure with incident resolution not prompting a re-opened ticket in 95% of all incident reports.
- Customer Rating of 4-star or higher for 90% of rated Helpdesk tickets.
- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.

3.2.1 Initiative - Expand Identity Management Services

Over the last eight years, almost all growth in the Department of State Treasurer's Application Portfolio has involved systems delivered in a software-as-a-service (SaaS) model. This trend will continue, as SaaS products provide value with little up-front costs and faster implementation time. For the IT division, the use of SaaS products also limits infrastructure maintenance and allows resources to focus on development and maintenance of software unique to the agency that cannot be purchased in an open market.

At the same time, the use of SaaS products introduces new risks in the areas of user access and data management and complicates oversight of security policy compliance and cyber-threat

response capabilities. Often times, SaaS products do not easily integrate with the department's Active Directory for user authentication and authorization. Users often have multiple accounts, or identities, spread across many different systems. As a result, it is difficult to control and monitor the permissions granted to an application user and ensure access is terminated at appropriate times, such as employee separation or reassignment. The use of SaaS products also creates challenges for data management as external systems host sensitive and critical data such as social security numbers, bank records, and health information. Identity and access governance and data management challenges are intertwined, and addressing these are critical to continued expansion of the department's application portfolio.

With the proliferation of Software-as-a-Service (SaaS) business systems, along with the deployment of new mobile devices, identity management continues to be a challenge for the IT Division. It is no longer possible to merely deactivate a single account in Active Directory and remove all access to critical business systems. Management of access required more advanced tools and technologies. Tools like Azure Active Directory, when synchronized with on-premise AD, can provide single sign-on functionality and a single point of management for both on-premise and SaaS applications. Tools like Azure AD can also be leveraged to provide self-service password management and centralized management of mobile devices.

As a necessary precursor to expanding identity management capabilities, the IT Division must upgrade its existing Active Directory to both maintain ongoing vendor support and leverage new features in AD 2012. Active Directory Domain Services (AD DS) in Windows Server 2012 includes new features that will make it simpler and faster to deploy domain controllers (both on-premises and in the cloud), more flexible and easier to both audit and authorize access to files with Dynamic Access Control, and easier to perform administrative tasks at scale, either locally or remotely, through consistent graphical and scripted management experiences. The enhanced DFS Namespaces and DFS Replication in Windows Server 2012 will provide new management functionality as well as interoperability with Direct Access and Data Deduplication.

Tools must also be leveraged to improve processes surrounding the provisioning of user access. Today, DST uses a process initiated with a paper form and routed through the existing Helpdesk system with practically no workflow control. It is a time-consuming process to monitor and creates a number of opportunities for error, whether adding access or removing it. Utilizing toolkits to electronically collect access requests and automate the provisioning of access where possible will streamline the access provisioning process, provide better accountability and monitoring of user access, and eliminate errors and delays in provisioning that frustrate users and hamper employee productivity.

In the long-term, the IT Division must review identity management in the selection of all new business systems, as well as upgrades to existing systems. Special consideration must be given to systems that can leverage centralized identity management tools and existing on-premise systems such as ORBIT should be examined for possible integration with an identity management toolkit.

Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives.

4.1 Objective - Implement initiatives in the project portfolio meeting project planning targets of +/- 10% in budget, scheduling, and defined requirements in the interest of customer service.

Measures of Success

- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.
- Implement initiatives in the project portfolio meeting project planning targets of +/- 10% in budget, scheduling, and defined requirements in the interest of customer service.

4.2 Objective - Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department.

Measures of Success

- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.
- Implement initiatives in the project portfolio meeting project planning targets of +/- 10% in budget, scheduling, and defined requirements in the interest of customer service.

4.2.1 Initiative - Long-Term Electronic Document Strategy

The Department of State Treasurer utilizes at least five different electronic document management tools. Three of these tools are in the Documentum product line, offered by EMC, recently acquired by Dell. The future of the Documentum product line is in question since the acquisition. The Department also utilizes an EMC Centera device for WORM-based storage of document content for two systems. This product line has been discontinued by EMC and a replacement storage technology must be identified and implemented.

No later than the end of 2017, the IT Division seeks to implement a replacement to the EMC Centera and has started evaluating potential solutions. The IT Division will be monitoring developments in the electronic document management product space closely over the next two years. The IT Division will be developing a strategy for electronic document management services by identifying alternative products for electronic document management while also seeking to minimize the number of platforms of use across the agency. As a Documentum customer, DIT is also impacted by the Dell acquisition of EMC and the IT Division will work closely with DIT to monitor the future direction of DIT electronic document management services and utilize them if possible.

