Enterprise Technology Projects

FISCAL YEAR 2019-20
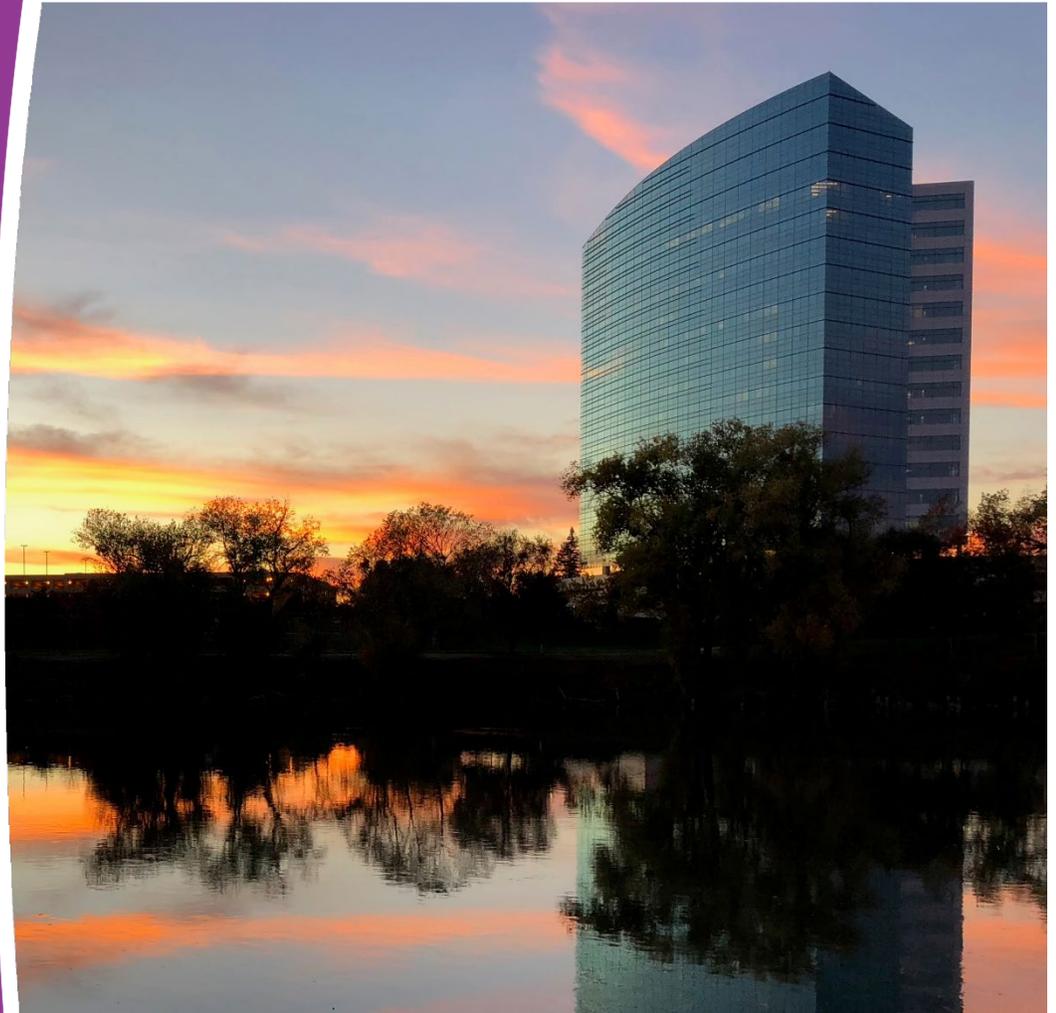
SECOND QUARTER REPORT

Quarter Ending December 31, 2019

At the end of the second quarter for fiscal year 2019–20, CalSTRS had six enterprise projects: five major technology projects over $1 million and one additional project under $1 million.

The project under $1 million is scheduled to begin in January 2020.

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

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Cassandra Lichnock
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Chief Operating Investment Officer

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 – Jul 2020	🟢	$25,981,894	$20,443,713	🟢
EIM Software Tool	Jun 2018 – Jun 2020	🟢	$1,036,350	$750,950	🟢
Pension Solution	Jul 2014 – Jan 2023	🟢	$304,833,040	$175,405,625[3]	🟢
SAP SuccessFactors	Dec 2018 – Jun 2020	🟢	$1,386,134	$19,500	🟢
Transformation Readiness	Jul 2016 – Jun 2021	🟢	$16,795,033	$8,357,626	🟢

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] Pension Solution – Represents the actual and projected amounts for the project through December 31, 2019.

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
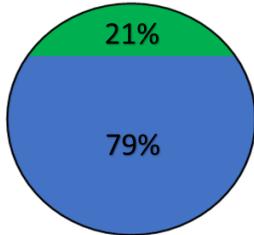
- % Expended
- % Remaining

ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2019

- Completed Termination Out of Balance[4] – Reverted Accounts Population.
- Completed Termination Out of Balance – Annuity Deposit/Tax Sheltered Annuity Population
- Completed or closed 31 Functional Rollout 2 basic issues during the reporting period.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2020

- Complete Termination Out of Balance – Phase I of Additional Annuity Credit/ Additional Earnings Credit Population.

