CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?

Enterprise Technology Projects
FISCAL YEAR
2022-23
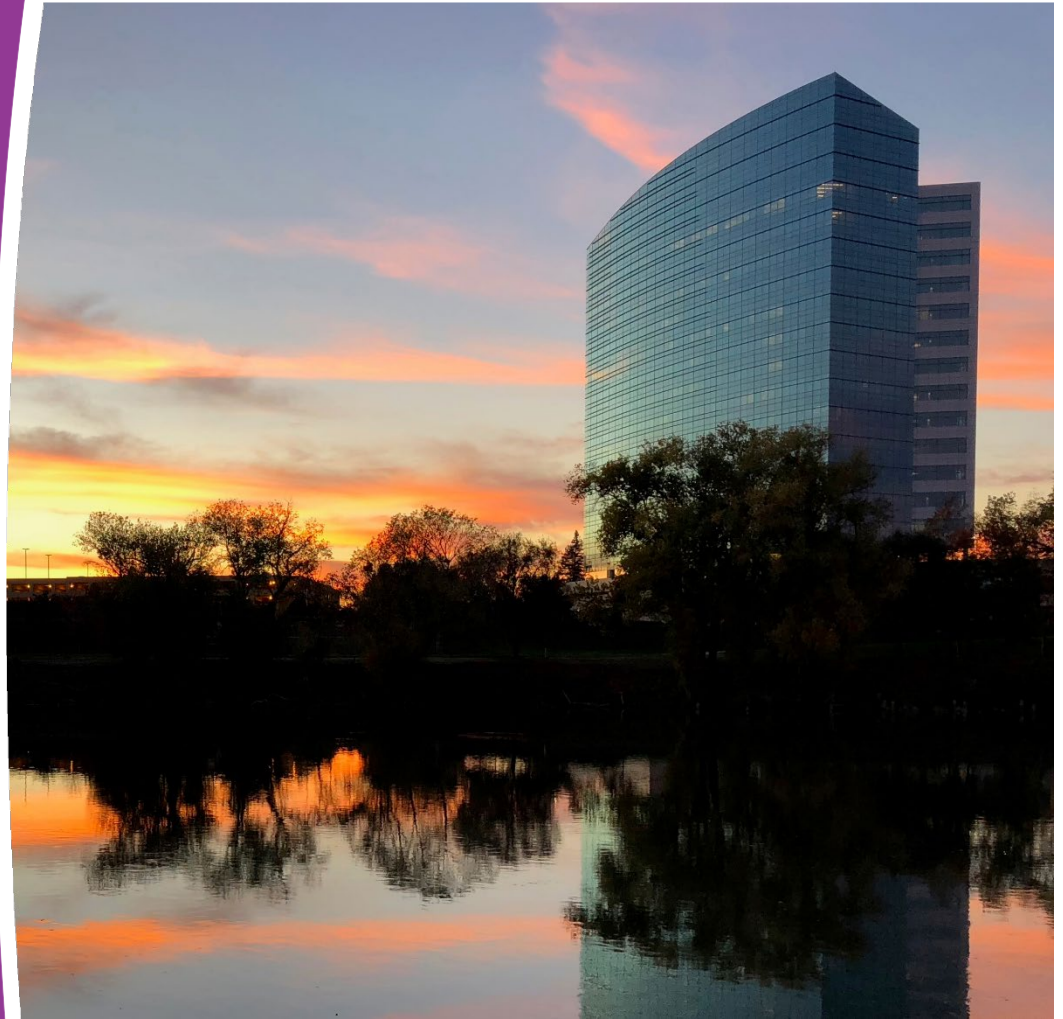
FIRST QUARTER REPORT
Quarter Ending September 30, 2022

At the end of the first quarter for fiscal year 2022-23, CalSTRS had seven enterprise projects: six major technology projects over $1 million and one additional project under $1 million.