4.2.2 Initiative – Relocate Server Operations

The Department of State Treasurer was granted an exception by the Department of Information Technology (DIT) to move equipment to a server room at the agency's new Atlantic

Avenue facility on January 13, 2015. This exception was granted with the stipulation that DST develop a plan by mid-2016 to move server operations to a DIT data center. DST has a 10-year lease in the new facility, which includes a brand new Uninterruptable Power Supply (UPS), diesel generator, and air conditioning units. As a result, there is no urgent need to move equipment; however, DST must relocate server operations before the end of the lease in 2024.

In January 2016, DIT published a Data Center Consolidation Plan, and while DST is not one of the eleven agencies described within the scope of this plan, the agency has taken steps to eliminate all instances of MS Server 2003, reduce physical servers in use, and meet an 80% virtual to physical server ratio. The IT Division anticipates a virtual-to-physical server ratio of over 85% at the completion of the Microsoft SQL Server Virtualization Project. At the conclusion of the consolidation of the eleven agencies listed in the plan, DST has also agreed to the study and evaluation of applications as candidates for server consolidation.

The IT Division will continue work to relocate server operations from the Atlantic Avenue facility before the end of the lease period. As noted earlier, the department has seen a rise in the use of SaaS applications and the IT Division will continue to evaluate SaaS solutions as alternatives to on-premise solutions. Notably, the IT Division is exploring the use of O365 for Sharepoint-based intranet services and potentially electronic mail and communication services. The IT Division will also be exploring the use of cloud-based infrastructure providers such as Microsoft Azure and Amazon Web Service as an alternative to on-premise server implementations.

Those applications that cannot utilize cloud-based delivery, whether for cost or technology limitations, will be evaluated for migration to a DIT data center. The IT Division has utilized floor hosting at the DIT Western Data Center for disaster recovery, and will continue to do so; however, floor hosting at the DIT Eastern Data Center, as well as DIT managed services, will also be explored as alternatives to reduce server operations in the Atlantic Avenue facility.

Goal 5 - Procure and manage contractual relationships with technology and staffing vendors critical to the delivery of IT services.

5.1 Objective - Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.

Measures of Success

- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.
- Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.

Goal 6 - Securely manage and deliver the data components of DST operations and integrated systems and coordinate the analysis of data for business decision making.

6.1 Objective - Reduce risks and operate 95% of all business systems on vendor-supported software platforms by the end of the 2016 calendar year.

Measures of Success

- Critical system uptime of 99% during business hours minus scheduled maintenance.
- Successful application of all Critical-level patches to each production server within seven days of release and High-Level patches every 30 days.
- Response to 99% of Very High/Emergency Tickets within one hour, and 99% of High Tickets within four hours.
- Ticket closure with incident resolution not prompting a re-opened ticket in 95% of all incident reports.
- Customer Rating of 4-star or higher for 90% of rated Helpdesk tickets.
- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.

6.1.1 Initiative – SQL Server Virtualization

In 2016, the IT Division began work to virtualize the department's SQL Server infrastructure. A VMWare virtual environment has been constructed and the migration of servers to this environment is underway and expected to conclude in May of 2017. As a part of the virtualization effort, all database servers are being upgraded to SQL Server 2014 or SQL Server 2016, ensuring maintenance for the next eight to ten years on these platforms. Virtualizing the SQL Server environment has reduced the number of physical servers in use, shrinking the data center footprint and physical hardware support. Virtualization of these servers also saves energy, enables quicker recoverability from failures and faster server provisioning, and will ultimately improve disaster recovery efforts.

6.2 Objective - Reduce risk by executing at least 80% of the defined project portfolio within three years, with 90% of all initiatives focused on edifying existing technology systems and 10% of all initiatives focused on innovative activities developing new IT services for the Department

Measures of Success

- Critical system uptime of 99% during business hours minus scheduled maintenance.
- Successful application of all Critical-level patches to each production server within seven days of release and High-Level patches every 30 days.
- Response to 99% of Very High/Emergency Tickets within one hour, and 99% of High Tickets within four hours.
- Ticket closure with incident resolution not prompting a re-opened ticket in 95% of all incident reports.
- Customer Rating of 4-star or higher for 90% of rated Helpdesk tickets.
- Annual IT Customer Survey Results to be positive (80% and above) for quality, timeliness, professionalism and helpfulness.

6.2.1 Initiative – New Data Analytics Capabilities

The Department of State Treasurer seeks to utilize data analytics more expansively in agency operations and the IT Division plays an important role in meeting this requirement. Before each division can embrace data-driven decision making in normal operational practices, analysts across the department must have the tools necessary to access business data to inform decision making. The IT Division has been deploying a number of tools across the agency, such as Microsoft PowerQuery for SLGFD and MATLAB for IMD, to aid in data analysis. It is unlikely that any single toolkit will meet the needs of each division and the IT Division must continue to keep abreast of developments in the industry and apply the appropriate technologies to each specific analytics challenge. Leveraging the resources of the Government Data Analytics Center (GDAC) to assist in the development and support of analytics platforms for SHP has also been an effective strategy that should be considered for other divisions.

