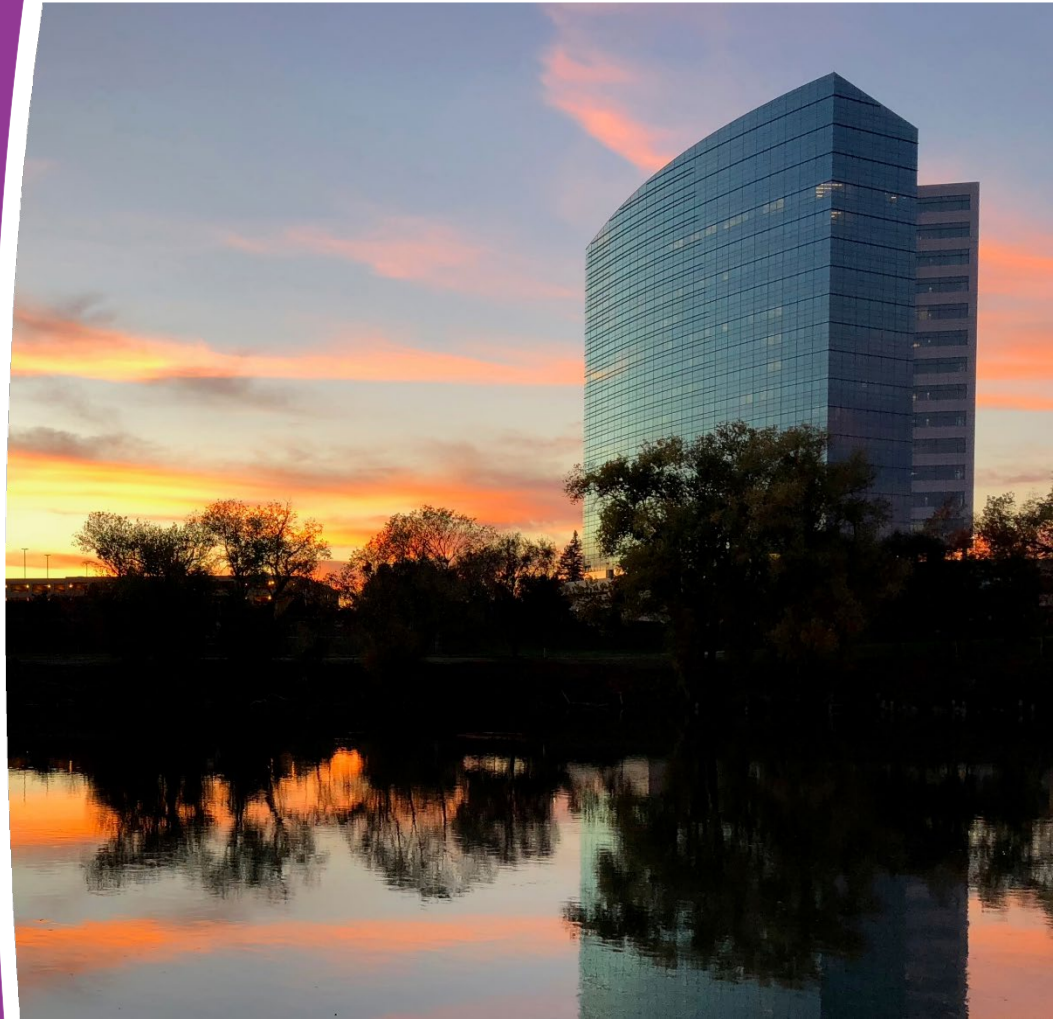




Enterprise Technology Projects

FISCAL YEAR

2020-21



SECOND QUARTER REPORT

Quarter Ending December 31, 2020

ENTERPRISE TECHNOLOGY PROJECTS

FISCAL YEAR 2020-21
SECOND QUARTER REPORT

At the end of the second quarter for fiscal year 2020-21, CalSTRS had eight enterprise projects: five major technology projects over \$1 million and three additional projects under \$1 million.