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

ENTERPRISE PROGRAM INVESTMENT COUNCIL MEMBERS

Cassandra Lichnock	**Lisa Blatnick**
Chief Executive Officer	Chief Operating Officer
Julie Underwood	**Melissa Norcia**
Chief Financial Officer	Chief Administrative Officer
Teresa Schilling	**Ashish Jain**
Chief Public Affairs Officer	Chief Technology Officer
Bill Perez	**Scott Chan**
Chief Benefits Officer	Deputy Chief 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)
BusinessDirect Retrofit	Apr 2017 – Jan 2023	⚠️ [3]	$9,769,238[4]	$8,341,105	🎯
Data Quality	Nov 2011 – Dec 2022	🎯	$30,910,879	$28,727,949	🎯
Datacenter Hosting and Migration Services	Nov 2020 – Oct 2023	🎯	$18,900,000	$12,479,031	🎯
HR Link	Dec 2018 – Jun 2022[5]	🎯	$2,163,751	$1,185,031	🎯
Pension Solution	Jul 2014[6] – Jan 2023	⛔ [7]	$334,833,040	$279,115,689	🎯
Transformation Readiness	Jul 2016 – Dec 2022	🎯	$18,800,703	$17,384,270	🎯

Schedule & Budget Indicators   🎯 *On Track*   ⚠️ *Warning*   ⛔ *Critical*   ✓ *Complete*   ✗ *Cancelled*   ⏱️ *Not Started*

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[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] BusinessDirect Retrofit – The yellow warning schedule status indicator is due to dependency on the implementation schedule for the Pension Solution Project.

[4] BusinessDirect Retrofit – In addition to the amount reported above, the Pension Solution Project is providing $5.4 Million funding for system enhancements to pension administration-related functionality.

[5] HR Link – Both phases of the project are approved. The schedule, however, is currently approved through the end of Phase 1. A Change Request for Phase 2 is in process which will include the schedule for Phase 2.

[6] Pension Solution – Project Start Date represents the effective date of the first comprehensive project budget approved by the Teachers' Retirement Board and when the Budget Change Proposal approved by the Department of Finance and included in the Governor's budget became available. Pre-implementation (Discovery, Requirements, and Procurement) began in 2010.

[7] Pension Solution – The red critical schedule status indicator is due to the vendor and CalSTRS tasks experiencing delays. Agreement was reached with System Integration vendor to transition remaining project work to a new vendor and allow progress to continue during an interim services period. The project is replanning the schedule and remaining project activities.

BUSINESSDIRECT RETROFIT

The BusinessDirect Retrofit project goals and objectives are to support CalSTRS in the implementation of a new pension administration system, BenefitConnect. This will be accomplished by modifying BD to migrate specific pension functionality out of BD and into BC, building new interfaces between BD and BC, modifying some existing interfaces between BD and BC and external entities, and extracting/mapping historical data from BD to BC to support functionality migration.

NOTE: The schedule for this project is dependent on the Pension Solution Project schedule. For this reason, it is unknown at this time what major activities and milestones (aside from those shown below) are expected to be completed during the next quarter.

PROJECT BUDGET

$9.8 Million

15%

85%
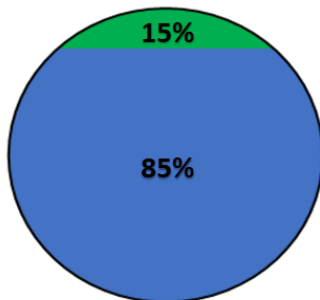
● % Expended   ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2022

- No accomplishments noted for this reporting period due to this project being on hold until the Pension Solution Project schedule is determined.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2022

- Continuous monitoring of Pension Solution activities and work with system support vendor for resolution of outstanding defects, as needed.

PROJECT SCHEDULE STATUS TIMELINE
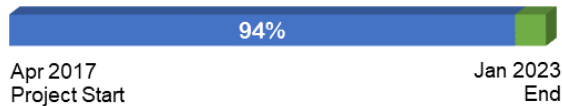
94%

Apr 2017
Project Start

Jan 2023
End

FISCAL YEAR 2022–23 MAJOR MILESTONES

Because the schedule for this project is dependent on the Pension Solution Project schedule, the expected milestone dates are not known until the schedule for the Pension Solution Project has been reforecasted.