The IT Operational Study identified deficiencies in the staff capacity to implement and support division-wide data analytics. DST has neither enough staff, nor staff with the appropriate skills, to successfully conduct enterprise-wide data management, analytics, visualization, and reporting. Working across the entire agency, the IT Division must formulate a strategy to address these personnel needs, through new positions and training opportunities for existing staff. By addressing both the skills and capacity gaps that exist within the organization, the agency should be poised to make rapid advancement towards the integration of analytics across all department operations.

SHP is currently conducting a strategic evaluation of their analytics program. In addition to defining and prioritizing divisional initiatives around analytics, they are performing a comprehensive review of resourcing, including staff, skills, tools, and data used in analysis. The division is also defining governance structures for the ongoing oversight and prioritization of analytics projects to ensure continued value from initiatives and clarify priorities across the organization. This work being conducted in SHP may potentially serve as a model for other divisions that are seeking to bring more order to their analytics programs.

There is a demand for increased use of data analytics to support business operations across the entire department; however, implementation of new governance structures, tools, personnel and processes are a necessary precursor to these efforts. Without these structures in place, it will be impossible to prioritize analytics efforts among all the other work that is requested of the IT Division, and there is no guarantee that any projects selected will truly be beneficial without strong project justification methodologies in place.

There are a number of initiatives underway at the current time – IMD has been working with the SAS Institute on a project related to investment portfolio risk analytics, SHP has partnered with the GDAC for the construction of a health claims data warehouse, and SLGFD, IMD, and RSD are all experimenting with ad-hoc analytics to various degrees. Conducting an analysis of the successes and failures of these initiatives will be an important guide to all future endeavors. Due to the varied nature of the operational imperatives of the various DST divisions, there is no single method, process, or toolkit that will have division-wide applicability; however, replicating areas of success with modifications and avoiding known problems will improve future

implementations. The strategic planning activities related to analytics that conducted in SHP have been valuable for that division and it is a model of planning and organization that the IT Division will seek to replicate across the Department.

The use of the GDAC for operational data analytics must be carefully considered to balance the mission and purpose of the GDAC with the needs of the Department of State Treasurer. The GDAC is a Statewide service and must deliver this service equitably to all State agencies. At the same time, the specific data analytics needs of each division of DST must be met in some fashion. DST is currently facing this challenge, as SHP and the GDAC are working to meet the expanding needs of SHP with the resources and capabilities available through the GDAC. As other divisions within DST expand their data analytics requirements in a similar manner, this will continue to be a challenge for the GDAC and each DST division. While DST would like to continue to leverage the expertise of the GDAC, other avenues must be considered.

In order to truly achieve benefits from data analytics, it will not be enough to engage in traditional business intelligence-type activities of merely counting transactions or elements. Utilizing predicative analytics and modeling to unlock patterns and business insights will allow management to make informed decisions about resource allocation and utilizations. For instance, predicting the seasonal load of claims on escheated property will allow for the effective utilization of temporary staff. Understanding the total retirement portfolio of a State employee or teacher will allow RSD to develop and promote programs designed to help ensure sufficient savings and income for retirement.

