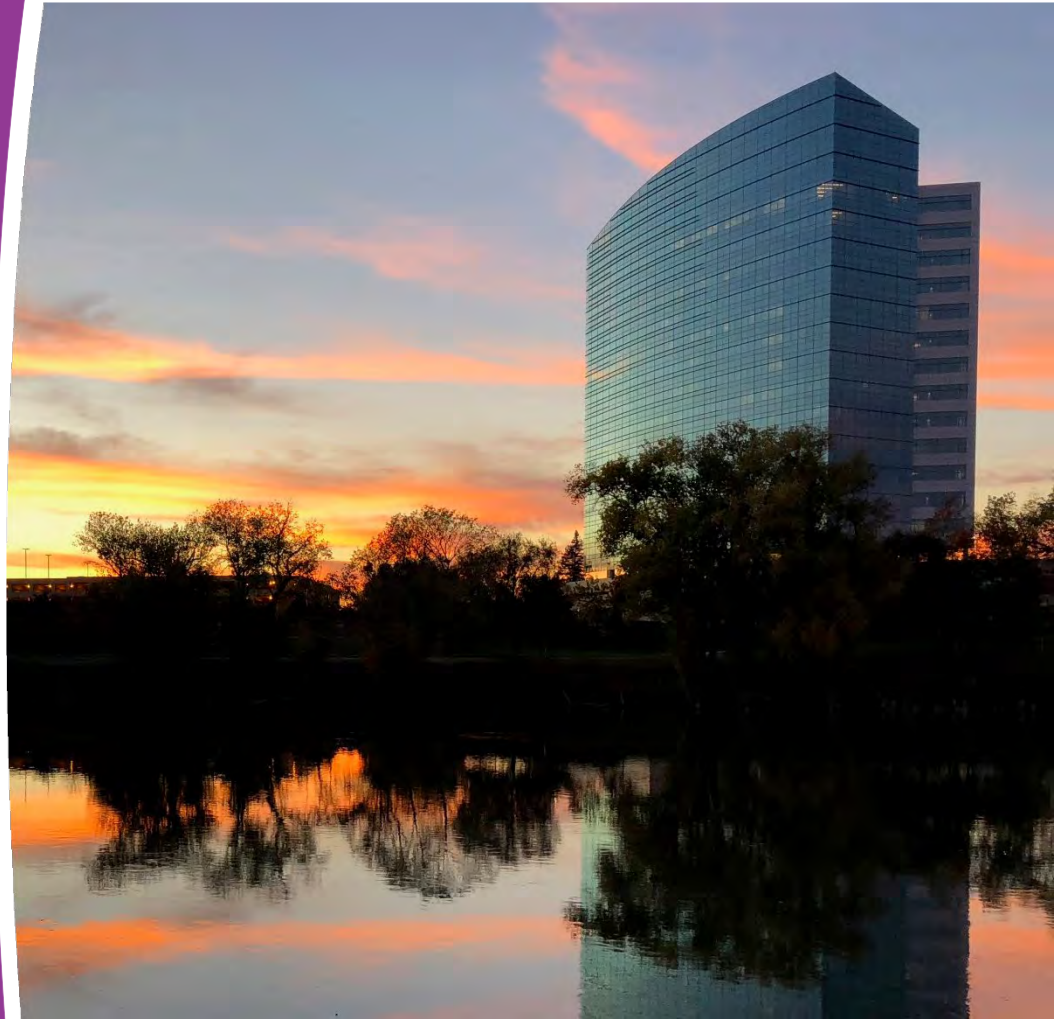




Enterprise Technology Projects

FISCAL YEAR

2019-20



FIRST QUARTER REPORT

Quarter Ending September 30, 2019

ENTERPRISE TECHNOLOGY PROJECTS

FISCAL YEAR 2019–20
FIRST QUARTER REPORT

At the end of the first quarter for fiscal year 2019–20, CalSTRS had seven enterprise projects: five major technology projects over \$1 million and two additional projects under \$1 million.

Of the projects under \$1 million, one is scheduled to begin in January 2020 and the other is on hold and will be removed from the report until it is active again.

The Project Management Office (PMO) monitors and reports monthly on the technology appropriations budget and enterprise projects' status to the Enterprise Program Investment Council (EPIC) and quarterly to the Teachers' Retirement Board.