Jul-22   Aug-22   Sep-22   Oct-22   Nov-22   Dec-22   Jan-23   Feb-23   Mar-23   Apr-23   May-23   Jun-23

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.
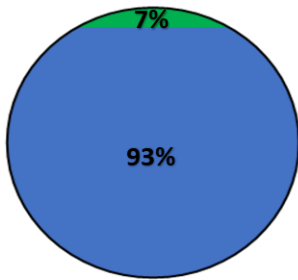
NOTE: A change request to extend the project through June 30, 2023, is in development to align with the current approval date of Pension Solution. During this extension period, the Pension Solution Project will work on re-baselining its schedule, at which time a new change request will be submitted to align Data Quality with Pension Solution, to continue rerunning data fixes, triage and resolve conversion fallout, and support Data Validation.

PROJECT BUDGET

$30.9 Million

- % Expended - % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2022

- Reran Member Lifecycle, Fix D.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2022

- Complete change request to extend project through June 30, 2023.

PROJECT SCHEDULE STATUS TIMELINE

| 98% |
| Nov 2011 Project Start | Dec 2022 End |

FISCAL YEAR 2022–23 MAJOR MILESTONES[8]

RERAN MEMBER LIFECYCLE FIX D

RERUN MEMBER LIFECYCLE FIX A

Jul-22 Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23

RERUN ARCHIVE FLAG

RERUN MEMBER LIFECYCLE FIX B

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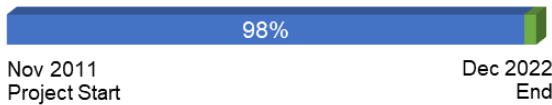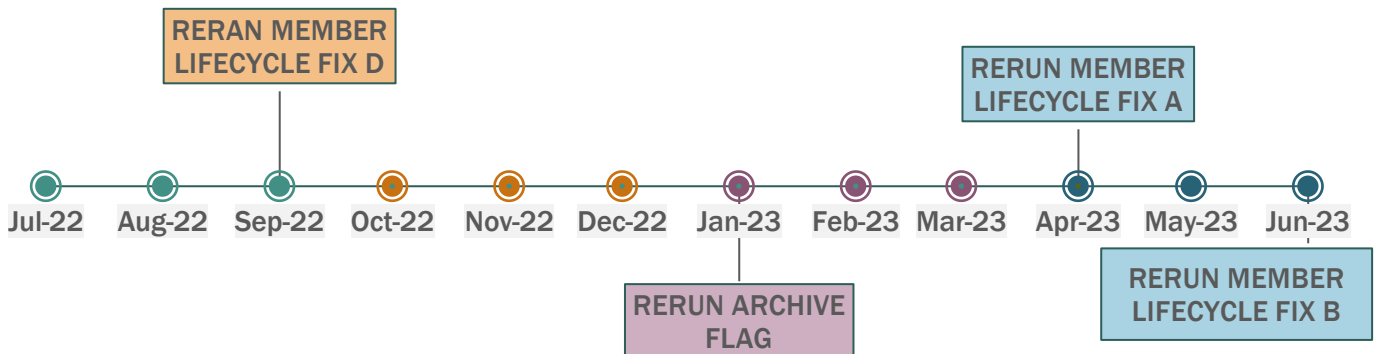
[8] As approved by Pension Solution Steering Committee.

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

$18.9 Million

● % Expended ● % Remaining

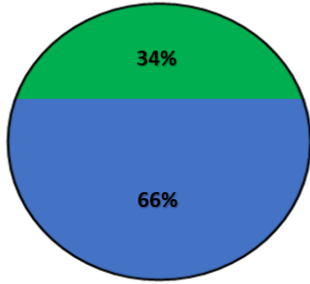### ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2022

- Transitioned into Maintenance & Operations for the infrastructure.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2022

- Complete the implementation & testing of the AppGate ZTNA remote access solution (myVirtualNetwork) to meet CalSTRS Disaster Recovery requirements.
- Redesign & Build of the VMware Horizon/VDI remote access solution (myVirtualDesktop) to meet CalSTRS Disaster Recovery requirements.