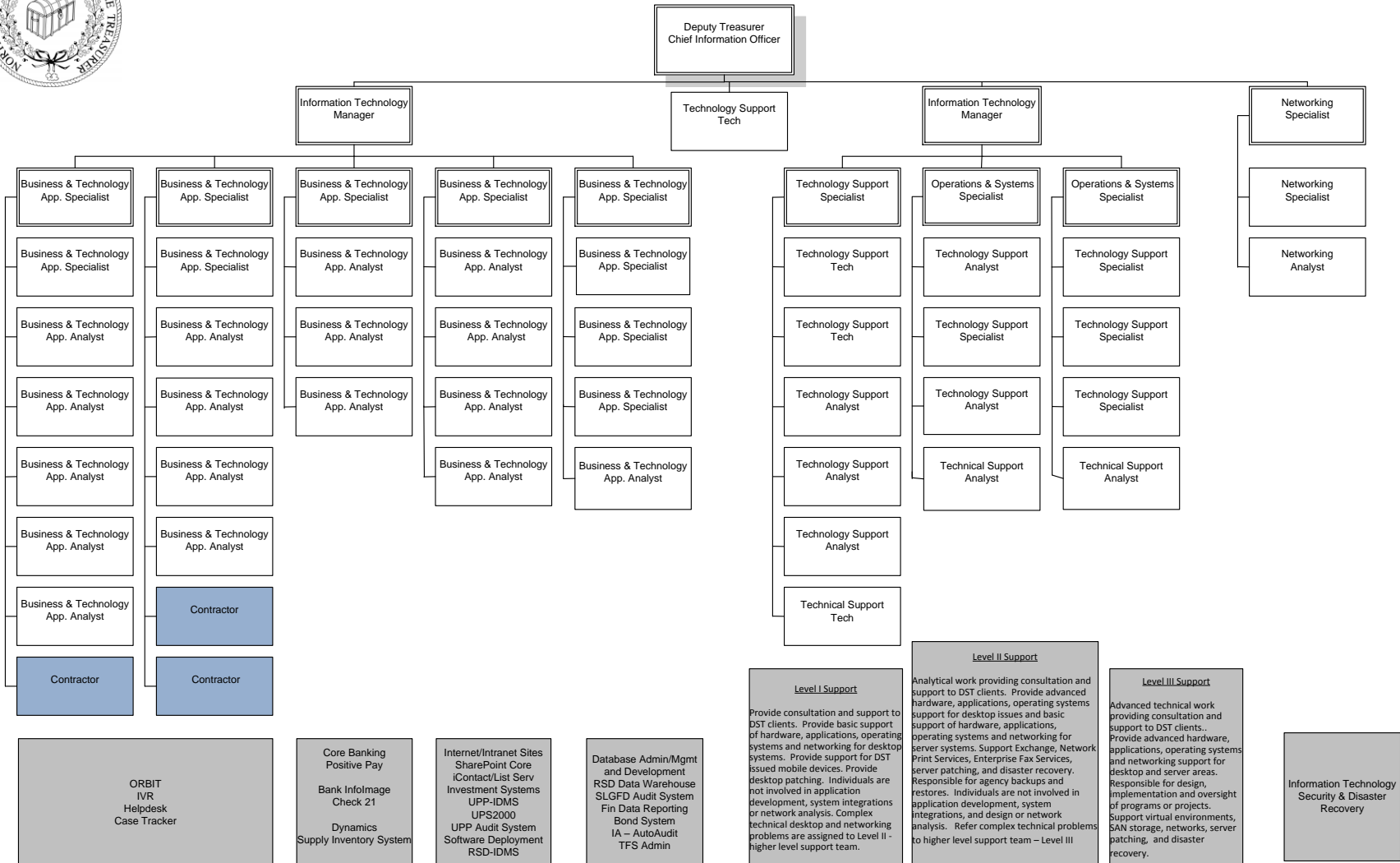
Unfortunately, DST is limited in the number of staff that can perform this type of analysis. Identifying strategies for training additional staff, as well as augmenting existing staff with some specialized skillsets will make this possible. Understanding the scope of these efforts and the finances involved will be critical to allocating or requesting funds toward this effort. The importance of governance and project justification cannot be understated as it pertains to this effort. Procuring high-value professional services and training, as well as funding new positions, can only be justified and secured for the most beneficial projects. An effective governance body that prioritizes these efforts will make sure scarce departmental resources are not wasted.

11. North Carolina Department of State Treasurer IT Organizational Structure



North Carolina Department of the State Treasurer Division of Information Technology Services

Updated 6/13/2016



12. Enterprise IT Opportunities

11.1. Potential Initiatives

11.2. Collaborative Opportunities

Digital Commons Initiative: DST will explore use of the DIT Digital Commons as a platform for public, non-transactional websites such as nctreasurer.com and shpnc.org.

Procurement and Contract Management: Multiple divisions within the agency seek tools and technologies to support workflow and collaboration for procurement documents (RFP, RFQ, IFB), as well as house final contracts, addenda, side letters, etc. DST would like to participate in any Statewide system that may be offered by the Dept. of Administration or another agency.

Multi-Tenant Financial System & Long-Term Banking Strategy: As part of the development of the long-term Core Banking strategy, DST seeks to partner with OSC and OSBM in the evaluation of a new Statewide accounting platform. There are some platforms that may offer Banking modules that can be used, rather than a stand-alone system that must be integrated with the eventual NCAS replacement.

Additionally, the selection of a new Statewide accounting platform may afford the opportunity to provide financial accounting software to local units of government that they could not otherwise afford. By configuring a new system for multi-tenant capabilities, the State, as well as each local unit, may be able to leverage a single platform for GL, AP, AR functions.

Interactive Voice Response (IVR): DST worked with DIT Telecommunications to successfully implement an IVR for the Retirement Systems Division Call Center. Following the implementation of a new Unclaimed Property Management System, DST will seek to work with DIT to implement a similar system for the UPD Call Center.

Case Management System: Both RSD and SHP seek to implement a case management system for the management and monitoring of exception requests. Case management is not a function unique to the Department of State Treasurer, and the agency seeks to partner with other agencies that may have implemented case management tools to look for opportunities to share a new or existing system.

Cloud Strategy: The IT Division is developing a strategy around the use of O365, IaaS, and PaaS as an alternative to current on premise solutions. DST seeks to partner with any and all agencies in the development of this strategy to leverage shared knowledge and increase economies of scale.