The Project Support Office (PSO) 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

Diane Stanton

Acting Public Affairs Executive Officer

Ashish Jain

Chief Technology Officer

Bill Perez








Chief Benefits Officer

Scott Chan

Deputy Chief Investment Officer

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

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

Project Name	Project Duration	Schedule (Status)	Project Budget ¹	Budget Expended ²	Budget (Status)
Data Quality	Nov 2011 – Jun 2022		\$30,910,879	\$23,642,643	
Datacenter Hosting and Migration Services	Nov 2020 – Oct 2023		\$19,900,000	\$0	
HR Link	Dec 2018 – Aug 2021		\$1,491,058	\$358,741	
Pension Solution	Jul 2014 – Feb 2023	 ³	\$304,833,040	\$197,164,549	
Transformation Readiness	Jul 2016 – Jun 2021		\$16,795,033	\$11,336,943	

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 Although the schedule has been in warning status since the 4th quarter of Fiscal Year 2019/2020, the project is providing more information. The yellow indicator is due to the vendor experiencing significant delays with Contractor Acceptance Testing - Part B (CAT-B) for Functional Rollout 2. CalSTRS is also experiencing a lower than expected pass rate in User Acceptance Testing. Additionally, the vendor is making slower progress in fixing the defects than anticipated. These delays and challenges impact downstream activities such as User Acceptance Testing and Training, etc.

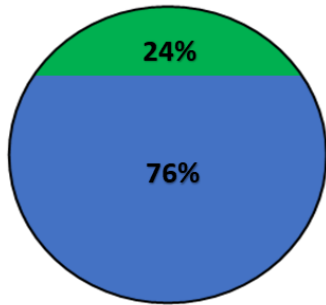
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

DATA QUALITY

The Data Quality project 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

\$30.9 Million



● % Expended ● % Remaining

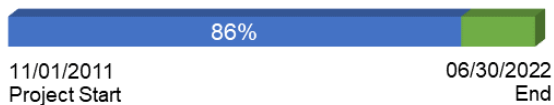
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2020

- Completed or closed six conversion fallout issues.
- Triaged thirty-one conversion fallout issues.
- Completed Pre-User Acceptance testing activity.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2021

- Complete User Acceptance Testing data collection support
- Complete Parallel Testing support
- Complete Termination Out of Balance Additional Annuity Credit / Additional Earnings Credit Population and START (legacy pension administration system) False Balances

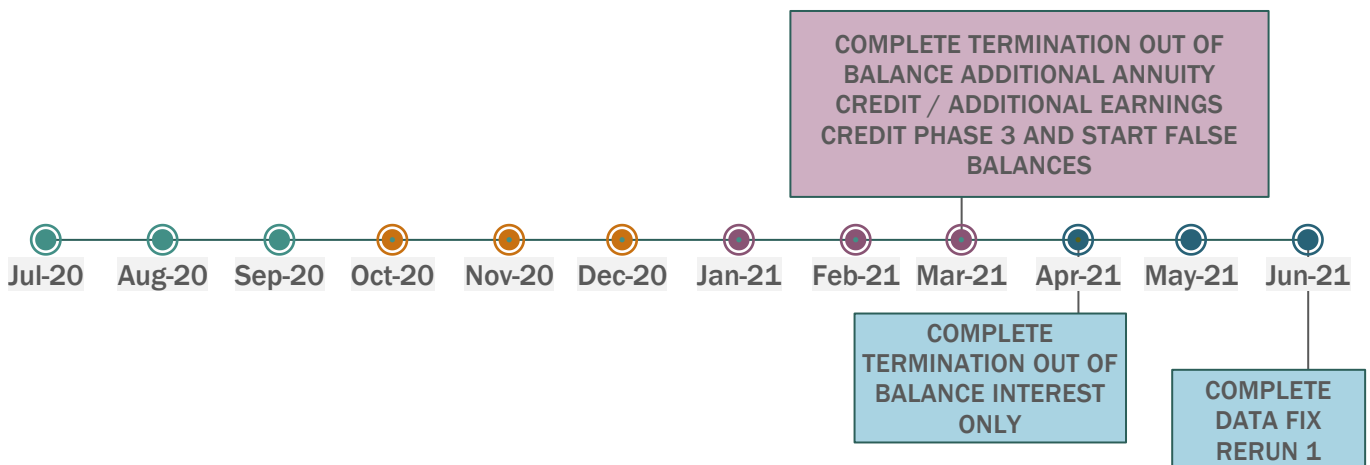
PROJECT SCHEDULE STATUS TIMELINE



11/01/2011
Project Start

06/30/2022
End

FISCAL YEAR 2020–21 MAJOR MILESTONES⁴



⁴ As approved by Pension Solution Steering Committee.