ENTERPRISE PROGRAM INVESTMENT COUNCIL MEMBERS

Jack Ehnes

Chief Executive Officer

Cassandra Lichnock

Chief Operating Officer

Julie Underwood

Chief Financial Officer

Lisa Blatnick

Chief of Administrative Services

Grant Boyken

Public Affairs Executive Officer

Ashish Jain

Chief Technology Officer

Vacant

Benefits and Services Executive Officer

Debra Smith

Chief Operating Investment Officer

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

The following table summarizes current major enterprise technology projects during the first quarter.

Project Name	Project Duration	Schedule (Status)	Project Budget ¹	Budget Expended ²	Budget (Status)
Data Quality	Nov 2011 – Jul 2020	●	\$25,981,894	\$19,669,549	●
EIM Software Tool	Jun 2018 – Jan 2020	●	\$1,036,350	\$526,950	●
Pension Solution	Jul 2014 – Jan 2023	●	\$304,825,861	\$166,960,927 ³	●
SAP SuccessFactors	Dec 2018 – Jun 2020	●	\$0 ⁴	\$19,500 ⁵	●
Transformation Readiness	Jul 2016 – Jun 2021	●	\$16,416,930	\$7,317,823	●

Schedule & Budget Indicators ● *On Track* ⚠ *Warning* ● *Critical* ✓ *Complete* ✕ *Cancelled* ⌚ *Not Started*

¹ Project Budget – Amount represents the sum of the projects' prior years' actual expended, remaining encumbrances, and current and future years budgeted amounts.

² Budget Expended – Amount represents the total expended.

³ Pension Solution – Represents the actual and projected amounts for the project through September 30, 2019.

⁴ SAP SuccessFactors – The project budget will be determined once the procurement is finalized.

⁵ SAP SuccessFactors – Amount represents expenditures to date for a contract Business Analyst.

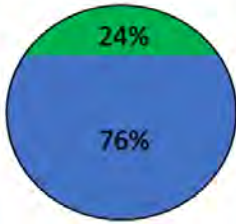
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

DATA QUALITY

The Data Quality project (formerly Data Preparation) is in the second phase of data cleansing to include data clean-up and preparation for conversion to the new pension administration system.

Project Budget

\$25.9 Million



● % Expended ● % Remaining

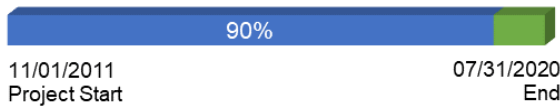
ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2019

- Completed Termination Out of Balance⁶ – Merge/Closed Population.
- Completed or closed 52 of 76 currently assigned Functional Rollout 2 basic issues.

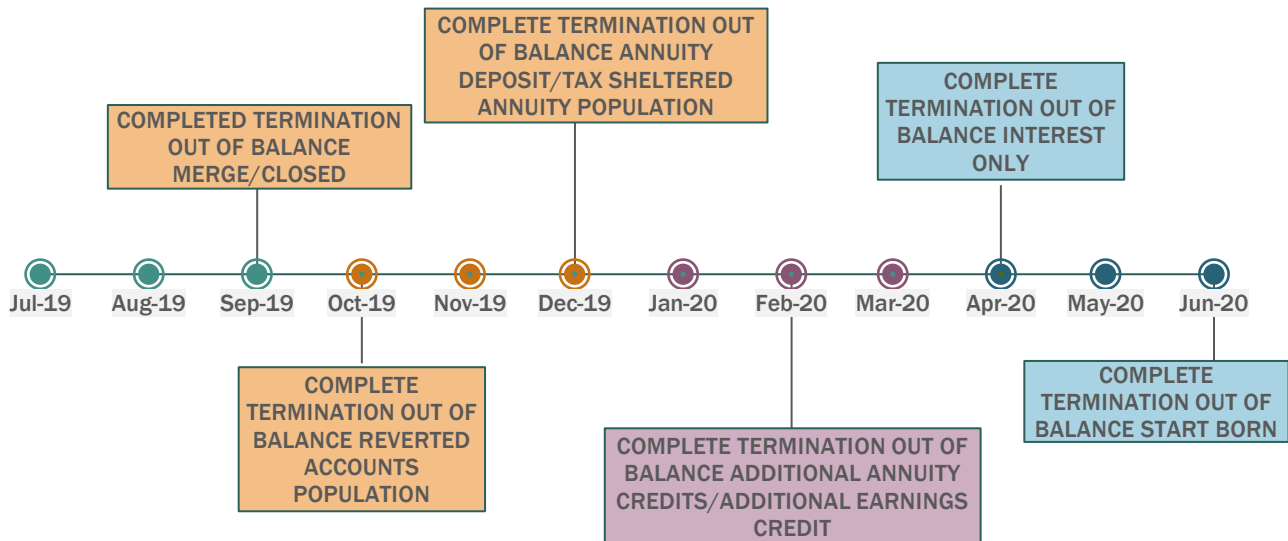
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2019