PROJECT SCHEDULE STATUS TIMELINE

64%

Nov 2020   Oct 2023

FISCAL YEAR 2022–23 MAJOR MILESTONES

NOTE: AWS = Amazon Web Service
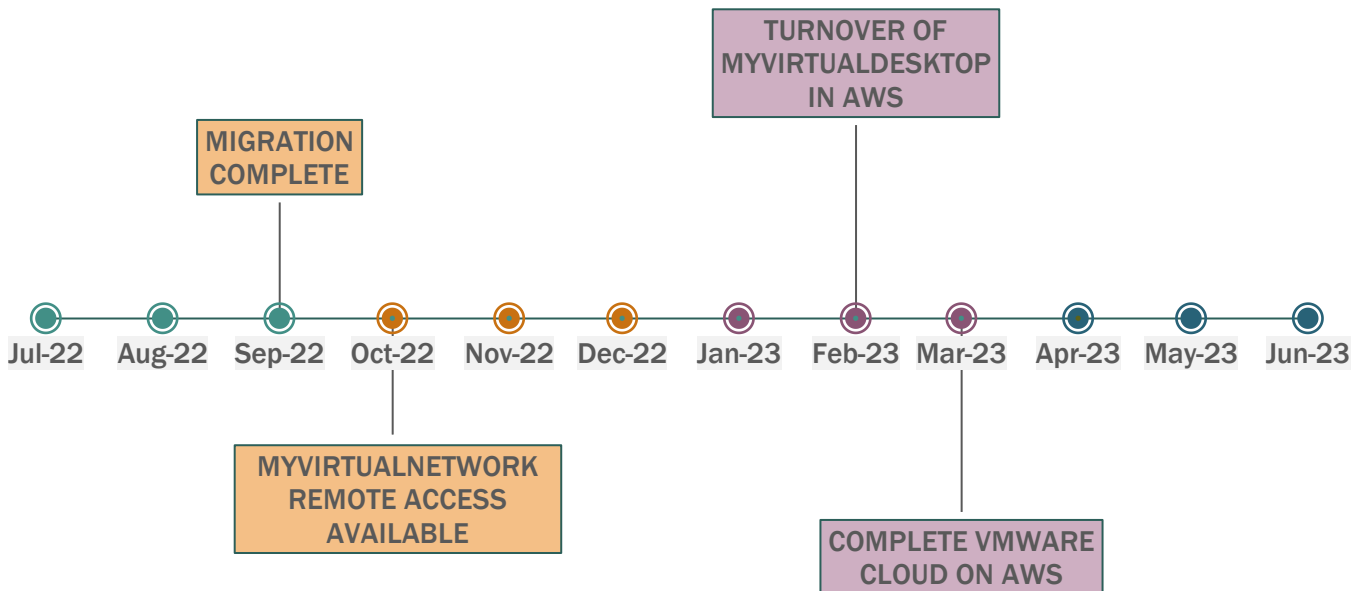
HR LINK

The HR Link project will improve efficiencies by automating Human Resource processes, delivering real-time data and a self-service platform for all CalSTRS staff. The solution includes a core HR platform, Employee Central, Learning and Development, Performance and Goals, Succession Planning, Onboarding, and Workforce Analytics modules. This is a multi-year project that will be implemented in two phases. Employee Central and Learning and Development are the first modules and include a core HR platform and a learning management system. The second phase includes the Onboarding, and Performance and Goals modules. Workforce Analytics and Succession Planning will be part of a future phase.