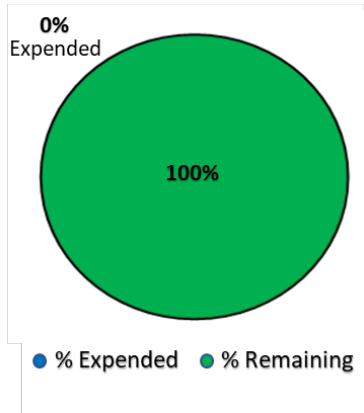
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

DATACENTER HOSTING AND MIGRATION SERVICES

The Datacenter Hosting and Migration Services project will enable CalSTRS to mitigate the business continuity risks, supports CalSTRS enterprise strategic goals, and establishes a flexible framework for operational efficiency and cost optimization through the migration of on-premise critical systems/equipment onto a multi-modal data center solution.

PROJECT BUDGET

\$19.9 Million



ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2020

- Completed the Project Kick-Off Meeting, project planning and staffing preparation, and onboarding of the vendor staff needed for Stage 1.
- Completed the procurement process for the new SD-WAN solution (software-defined (SD) networking in a wide area network (WAN). SD-WAN simplifies the management and operation of a WAN by decoupling the networking hardware from its control mechanism.) that will provide the backbone network communications between CalSTRS Headquarters building, the two new Datacenter (DC) buildings, and the Amazon Web Services (AWS) cloud environment.

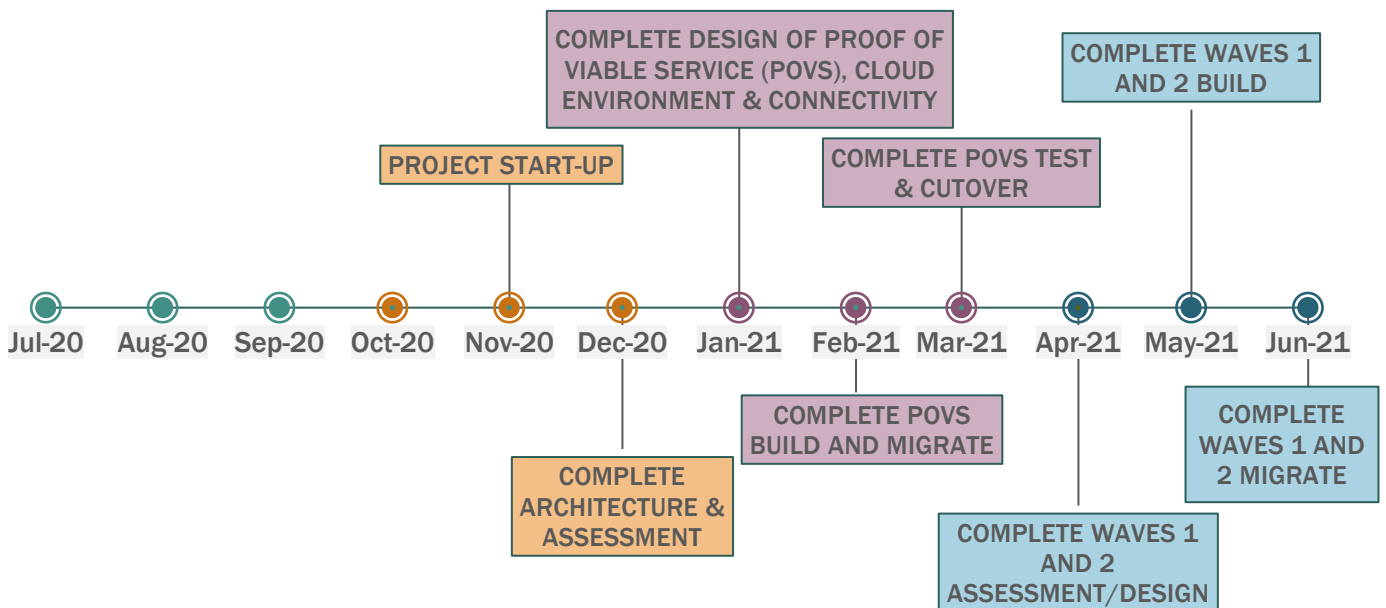
PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2021

- Complete the assessment of current datacenter and application architecture.
- Complete the build-out of new hybrid cloud environment at the two new DC buildings and the AWS cloud environment.
- Perform the build-out and migration of the applications identified to fulfill the Proof of Viable Services (PoVS) for the Project.
- Begin the assessment and design effort for the BusinessDirect (BD) migration.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2020–21 MAJOR MILESTONES