Helpdesk: The IT Division seeks to implement a new Helpdesk system for Incident and Service Request management and is looking to partner with other agencies for shared knowledge and opportunities to share a new or existing system.

Data Analytics: DST seeks to expand use of the GDAC as an analytics infrastructure for divisions beyond the SHP. Additionally, DST seeks to partner with agencies that have implemented departmental programs for analytics for strategy guidance and knowledge transfer.

Appendix A: North Carolina Department of State Treasurer Major IT Projects

Initiative/ Project	Short Description (indicate if >\$500,000)	Related Goals and Objectives	Funding Mechanism	Anticipated Benefits	Anticipated Completion Date
<i>Initiative/Project Name</i>	<i>Provide a short description of this item (Please also indicate if this is a project or application with a cost over \$500,000).</i>	<i>To what agency goals and objectives and/or SCIO goals does this project relate?</i>	<i>Please identify funding strategy (expansion, grant, etc.) For existing projects, note whether they are fully funded or require expansion.</i>	<i>Provide a summary of any anticipated benefits.</i>	<i>Provide an estimated completion date for the project.</i>
New Initiatives/Projects					
Update Web Content Platform	Upgrade on-premise SharePoint to SP2016, migrate public website to alternative platform, move intranet sites to O365 (> \$500K)	DST Goal 3 – Innovate and Modernize Operations IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Receipts	Improved communication with constituents, lower operating costs	4Q 2018

HR Document and Data Management	Implement tools for HR-related document management to support hiring and onboarding.	DST Goal 3 – Innovate and Modernize Operations IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Receipts	Improve HR performance; compliance with onboarding policies	3Q 2017
Implement New Accounting Tools for Investment Management	Implement new systems and tools to support accounting related to internal equity trading activities. (> \$500K)	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Receipts	Lower investment management costs	2Q 2018
Procurement and Contract Management Tool	Implement new systems and tools for procurement workflow management and contract monitoring and management. (> \$500K)	DST Goal 3 – Innovate and Modernize Operations IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Receipts	Improved policy and code compliance, increased operational efficiency, improved records management related to procurement activity.	2Q 2018

Develop a Long-Term Banking Strategy	Develop long-term strategy for upgrades/replacement of Statewide Core Banking platform. Explore integration with new Statewide accounting system project.	DST Goal 3 – Innovate and Modernize Operations IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives	Receipts	Lower operating costs, consolidation of statewide financial systems.	4Q 2018
Implementation of Tools for Equity Index Training	Implement tools to support trading and reconciliation for equity index trading by IMD personnel. (> \$500K)	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Receipts	Lower investment management costs	2Q 2018
Electronic Document Management and Records Retention	Identify and implement tools for electronic document storage and retention, particularly legal documents and content related to IMD operations. (> \$500K)	DST Goal 3 – Innovate and Modernize Operations IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations	Receipts	Improved compliance, quicker response for public records, reduction of risk in legal proceedings	2Q 2018

Digital Productivity Tools	Identify tools and technologies to increase productivity of IMD personnel	DST Goal 3 – Innovate and Modernize Operations IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives	Receipts	Increased operational efficiency, improvements in record retention	4Q 2018
Disability Enhancements	Implement modifications to ORBIT for more faster and more accurate processing of Disability claims.	DST Goal 3 – Innovate and Modernize Operations IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations	Receipts	Increased operational efficiency, reduction in overpayments, faster processing times, improved payment accuracy	4Q 2019
Auto-Enrollment for Defined Contribution	Integrate with Defined Contribution providers for automatic enrollment and deduction for 401(k), 403(b) and 457 plans	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 6 - Securely manage and deliver the data components of DST operations and integrated systems and coordinate the analysis of data for business decision making.	Receipts	Improve participation in supplemental retirement plans, increase retirement readiness of employees	3Q 2018

Call Center Study	Conduct study of call center operations and implement findings. (> \$500K)	DST Goal 3 – Innovate and Modernize Operations IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives.	Receipts	Increase operational efficiencies, reduce operating costs, improve customer service	4Q 2017
Replace Helpdesk and Enhanced App. Lifecycle Management	Replace Departmental Helpdesk system. Expand use of Team Foundation Server and/or Visual Studio Team Services for development backlog management, build/deploy/test management	DST Goal 3 – Innovate and Modernize Operations IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations	Receipts	Improve customer service and incident response, improve system uptime, improve overall system reliability, reduce change management risk	4Q 2017
Expand Disaster Recovery Capabilities	Implement replication to Western Data Center with high-availability database clusters for hot-site recovery capabilities for critical applications.	DST Goal 3 – Innovate and Modernize Operations IT Goal 1 - Maintain a stable and secure IT infrastructure to support business operations.	Receipts	Reduce operational risk, improve recovery time	4Q 2017