PROJECT BUDGET

$2.2 Million

- % Expended
- % Remaining

45%

55%
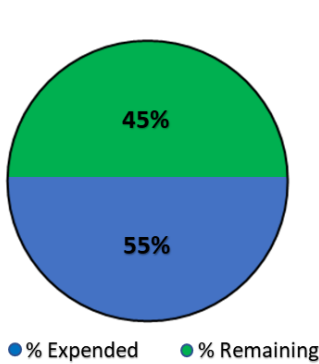
ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2022

- Completed integration with BusinessDirect.
- Kicked off Phase 2.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2022

- Complete Phase 2 change request to extend through August 31, 2023, and adjust the scope, to expand the Onboarding module with Cross-boarding, while removing Workforce Analytics and Succession Planning.

PROJECT SCHEDULE STATUS TIMELINE[9]

100%

Dec 2018
Project Start

Jun 2022
End

FISCAL YEAR 2022–23 MAJOR MILESTONES

COMPLETE BUSINESSDIRECT INTEGRATION

COMPLETE ITERATION 1 ONBOARDING

Jul-22 Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23

COMPLETE ITERATION 1 PERFORMANCE AND GOALS

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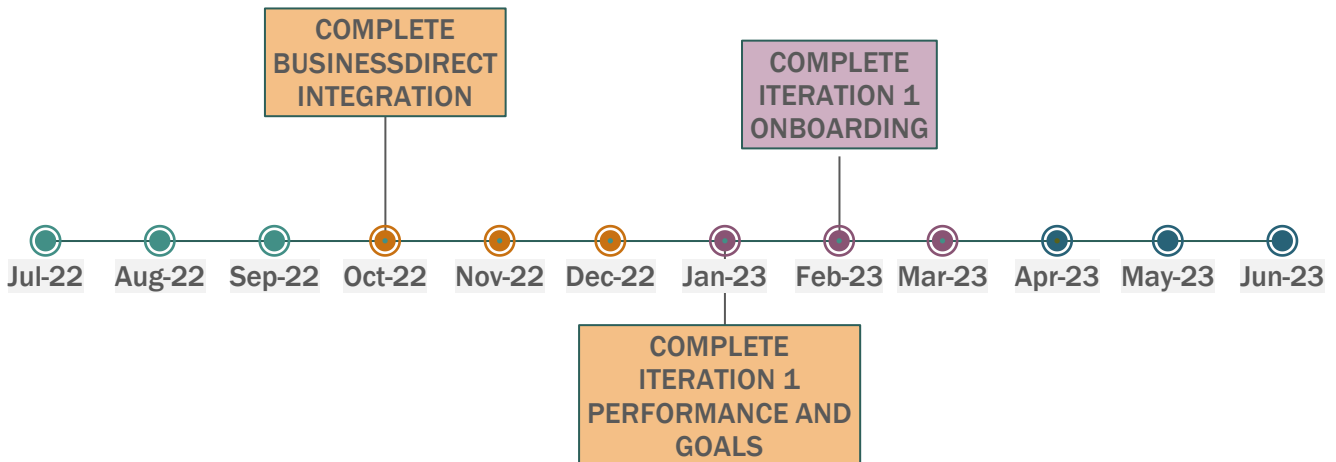
[9] Both phases of the project are approved. The schedule, however, is currently approved through the end of Phase 1. A Change Request for Phase 2 is in process which will include the schedule for Phase 2.

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.

NOTE: On June 28, 2022, CalSTRS and the technology vendor, CGI, mutually agreed that CGI will transition the remaining portion of the project work to another technology vendor. To ensure progress continued on the project during the transition, CGI provided knowledge transfer to an interim vendor and will continue to provide some essential services to CalSTRS through the end of their contract on June 30, 2023, including support for infrastructure, database administration, and other key areas. A new procurement will be developed to bring in a new vendor to complete the remainder of the project, targeted for July 1, 2023.