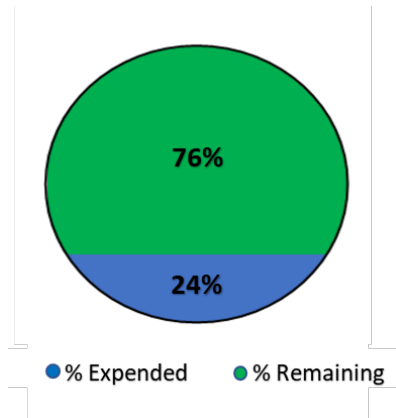
HR LINK

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

The HR Link 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 and Learning and Development are the first modules and include a core HR platform, time and attendance management, and a learning management system.

PROJECT BUDGET

\$1.5 Million



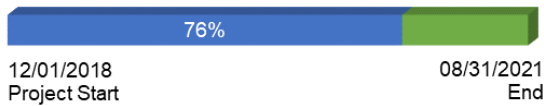
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2020

- Completed Iteration 1 (workshops, configuration, validation)
- Completed Iteration 2 workshops for Employee Central and Time and Attendance.
- Approved change request to expand integration with State Controller’s Office CLAS system to send data as well as receive data.

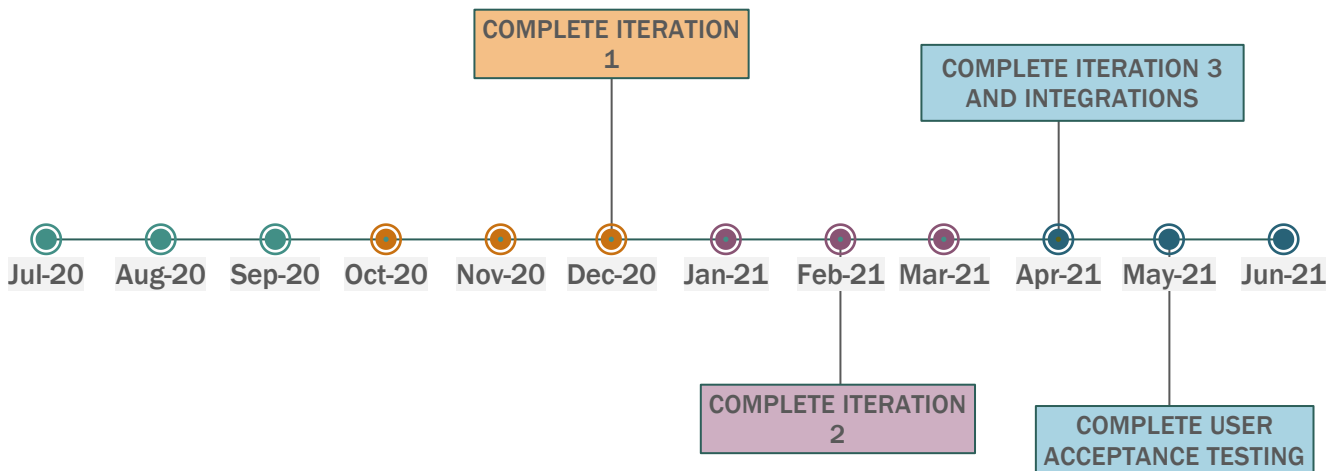
PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2021

- Complete Iteration 2.
- Complete Iteration 3 configuration activity.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2020–21 MAJOR MILESTONES



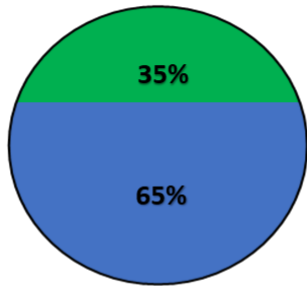
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

PENSION SOLUTION

The Pension Solution project will replace the 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

\$304.8 Million



● % Expended ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2020

- Completed Readiness Visits with 80% of all Report Sources.
- Completed Maintenance Release 2 Contractor Acceptance Testing execution activities for Functional Rollout 1.
- Commenced Maintenance Release 2 User Acceptance Testing activities for Functional Rollout 1.
- Completed Pre-User Acceptance Testing for Functional Rollout 2.
- Commenced User Acceptance Testing for Functional Rollout 2.
- Implemented a new Employer Readiness Environment for employer testing efforts.