Enhance Infrastructure Services	Expand use of Microsoft System Center, explore use of Hyper-V, converged systems, and IaaS/PaaS as alternative platforms	<p>DST Goal 3 – Innovate and Modernize Operations</p> <p>IT Goal 1 - Maintain a stable and secure IT infrastructure to support business operations.</p>	Receipts	Decrease operational costs, increase uptime and recovery time	4Q 2018
Expand Identity Management Services	Upgrade existing on-premise Active Directory. Establish synchronization with Azure and O365. Leverage Azure AD for integration with SaaS products.	<p>DST Goal 2 – Enhance Accountability of Department Services</p> <p>IT Goal 3 - Secure DST electronic information and systems by employing an IT risk management methodology, a well-sponsored State-compliant Security Program, enterprise grade monitoring and detection security services, and audits and reviews.</p>	Receipts	Reduction of operational risk	4Q 2017

Develop Long-Term Electronic Document Management Strategy	Develop strategy to consolidate electronic document management platforms. Replace EMC Centera. Explore DIT services, alternative products to EMC solutions.	DST Goal 2 – Enhance Accountability of Department Services IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives.	Receipts	Reduce operational risk with hardware replacement, improve efficiency, lower costs	1Q 2018
Relocate Server Operations	Begin migration to equipment to Eastern Data Center and/or Western Data Center. Explore SaaS replacements for existing applications. Pursue IaaS/PaaS where appropriate	DST Goal 3 – Innovate and Modernize Operations IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives.	Receipts	Decrease operational costs, increase uptime and recovery time	4Q 2018
New Data Analytics Capabilities for Department of State Treasurer	Expand data analytics capabilities of agency. Implement new tools for visualization and analysis. Expand data feeds to GDAC. Establish project governance	DST Goal 3 – Innovate and Modernize Operations IT Goal 6 - Securely manage and deliver the data components of DST operations and integrated systems and coordinate the analysis of data for business decision making.	Receipts	Improve decision-making, improve communication and transparency	4Q 2018

Enhancements for Remote Worker Support	Implementation of tools and technology to support SLGFD field representatives	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 1 - Maintain a stable and secure IT infrastructure to support business operations.	Receipts	Improved operational efficiency in data collection, improved outreach with local units	3Q 2017
Improvements in Data Collection and Analytics for SLGFD	Enhancements to data collection conducted by SLGFD on local units. Implementation of tools to support econometric analysis	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 6 - Securely manage and deliver the data components of DST operations and integrated systems and coordinate the analysis of data for business decision making.	Receipts	Improved decision-making and oversight of local unit finance	3Q 2018
Multi-Tenant Financial System	Implement and operate a multi-tenant financial system to be used by local units for GL, AP, FA, AR and other accounting functions. (> \$500K)	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives.	Receipts	Improve local government financial management practices	2Q 2020

Contract Management Replacement	Replace aged system for SHP Contract Management. (> \$500K)	DST Goal 2 – Enhance Accountability of Department Services IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives.	Receipts	Improve record management, contract oversight	2Q 2018
Case Management System	Implement a system for the management of benefit and enrollment exceptions. (> \$500K)	DST Goal 2 – Enhance Accountability of Department Services IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives.	Receipts	Improved legal compliance, improved customer service	4Q 2018
UPD Call Center Enhancements	Implement IVR functionality for Unclaimed Property	DST Goal 3 – Innovate and Modernize Operations IT Goal 4 - Plan, design and implement new technology solutions to meet changing business needs and objectives.	Receipts	Improved customer satisfaction, call center operational efficiencies	3Q 2018

Replace UPD Document Scanning Solution	Replace UPD document scanning platform with a new supported system	DST Goal 3 – Innovate and Modernize Operations IT Goal 1 - Maintain a stable and secure IT infrastructure to support business operations.	Receipts	Lower operational risk, improved record accuracy, increase in operational performance	2Q 2017
Expansion of UPD Data Matching Program with GDAC	Utilize GDAC to identify property owners in other repositories of State data (DMV, DOR, ESC)	DST Goal 3 – Innovate and Modernize Operations IT Goal 6 - Securely manage and deliver the data components of DST operations and integrated systems and coordinate the analysis of data for business decision making.	Receipts	Increase in claim payment and overall customer satisfaction	4Q 2018

Existing Initiatives/Projects					
SAS Risk Management	<p>Utilize and enhance SAS Risk Management platform for total portfolio risk analysis.</p> <p>(> \$500K)</p>	<p>DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy</p> <p>IT Goal 5 - Procure and manage contractual relationships with technology and staffing vendors critical to the delivery of IT services.</p>	Receipts	Increase portfolio returns, lower portfolio risk	4Q 2018
ORBIT Self-Service Enhancements	<p>Expand self-service functionality offered through ORBIT Self-Service for processes such as Apply for Retirement, Apply for Refund of Contributions, Apply for Death and Survivor Benefits. Improve application security and extend platform to mobile devices.</p> <p>(> \$500K)</p>	<p>DST Goal 3 – Innovate and Modernize Operations</p> <p>IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.</p>	Receipts	Improved operational efficiency, quicker response times, improved accuracy of processing through automation, reduced risk of fraudulent activity	3Q 2018

