



Enterprise Technology Projects

Fiscal Year 2018-19
Second Quarter Report

Quarter Ending December 31, 2018

Enterprise Projects

Fiscal Year 2018/2019 – Second Quarter

At the end of the second quarter for fiscal year 2018-19, CalSTRS had twelve enterprise projects, four major projects over \$1 million and eight additional projects under \$1 million.

Of the eight projects under \$1 million, one was completed, one was implemented and is being closed, five are on track to be completed within schedule and budget, and one has not started.

The Project Management Office (PMO) monitors and reports on the technology appropriations budget and enterprise projects' status, monthly 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

Andrew Roth
Benefits and Services
Executive Officer

Debra Smith
Chief Operating
Investment Officer

Major Enterprise Projects

Fiscal Year 2018/2019 – Second Quarter

Project Name	Project Duration	Schedule	Project Budget ¹	Budget Expended ²	Budget
Business Transformation	Jul 2016 – Jun 2021	●	\$16,416,930	\$5,250,586	●
Data Preparation	Nov 2011 – Jul 2020	●	\$25,981,894	\$17,054,1292	●
Pension Solution	Jul 2014 – Jan 2023	●	\$285,833,040	\$139,304,742	● ³
SAP SuccessFactors	Dec 2018 – Jun 2020	●	\$1.2M – 1.7M	\$0	● ⁴

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

² Total Expended – Amount represents the total expended.

³ Pension Solution – Represents the actual and projected amounts for the project thru December 31, 2018.

⁴ SAP SuccessFactors – Represents an average of estimates to complete Phase 1; actual budget to be determined through the procurement process.

Major Enterprise Projects

Fiscal Year 2018/2019 – Second Quarter

Project Name	Purpose	Accomplishments/Progress
--------------	---------	--------------------------

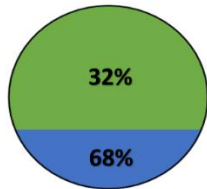
Business Transformation

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

Total Project Budget

\$16.4 Million

Project Budget Expended



● % Expended ● % Remaining

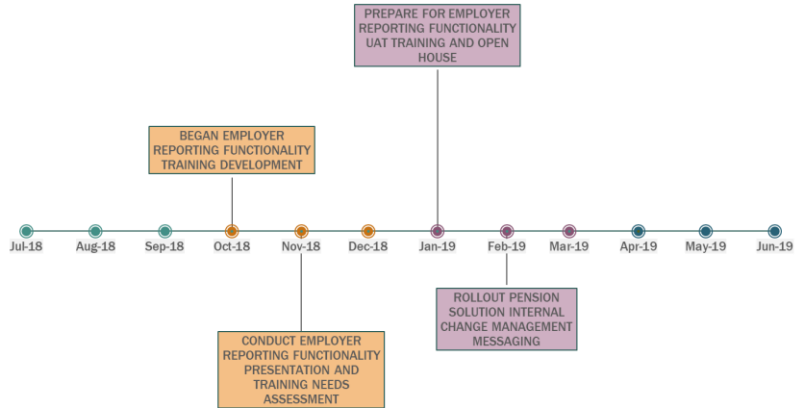
Period Ending December 31, 2018:

- Developed a strategy and approach to delivering multiple employer reporting functionality presentations to CalSTRS.
- Drafted the Member Account Services Training Assessment Report.
- Identified, defined and reviewed 382 terms for the Pension Solution terminology repository.
- Began the employer reporting functionality training design phase.
- Conducted a Readiness Assessment focus group with a subset of Technology Services leadership and staff.
- Delivered the Business Process Readiness (BPR) summary to the Disability and Survivor Benefits (DaSB) Director for the Process Disability Benefit Application BPR.
- Completed delivery of the 5th class in the Doing Change Management Series – Leaders' Role in Change.

Planned Deliverables by March 31, 2019:

- Develop transition support roadmaps templates to inform business areas of impactful activities from the Pension Solution project, Business Transformation schedules and transition and readiness activities needing completion by the business area.
- Complete the larger roll-out of information to the enterprise as a follow up to the employer reporting functionality presentation.

Fiscal Year 2018/2019 Major Milestones



Project Schedule Status Timeline



Major Enterprise Projects

Fiscal Year 2018/2019 – Second Quarter

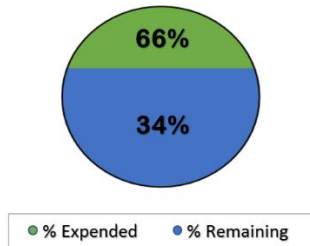
Project Name	Purpose	Accomplishments/Progress
--------------	---------	--------------------------