- Complete Termination Out of Balance – Reverted Accounts Population.
- Complete Termination Out of Balance – Annuity Deposit/Tax Sheltered Annuity Population.
- Complete 17 additional Functional Rollout 2 basic issues.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2019–20 MAJOR MILESTONES⁷



⁶ Termination Out of Balance – Correction of erroneous contribution and interest amounts on accounts that were not closed out correctly after benefit inception or for which there should not be contributions and interest remaining. The entire population is divided into ten subpopulations, which are defined by specific account conditions that cause the data issue and drive the data fix solution.

⁷ As approved by Pension Solution Steering Committee.

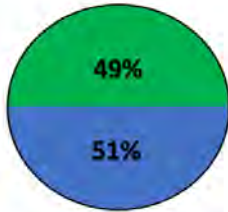
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

EIM SOFTWARE TOOL

Procurement and implementation of a tool that will support effective information management and governance throughout the enterprise's repositories. It will manage and enforce internal controls for unstructured data such as electronic documents and emails related to members and internal enterprise operations.

Project Budget

\$1.03M



● % Expended ● % Remaining

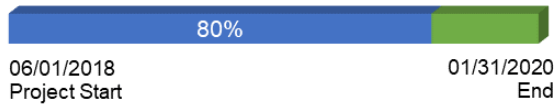
ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2019

- Executed contract for solution and vendor services.
- Completed project management planning phase.
- Completed provisioning of the development environment.

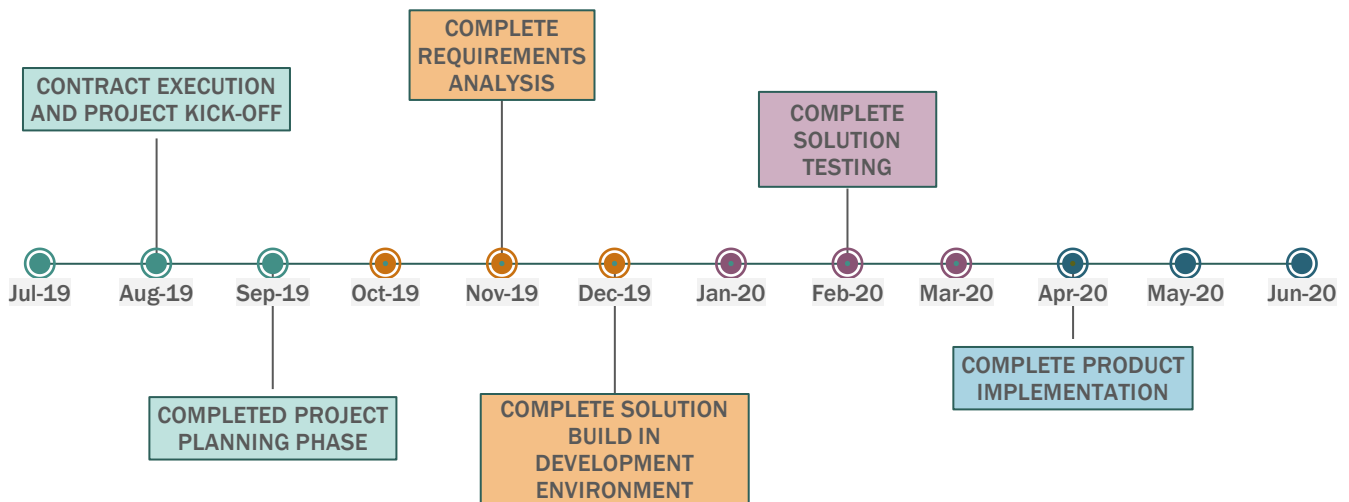
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2019

- Complete project requirements analysis phase.
- Complete solution build in development environment.