PROJECT BUDGET

$334.8 Million

- % Expended
- % Remaining

17%

83%
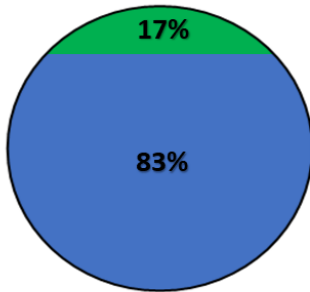
ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2022

- Passed 3,646 of 7,113 planned test runs for Functional Rollout 2 (FR2) User Acceptance Testing.
- Completed knowledge transfer and transition activities from CGI to interim services vendor Sagitec.
- Kicked off project improvement effort to apply lessons learned to future activities.
- Completed Non-Competitive Bid contract with interim services vendor to continue core activities.
- Collected information and made decisions contributing to authoring the procurement for the new implementation vendor.
- Drafted Request for Information to inform future procurement(s) related to the Pension Solution project.

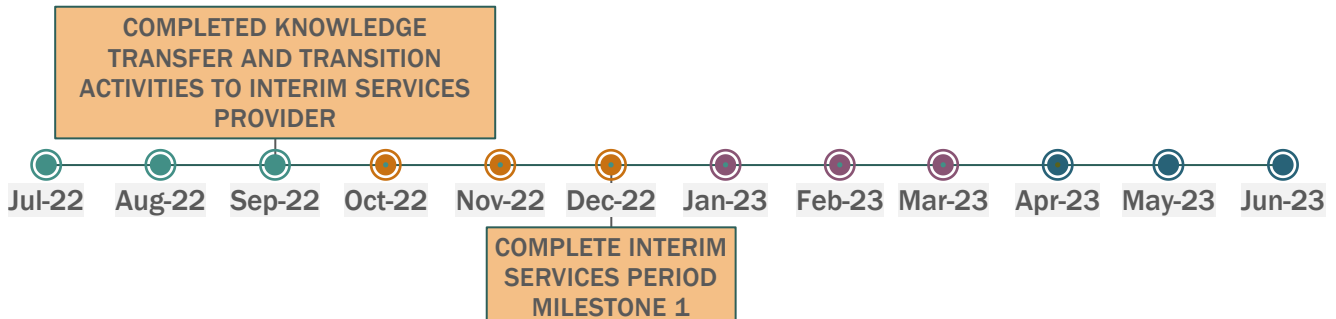### PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2022

- Complete Interim Services Period Milestone 1.
- Appoint Interim Project Director
- Release Request for Information to inform procurement for implementation vendor.
- Review responses to Request for Information.
- Complete planning activities to strengthen the project's foundation
- Identify top 10 lessons learned to be implemented by June 30, 2023.

PROJECT SCHEDULE STATUS TIMELINE

96%

Jul 2014
Project Start

Jan 2023
End
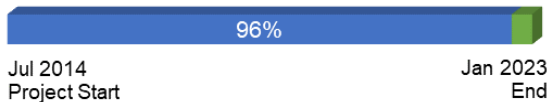
FISCAL YEAR 2022–23 MAJOR MILESTONES

NOTE: Milestones will be added after the schedule replanning efforts are finalized.

COMPLETED KNOWLEDGE TRANSFER AND TRANSITION ACTIVITIES TO INTERIM SERVICES PROVIDER

Jul-22   Aug-22   Sep-22   Oct-22   Nov-22   Dec-22   Jan-23   Feb-23   Mar-23   Apr-23   May-23   Jun-23

COMPLETE INTERIM SERVICES PERIOD MILESTONE 1

TRANSFORMATION READINESS

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

On June 28, 2022, CalSTRS and technology vendor, CGI, mutually agreed that CGI will transition the remaining portion of the project work to another technology vendor. A new procurement will be developed to bring in a new implementation vendor to complete the remainder of the project, targeted for July 1, 2023. Transformation Readiness will work closely with Pension Solution Project leadership to ensure that change management and learning activities are completed respective to the project schedule throughout the Interim Services Period.