Complete RSD-IDMS Upgrades	Complete implementation of WorkflowXtender. Upgrade document scanning platform.	DST Goal 3 – Innovate and Modernize Operations IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Receipts	Lower risk of operational failure. Improved monitoring of operational performance.	3Q 2017
Completion of Contribution-Based Benefit Cap Enhancements	Complete development of ORBIT enhancements to allow units to pay CBBC liabilities through normal contribution remittance.	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Receipts	Improved recovery of pension liability from units	2Q 2017
Desktop/Laptop Refresh	Complete delayed refresh of laptop and desktop hardware with upgrade to 64-bit OS	DST Goal 3 – Innovate and Modernize Operations IT Goal 1 - Maintain a stable and secure IT infrastructure to support business operations.	Receipts	Increased reliability and operational efficiency, reduced risk of equipment failure	3Q 2017

Fire/Rescue Enhancements	Complete overhaul of Fire/Rescue processing modules and clean-up of member data	DST Goal 3 – Innovate and Modernize Operations IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations.	Receipts	Improved payment accuracy, lower risk of overpayment, improved operational performance, increase in customer satisfaction	3Q 2018
Microsoft SQL Server Virtualization	Virtualization of SQL Server platform. Upgrades to SQL Server 2014 or 2016. Setup for high-availability clusters	DST Goal 3 – Innovate and Modernize Operations IT Goal 6 - Securely manage and deliver the data components of DST operations and integrated systems and coordinate the analysis of data for business decision making.	Receipts	Improved operational performance, lower security and operational risk by running on recent supported platforms, improve capabilities for DR	2Q 2017
Increase Mobility Capabilities	Expand Enterprise Mobility Services for remote workers and field personnel. Implement mobility services for boards and commissions.	DST Goal 3 – Innovate and Modernize Operations IT Goal 1 - Maintain a stable and secure IT infrastructure to support business operations.	Receipts	Improved operational efficiency, reduction of physical records	4Q 2018

Replacement for Debt and Fiscal Management System	Complete implementation of system for Debt Management and Fiscal Management functions performed by SLGFD. (> \$500K)	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations	Receipts	Improved record keeping, operational efficiency, improved communication with local units	2Q 2017
Communication Tool Enhancements	Setup secure tunnels for e-mail interchange with key SHP partners. Establish extranet portals for reports and collaboration.	DST Goal 3 – Innovate and Modernize Operations IT Goal 1 - Maintain a stable and secure IT infrastructure to support business operations.	Receipts	Improved record keeping, operational efficiency, improved communication with contractual partners and units that participate in the SHP	2Q 2018
SHP Data Analytics Enhancements	Expand the data analytics platform of SHP. Incorporate new sources of data, visual analytics, and new modelling tools.	DST Goal 1 – Provide Public Leadership in Finance, Fiscal and Health Policy IT Goal 6 - Securely manage and deliver the data components of DST operations and integrated systems and coordinate the analysis of data for business decision making.	Receipts	Improve SHP management, plan policy, actuarial analysis, and population health management	4Q 2018

Implement New Unclaimed Property Management System	<p>Replace the current UPMS with a new system utilizing web-based technologies, providing more self-service capabilities, more automated processing, and document management and workflow functionality.</p> <p>(> \$500K)</p>	<p>DST Goal 3 – Innovate and Modernize Operations</p> <p>IT Goal 2 - Deliver and support reliable and high-performing business technology systems utilized by DST divisions in the execution of operations</p>	Receipts	<p>Increase operational efficiency, improved accuracy of claim and holder report processing, improved claim processing times, increase in customer satisfaction, more accurate record-keeping</p>	2Q 2018
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Appendix B: North Carolina Department of State Treasurer IT Accomplishments and Progress Review

FY15-17 Goal	FY15-17 Objective	FY15-17 Initiative	Progress Review	Anticipated Completion Date
Goal 1 Provide Public Leadership in Finance, Fiscal, and Health Policy	Objective 1.2 <i>Maximize Risk Adjusted Return of the Investment Portfolio</i>	Initiative 1.2.5 - Complete comprehensive update of investment policies <ul style="list-style-type: none"> • Implement AP System for Investment Accounting (FOD) • Enhance Reporting of Investment Performance and Issue Financial Statements (IMD) • Internal Management of Publicly Traded Investments – Global Equity Index Positions (IMD) • Leverage Third-Party Automation Tools for Manual Processes (IMD) 	<i>In Planning</i>	2Q 2018