PROJECT SCHEDULE STATUS TIMELINE⁸



FISCAL YEAR 2019–20 MAJOR MILESTONES



⁸ Project was approved May 2019, but contract did not execute until mid-August 2019, which impacts the approved end date. The project team is preparing a change request seeking to extend the project schedule.

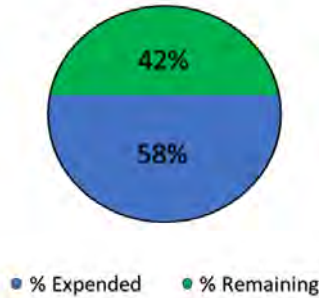
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

PENSION SOLUTION

The Pension Solution project will replace CalSTRS legacy pension administration system to increase the organization's ability to respond to business and customer needs; enhance services to members, beneficiaries, staff and employers; gain long-term operational efficiencies; and improve internal controls.

Project Budget

\$285.8 Million



ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2019

- Completed User Acceptance testing for Functional Rollout 1 (Employer Reporting functionality).
- Completed Parallel testing for Functional Rollout 1.
- Completed Final Dry Run activities for Functional Rollout 1.
- Performed cut-over activities for Functional Rollout 1.
- Conducted new system functionality demonstration (5th of 5) for Functional Rollout 2 (Benefit/Payment cancellations, Tax documentation, Survivor Benefits).
- Completed development activities for Functional Rollout 2.
- Achieved the project milestone of commencing Joint Application Development activities for Functional Rollout 3.

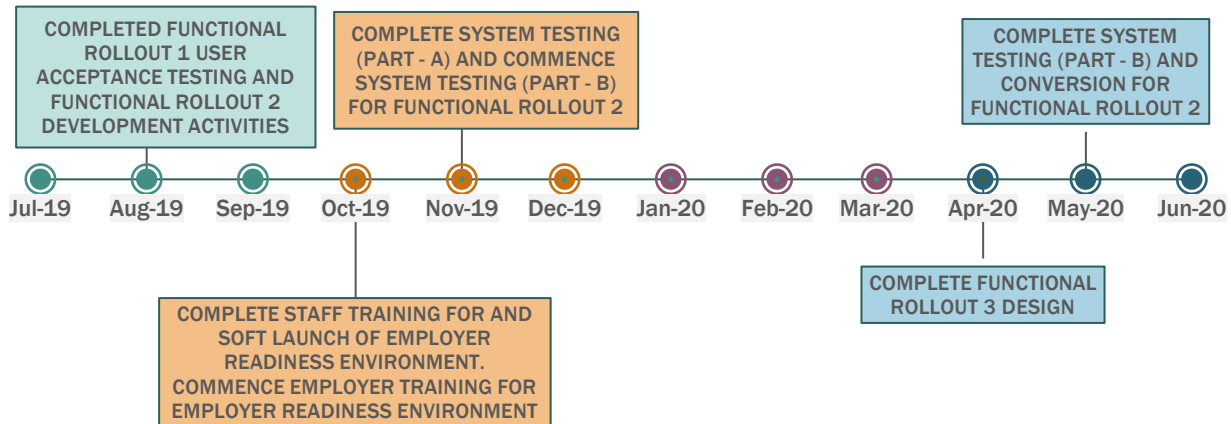
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2019

- Complete soft launch of Employer Readiness Environment.
- Complete staff training for the Employer Readiness Environment.
- Achieve the project milestone of Commencing Employer Training for Employer Readiness Environment.
- Complete System Testing (Part -A) for Functional Rollout 2.
- Achieve the project milestone of Commencing System Testing (Part-B) for Functional Rollout 2.
- Complete Fit/Gap activities for Functional Rollout 3 (Customer Service Management, Mobile Applications, and Accessibility).

PROJECT SCHEDULE STATUS TIMELINE⁹



FISCAL YEAR 2019–20 MAJOR MILESTONES



⁹ Pension Solution Status Timeline represents the project period beginning with the Fiscal Year 2014-15 through the July 2018 board-approved change request of January 2023.