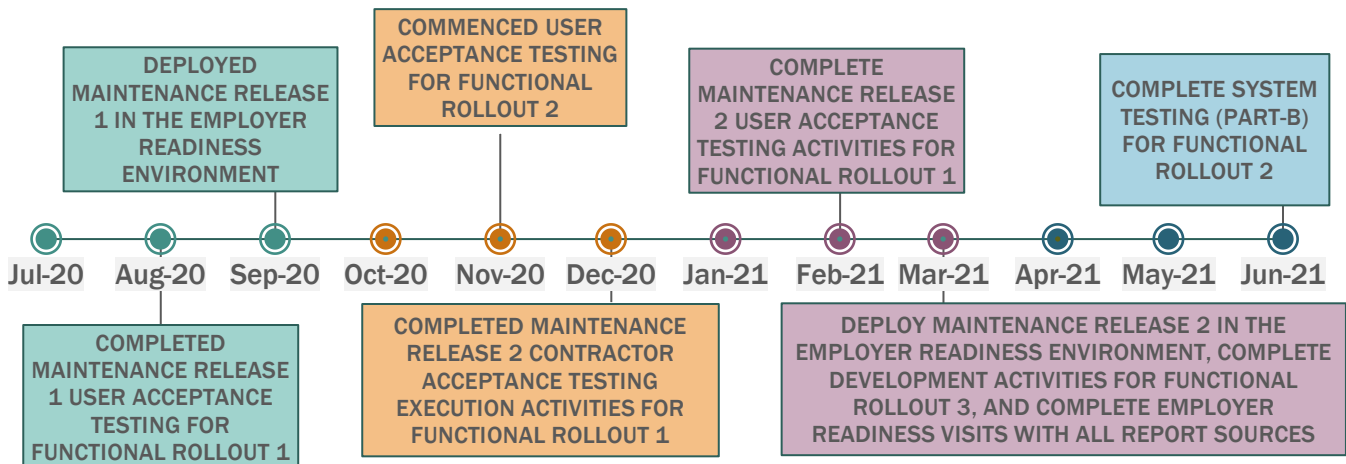
PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2021

- Complete Employer Readiness Visits for all Report Sources.
- Commence Employer Final File Validation activities.
- Update the Employer Toolkit.
- Complete Maintenance Release 2 User Acceptance Testing activities for Functional Rollout 1.
- Complete Maintenance Release 2 Implementation activities for Functional Rollout 1.
- Complete System Testing (Part-B) for Functional Rollout 2.
- Deliver Functional Rollout 2 Computer-Based Trainings to employers.
- Complete Development activities for Functional Rollout 3.
- Commence Functional Rollout 3 User Acceptance Testing Test Case Development.

PROJECT SCHEDULE STATUS TIMELINE⁵



FISCAL YEAR 2020-21 MAJOR MILESTONES



⁵ Pension Solution Status Timeline represents the project period beginning with the Procurement phase in Fiscal Year 2014-15 and the Implementation phase starting in July 2015 through January 2023 (the July 2018 board-approved change request).

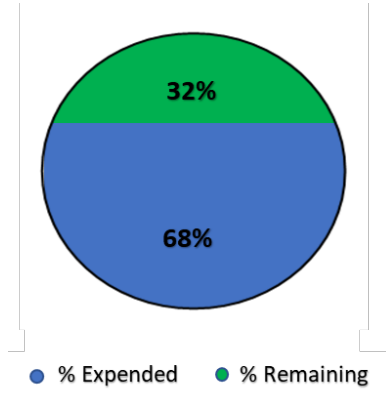
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

TRANSFORMATION READINESS

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

PROJECT BUDGET

\$16.8 Million



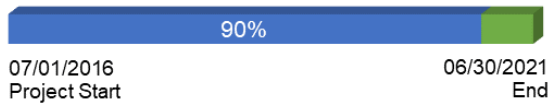
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2020

- Completed Business Process Readiness Analysis for Functional Rollout 2.
- Conducted a Change Readiness Assessment.
- Completed training material drafts for the 40 Functional Rollout 2 training courses for staff, members and employers in collaboration with business area training staff and subject matter experts.
- Conducted virtual instructor-led training and computer-based training workshops for Functional Rollout 2 course developers.