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

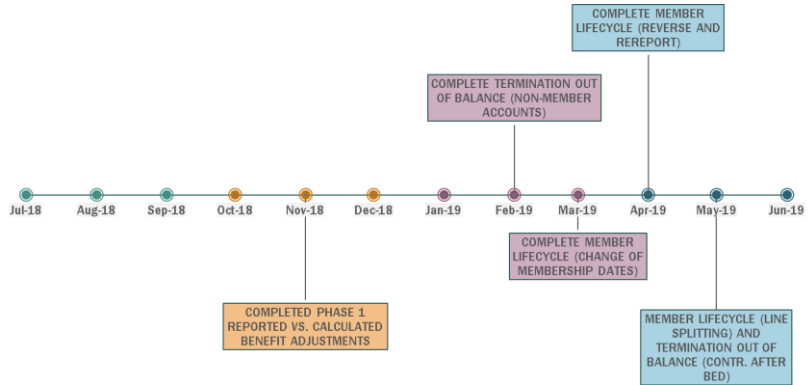
- Period Ending December 31, 2018:**
- Completed Phase 1 Reported vs. Calculated⁵ Benefit Adjustments.
- Planned Deliverables by March 31, 2019:**
- Complete Termination Out of Balance⁶ – Non-Member Accounts.
 - Complete the Member Lifecycle⁷ – Change of Membership Dates.

Total Project Budget
\$25.9 Million

Project Budget Expended



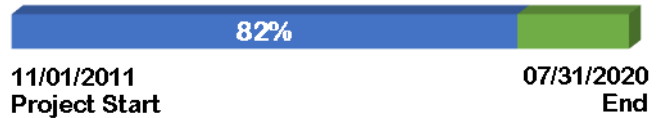
Fiscal Year 2018/2019 Major Milestones



Data Fixes Completed to Date

- 107 Basic Issues
- 4 Complex Issues
 - Archive Flag
 - Clearing of Exceptions
 - Reported vs. Calculated
 - Multiple Subsequent Year Contribution Line Adjustments

Project Schedule Status Timeline



⁵ Reported vs. Calculated - Ensure the contribution amounts on individual employer reporting lines are calculated amounts rather than incorrectly reported amounts, with a tolerance of one-cent variance.

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.

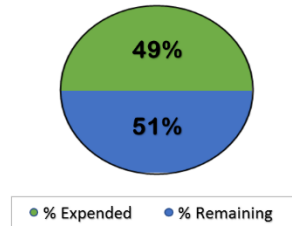
⁷ Member Lifecycle - Changes to membership dates and/or employer reporting lines that will not convert successfully because they do not occur within begin and end dates of member lifecycles as defined in the new pension administration system. Includes three discreet fixes: Change of Membership Date, Reverse and Re-report of lines, and Splitting of Lines.

Major Enterprise Projects Fiscal Year 2018/2019 – Second Quarter

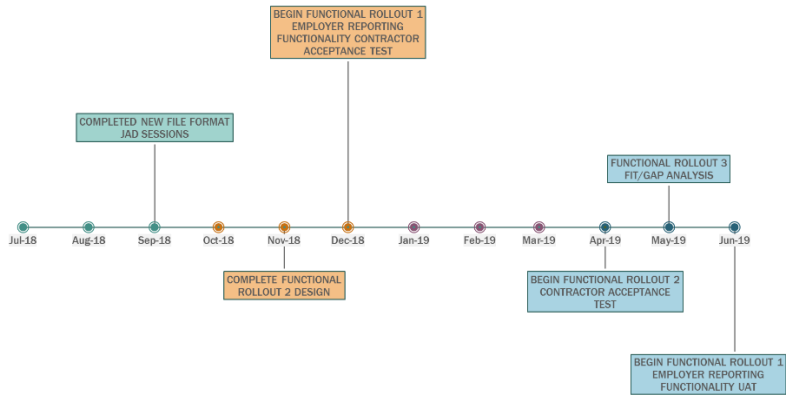
Project Name	Purpose	Accomplishments/Progress
Pension Solution	The Pension Solution project will replace CalSTRS legacy pension administration system to increase the organization's ability to respond to business and customer needs; enhance services to members, beneficiaries, staff and employers; gain long-term operational efficiencies; and improve internal controls.	<p>Period Ending December 31, 2018:</p> <ul style="list-style-type: none"> Completed Functional Rollout 2 joint application development (JAD) sessions. Conducted BenefitConnect⁸ functionality demonstrations (2 of 5) for Functional Rollout 2. Completed External Interface partner engagement approach (Stage 1). Completed Interface JAD sessions. <p>Planned Deliverables by March 31, 2019:</p> <ul style="list-style-type: none"> Conduct BenefitConnect functionality demonstration (3rd of 5) for Functional Rollout 2.

**Total Project Budget
\$285.8 Million**

Project Budget Expended



Fiscal Year 2018/2019 Major Milestones



Project Schedule Status Timeline⁹



⁸ BenefitConnect – The name of the new pension administration system developed in Neospin that will replace the current system (START).

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 Projects

Fiscal Year 2018/2019 – Second Quarter

Project Name	Purpose	Accomplishments/Progress
--------------	---------	--------------------------

SAP SuccessFactors

The SAP SuccessFactors 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 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.