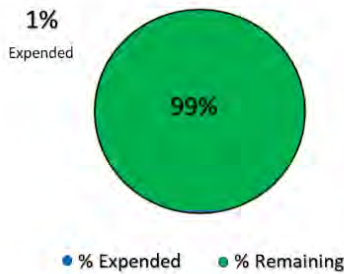
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

SAP SUCCESSFACTORS

The SAP SuccessFactors project will improve efficiencies by automating Human Resource (HR) processes, delivering real-time data and a self-service platform for all CalSTRS staff. The solution includes a core HR platform and tools for time management, learning and development, performance and goals, succession planning, onboarding, workforce planning and analytics. This is a multi-year project that will be implemented in phases. Employee Central is the first module and includes a core HR platform and time management.

Project Budget

To Be Determined¹⁰



ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2019

- Progressed current-state business process documentation (61%) and functional requirements refinement (67%) for Employee Central.
- Transitioned Project Manager (PM) role to new core team member.
- Additional Business Analyst (BA) added to the team to document interface and data requirements. Analysis has started and progressing efficiently.
- Solution name (HR Link) and icon selected.

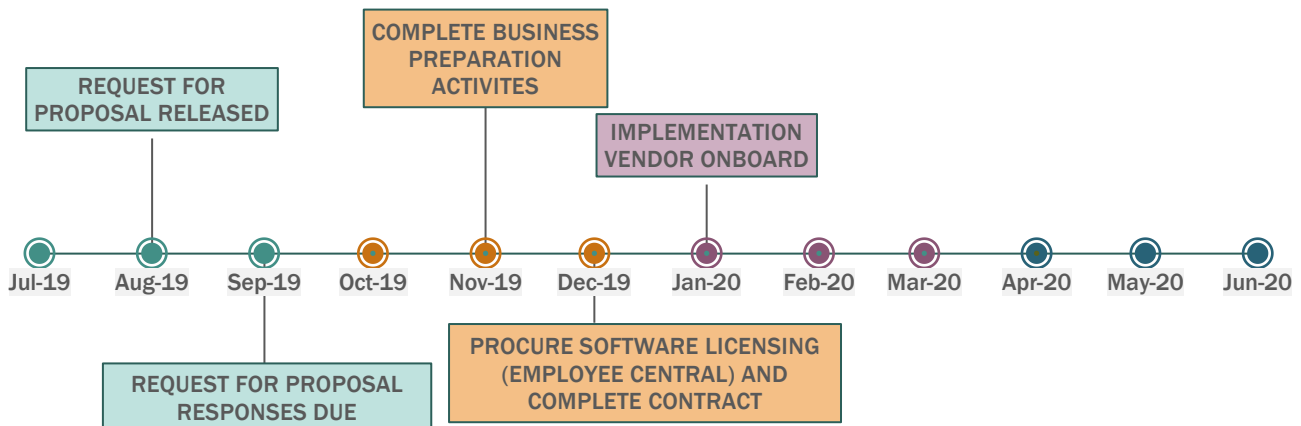
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2019

- Conduct vendor interviews for implementation services.
- Select vendor for implementation services and finalize contract.
- Procure software licenses leveraging the Software Licensing Program offered through the Department of General Services.
- Finalize current-state business process documentation and requirement refinement for Employee Central, including external interface requirements.
- Complete interface and data requirement analysis.
- Launch project site on Employee Central.
- Conduct internal change management activities to promote project awareness.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2019–20 MAJOR MILESTONES



¹⁰ SAP SuccessFactors – The project budget will be determined once procurement is finalized; expenditures to date cover a contract Business Analyst.

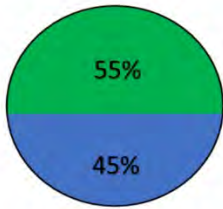
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

TRANSFORMATION READINESS

The Transformation Readiness project (formerly Business Transformation) supports business areas and prepares staff for impacts, changes and benefits from large enterprise modernization efforts.

Project Budget

\$16.4 Million



● % Expended ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2019

- Supported change and communication efforts to prepare for the soft launch of the Employer Readiness Environment go-live on October 7.
- Updated change management roadmaps for each business area affected by Pension Solution.
- Completed to-be process documentation to support change and testing preparation.
- Supported the final two-day system demonstration of system functionality.
- Completed and then published the Introduction to BenefitConnect computer-based training module to the CalSTRS learning management system.
- Held a Change Champion Network Quarterly meeting to increase project awareness and provide an opportunity for participants to share best practices.