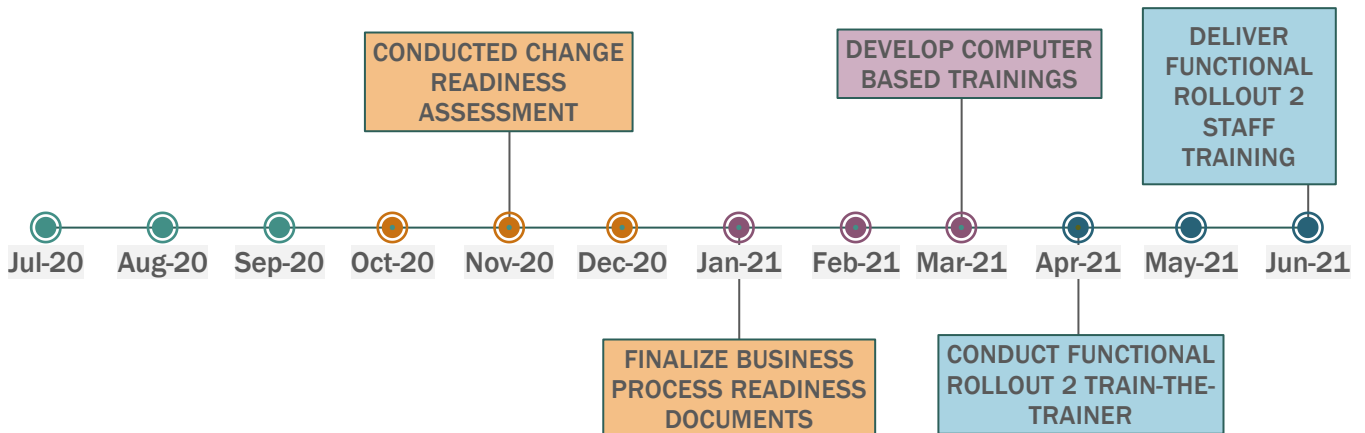
CONDUCTED THREE KNOWLEDGE TRANSFER EVENTS WITH TECHNOLOGY SERVICES PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2021

- Complete the Functional Rollout 2 computer-based training draft scripts.
- Complete Business Process Readiness Analysis for Functional Rollout 3.
- Consolidate and reformat the Role Profile Matrix in preparation for conversion.
- Launch the Change Management Dashboard to provide on-demand status of organization change readiness.
- Develop and launch the Change Management Activity Catalogue.
- Complete the Functional Rollout 2 Train-the-Trainer and Staff Training Schedules.
- Finalize Pension Solution learning plans for CalSTRS employees.
- Finalize training materials for the 40 Functional Rollout 2 training courses for staff, members and employers in collaboration with business area training staff and subject matter experts.

PROJECT SCHEDULE STATUS TIMELINE









FISCAL YEAR 2020-21 MAJOR MILESTONES



OTHER ENTERPRISE PROJECTS UNDER \$1 MILLION

The following table summarizes other reportable enterprise projects under \$1 million during the second quarter.

Project and Description	Project Duration	Schedule (Status)	Project Budget ⁶	Budget Expended ⁷	Budget (Status)
CalSTRS.com Modernization Provides CalSTRS with a modern public-facing website that meets the latest web architecture standards and caters to members, investors, and all other CalSTRS business partners' needs.	Sep 2020 – Jan 2022		TBD ⁸	\$0	
Print to Mail Software Install and integrate Pitney Bowes print-to-mail software, Planet Press, between the new pension administration system and our centralized printer. Provides the ability to process outgoing member correspondence in zip code order and varying page-counts, to align with how it is generated by BenefitConnect. Provides a modern print-to-mail software solution with more automated workflow and built-in security oversight protections and risk-mitigation measures.	Dec 2020 – Oct 2021		\$559,283	\$0	
SAP Concur (Travel and Expense Management) 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.	Jan 2020 – May 2021		\$865,000	\$355,786	

Schedule & Budget Indicators  *On Track*  *Warning*  *Critical*  *Complete*  *Cancelled*  *Not Started*

⁶ Project Budget – Amount represents the sum of the projects' prior years' actual expended, remaining encumbrances, and current and future years budgeted amounts.

⁷ Budget Expended – Amount represents the total expended.

⁸ CalSTRS.com Modernization budget – The project is currently in the procurement phase. The budget will be made public at the completion of the procurement phase.