PROJECT BUDGET

$18.8 Million

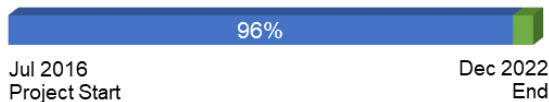- % Expended
- % Remaining
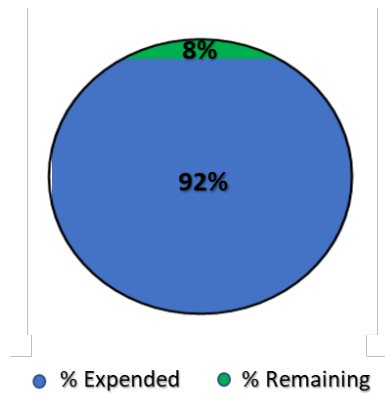
ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2022

- Completed Functional Rollout 2/Functional Rollout 3 training analysis lessons learned session and high-level summary.
- Introduced the Pension Solution Change Leadership Toolkit to business area leadership teams.
- Conducted knowledge transfer and transition activities from CGI to interim services vendor.
- Designed and developed Member Lifecycle computer-based training course
- Completed a full refresh and distributed the newest issue of the Pension Solution Messenger newsletter.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2022

- Provide introduction presentations and distribute the Change Leadership toolkit to all business areas.
- Refresh project onboarding materials for new team members.
- Socialize Learning & Development process improvements with business area training leadership.
- Complete informal needs assessment with User Area Training team as part of the Pension Solution Onboarding program revision.
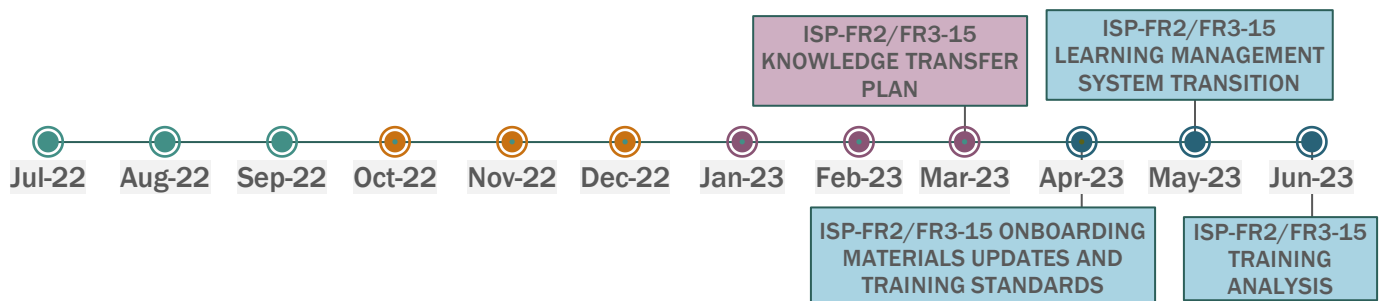
PROJECT SCHEDULE STATUS TIMELINE

Jul 2016
Project Start

96%

Dec 2022
End

FISCAL YEAR 2022–23 MAJOR MILESTONES

Because the schedule for this project is dependent on the Pension Solution Project schedule, the expected milestone dates will be adjusted to coincide with the needs of the Pension Solution Project throughout the Interim Services Period. *NOTE: ISP = Interim Services Period; FR = Functional Rollout*

ISP-FR2/FR3-15 KNOWLEDGE TRANSFER PLAN

ISP-FR2/FR3-15 LEARNING MANAGEMENT SYSTEM TRANSITION

Jul-22 Aug-22 Sep-22 Oct-22 Nov-22 Dec-22 Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23

ISP-FR2/FR3-15 ONBOARDING MATERIALS UPDATES AND TRAINING STANDARDS

ISP-FR2/FR3-15 TRAINING ANALYSIS

OTHER ENTERPRISE PROJECTS UNDER $1 MILLION

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

Project and Description	Project Duration	Schedule (Status)	Project Budget[10]	Budget Expended[11]	Budget (Status)
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	🔴 *12*	$559,283	$136,310	🎯

Schedule & Budget Indicators   🎯 *On Track*   ⚠️ *Warning*   🔴 *Critical*   ✓ *Complete*   ✗ *Cancelled*   ⏱️ *Not Started*

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

[11] Budget Expended – Amount represents the total expended.

[12] Print to Mail Software Schedule – The schedule status indicator is critical due to schedule dependency on the implementation schedule for the Pension Solution Project.