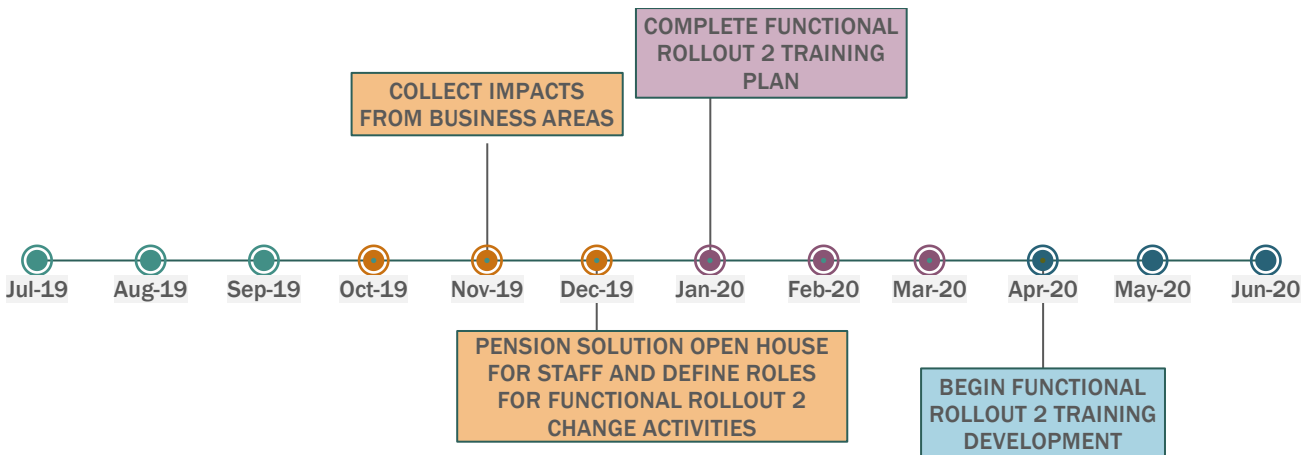
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2019

- Verify readiness approach with affected business areas to define roles and responsibilities for change activities related to Functional Rollout 2.
 - Deliver process readiness overviews regarding Benefit Payroll, Service Credit Purchase and Community Property functions.
 - Develop Change Management for Leaders computer-based training module.
 - Deliver pilot “Leader’s Role in Change” training session.
 - Finalize first phase of employer-facing computer-based training modules and support employer readiness activities.
- Present Employer Readiness Environment overview training to increase awareness of affected Financial Services Branch staff.

PROJECT SCHEDULE STATUS TIMELINE







FISCAL YEAR 2019–20 MAJOR MILESTONES



OTHER ENTERPRISE PROJECTS UNDER \$1 MILLION

The following table summarizes other enterprise projects during the first quarter.

Project and Description	Project Duration	Schedule (Status)	Project Budget ¹¹	Budget Expended ¹²	Budget (Status)
<p>SAP Concur (Travel and Expense Management)</p> <p>Adds a new digital service to the CalSTRS portfolio while significantly improving the end user experience. Provides travelers a “one stop shop” for all travel and expense needs which does not exist in the current application and significantly decreases the time it takes users to create and submit expense reports while reducing the high number of errors during the expense submission process.</p>	Estimate 8-10 months		\$845,000	\$0	
<p>FI\$Cal R17 Changes</p> <p>Updates file formats and file transfer processes necessary to support the exchange of files associated with the FI\$Cal project.</p>	Dec 2016 – Sep 2019	 ¹³	\$319,965	\$209,926	

Schedule & Budget Indicators ● *On Track* ⚠ *Warning* ● *Critical* ✓ *Complete* ✗ *Cancelled* ⌚ *Not Started*

¹¹ Project Budget – Amount represents the sum of the projects’ prior years’ actual expended, remaining encumbrances, and current and future years budgeted amounts. In addition, those projects with a \$0 budget utilize internal resources and operational program budgets.

¹² Budget Expended – Amount represents the total expended.

¹³ FI\$Cal R17 Changes – CalSTRS is ready to deploy and is awaiting FI\$Cal’s deployment date, as it is an external dependency. Due to the uncertainty of when FI\$Cal and SCO will be ready to go-live, this project has been placed on hold and will be removed from the report until there is something new to report.