Period Ending December 31, 2018:

- EPIC approved procurement of full project scope.
- EPIC approved funding Employee Central implementation.
- Project Core Team identified.
- Engaged Procurement Team and commenced Request for Proposal (RFP) development.

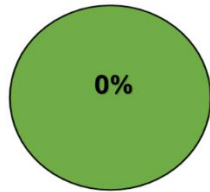
Planned Deliverables by March 31, 2019:

- Develop and release the RFP for Implementation Services.
- Develop and release the RFP for a contract Solution Architect.
- Develop and release the RFP for a contract Testing Resource.
- Develop and release a Request for Personnel Action (RPA) for three back-fill resources.
- Update the business processes catalog.
- Create a Change Management Plan.

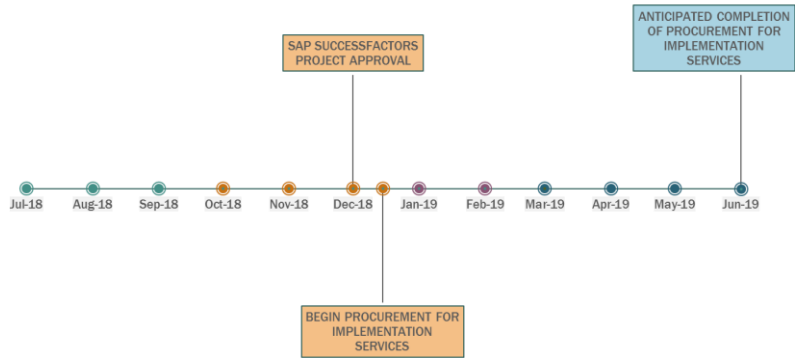
Fiscal Year 2018/2019 Major Milestones

Project Budget – Employee Central Implementation¹⁰
\$1.2M – 1.7M

Project Budget Expended



● % Expended ● % Remaining



Project Schedule Status Timeline



¹⁰ SAP SuccessFactors – Represents an average of estimates to complete Phase 1; actual budget to be determined through the procurement process.

Other Enterprise Projects – Under \$1 Million Fiscal Year 2018/2019 – Second Quarter

<u>Other Projects</u>	<u>Project Duration</u>	<u>Schedule</u>	<u>Project Budget</u> ¹¹	<u>Budget Expended</u> ¹²	<u>Budget</u>
2% @ 62 Retirement Formula The 2% @ 62 Retirement Formula project will enhance the current pension administration system functionality to meet the requirements of Education Code section 24202.6.	Oct 2018 – May 2019	●	\$0	\$0	●
Biscom FAXCOM The Biscom FAXCOM project will implement an e-fax solution replacing current physical fax machines and integrating with other solutions: Imaging, Outlook and BenefitConnect (future) while improving operational efficiencies.	Jan 2019 – Nov 2019	⚠	\$67,620	\$0	●
Contact Center Migration Project The Contact Center Migration project will migrate from the existing Contact Center solution to the new cloud platform with 'like-for-similar' functionality and processes.	Jun 2017 – Aug 2018	◆ ¹³	\$401,428	\$336,085	◆
EIM Software Tool The EIM Software Tool project includes 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.	Jun 2018 – Jan 2020	●	\$495,000	\$0	●
Final Compensation (SB 1220/SB 1352) The Final Compensation project will enhance the current pension administration system to make changes to the calculation of final compensation to comply with SB 1220 and changes to the calculation of disability and survivor benefits to comply with SB 1352.	Apr 2018 - Oct 2019	●	\$0	\$0	●
FI\$Cal R17 Changes The FI\$Cal R17 Changes project will update file formats and file transfer processes necessary to support the exchange of files associated with the FI\$Cal project. Note: The State Controller's Office has contacted CalSTRS and is in the process of resuming this effort with limited scope of the first two of six interfaces originally identified.	Dec 2016 – Jan 2019	●	\$319,965	\$209,926	●
Fixed Credited Interest The Fixed Credited Interest project will modify the current pension administration system to ensure that Defined Benefit, Defined Benefit Supplement and Cash Balance contribution interest accrues correctly in compliance with SB 1352.	May 2018 – Oct 2018	◆	\$0	\$0	◆

¹¹ Project Total 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 Total Expended – Amount represents the total expended.

¹³ Project was "In Service" (Implemented) in July 2018. Resolution of remaining defects is completed.

Other Enterprise Projects – Under \$1 Million Fiscal Year 2018/2019 – Second Quarter

<u>Other Projects</u>	<u>Project Duration</u>	<u>Schedule</u>	<u>Project Budget</u> ¹¹	<u>Budget Expended</u> ¹²	<u>Budget</u>
ITSM System The Information Technology Service Management (ITSM) System project will replace the current, unsupported Service Desk system with a modern and hosted ITSM solution. Phase 2 scope and schedule is being defined. ¹⁴	Phase 1 May 2016 – Dec 2018	●	\$475,000	\$209,400	●

¹⁴ IT Service Management core functionality completed in December 2018. IT Asset Management is being assessed for future implementation.