FY15-17 Goal	FY15-17 Objective	FY15-17 Initiative	Progress Review	Anticipated Completion Date
Goal 2 Enhance Accountability of Department Services	Objective 2.1 <i>Promote and improve transparency and ethical processes</i>	Initiative 2.1.4 - Develop, analyze and implement departmental policies and standard operating procedures <ul style="list-style-type: none"> Tools for Governance Management (OST) 	Not Relevant	
	Objective 2.2 <i>Strengthen Board and Committee Oversight</i>	Initiative 2.2.3 - Provide consistent meeting formats, presentation of materials and records across Department for all boards and commissions chaired by the Treasurer <ul style="list-style-type: none"> Digital Imaging and Document Warehousing (OST) 	In Planning	2Q 2018
	Objective 2.4 <i>Effectively manage risk, resources and compliance</i>	Initiative 2.4.6 - Establish a departmental strategy for procurement and contract management	In Planning	2Q 2018

FY15-17 Goal	FY15-17 Objective	FY15-17 Initiative	Progress Review	Anticipated Completion Date
Goal 3 Innovate and Modernize Operations	Objective 3.1 <i>Improve data analytics and use of metrics in decision-making processes</i>	Initiative 3.1.1 - Create scorecards and performance measurement standards for each division and core service area. <ul style="list-style-type: none"> Business Process Automation Modifications (UPD) 	Not Relevant	
		Initiative 3.1.2 - Develop departmental and divisional policies and processes for data capture, analytics and sharing <ul style="list-style-type: none"> Replacement of Documentum with New Report Management Portal (SHP) Execute Data and Analytics Strategy (SHP) Departmental Analytics Program (IT) 	Strategy - Complete Portal – Not Started Departmental Analytics Program – In Planning	Portal - 2Q 2018 Analytics Program – 4Q 2018
	Objective 3.2 <i>Strategically Implement Technology-Based Applications</i>	Initiative 3.2.2 - Enhance e-communications abilities and strategies to be more responsive and interactive with members and customers <ul style="list-style-type: none"> Develop an Extranet Portal for Collaboration with External Vendors (SHP) Website Redesign and Other Communications Initiatives (SLGFD) 	SLGFD Website Redesign – Complete SHP Extranet Portal – Not Started	Portal - 2Q 2018
		Initiative 3.2.3 - Assess cross-functionality and best practices across departmental call centers and implement necessary upgrades <ul style="list-style-type: none"> Replace and/or Upgrade Aging Technology Systems (RSD) 	In Process	3Q 2017

FY15-17 Goal	FY15-17 Objective	FY15-17 Initiative	Progress Review	Anticipated Completion Date
		Initiative 3.2.4 - Complete modernization of SLGFD business systems and infrastructure <ul style="list-style-type: none"> Debt Management System Replacement (SLGFD) Administrative Management System (SLGFD) 	<i>In Process</i>	2Q 2017
		Initiative 3.2.5 - Implement a new Core Banking System with cash management functionality <ul style="list-style-type: none"> Complete upgrade of existing FlexCube system and replacement of OSC's CMCS system. (FOD) Upgrade to Bank Imaging System. (FOD) 	<i>Complete</i>	
		Initiative 3.2.6 – Increase availability, quality, and use of self-service technologies <ul style="list-style-type: none"> Complete Implementation of Claims Fast-Tracking Initiative (UPD) Workflow and Online Forms for Web Infrastructure (OST) 	<i>Fast-Track – Complete</i> <i>Online Forms – Not Relevant</i>	
	Objective 3.3 <i>Continuously Improve Core Functions and Programs</i>	Initiative 3.3.8 - Reassess the organizational structure of Legal, IT and SLGFD <ul style="list-style-type: none"> Implement the Recommendations of the IT Operational Review (IT) 	<i>In Process</i>	4Q 2017

FY15-17 Goal	FY15-17 Objective	FY15-17 Initiative	Progress Review	Anticipated Completion Date
		<p>Other</p> <ul style="list-style-type: none"> • Modifications to ORBIT for Firefighters' and Rescue Squad Workers' Pension Fund (RSD) • Complete Compliance Initiatives (RSD) • Continue Data Matching Efforts (UPD) • Evaluate Unclaimed Property Management Systems (UPD) • Alternative Methods of System Delivery (IT) 	<p><i>Fire/Rescue – In Process</i></p> <p><i>RSD Compliance – Complete</i></p> <p><i>UPD Data Matching – On Hold</i></p> <p><i>Evaluate Unclaimed Property System – In Process</i></p> <p><i>Alternative Methods of Delivery – In Planning</i></p>	<p>Fire/Rescue – 3Q 2018</p> <p>UPD Data Matching – 4Q 2018</p> <p>UPMS – 2Q 2018</p> <p>System Delivery - 4Q 2018</p>
<p>Goal 4</p> <p>Maximize the Talent of our People</p>		<p>Execute a Successful Building Move and Office Consolidation (IT)</p>	<p><i>Complete</i></p>	