PROJECT SCHEDULE STATUS TIMELINE

93%

11/01/2011
Project Start

07/31/2020
End

FISCAL YEAR 2019–20 MAJOR MILESTONES[5]

COMPLETED TERMINATION OUT OF BALANCE MERGE/CLOSED

COMPLETED TERMINATION OUT OF BALANCE ANNUITY DEPOSIT/TAX SHELTERED ANNUITY POPULATION

COMPLETE TERMINATION OUT OF BALANCE START BORN AND COMPLETE PHASE 2 TERMINATION OUT OF BALANCE ADDITIONAL ANNUITY CREDITS/ADDITIONAL EARNINGS CREDIT

Jul-19 · Aug-19 · Sep-19 · Oct-19 · Nov-19 · Dec-19 · Jan-20 · Feb-20 · Mar-20 · Apr-20 · May-20 · Jun-20

COMPLETED TERMINATION OUT OF BALANCE REVERTED ACCOUNTS POPULATION

COMPLETE PHASE 1 TERMINATION OUT OF BALANCE ADDITIONAL ANNUITY CREDITS/ADDITIONAL EARNINGS CREDIT

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[4] 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.

[5] As approved by Pension Solution Steering Committee.

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
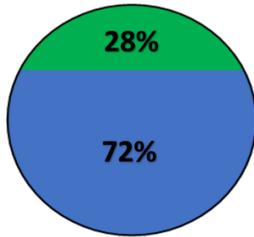
- % Expended
- % Remaining

ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2019

- Completed project requirements analysis phase.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2020

- Complete solution build in development environment.
- Complete System Integration Testing.
- Complete System Administrator Training.
- Complete provisioning of the production environment.

PROJECT SCHEDULE STATUS TIMELINE[6]

76%

06/01/2018
Project Start

06/30/2020
End

FISCAL YEAR 2019–20 MAJOR MILESTONES[7]

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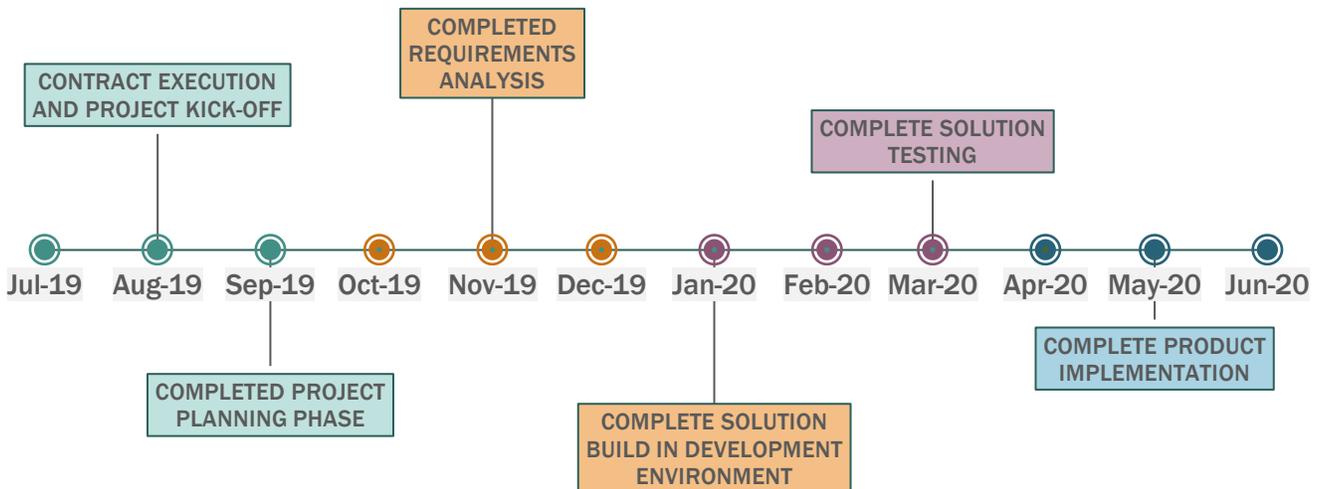
[6] A change request seeking to extend the project schedule was approved in November 2019.

[7] "Complete Solution Build in Development Environment" milestone is delayed as the vendor is working through an integration issue. This milestone is now estimated to be completed by end of January with all subsequent milestones being pushed out by one month as well.

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
$304.8 Million

- % Expended
- % Remaining
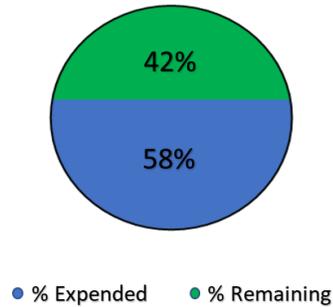
### ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2019
- Completed soft launch of Employer Readiness Environment.
- Completed staff training for the Employer Readiness Environment.
- Achieved the project milestone of Commencing Employer Training for Employer Readiness Environment.
- Completed System Testing (Part -A) for Functional Rollout 2.
- Achieved the project milestone of Commencing System Testing (Part-B) for Functional Rollout 2.
- Completed Fit/Gap activities for Functional Rollout 3 (Customer Service Management, Mobile Applications, and Accessibility).

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2020
- Complete pilot initiative with Employer Reporting partners.
- Complete on-site readiness visits with 50% of our Employer Reporting Partners with custom payroll systems and onboard into the Employer Readiness Environment.
- Complete Maintenance Releases (1&2) test plan.
- Achieve project milestone of Commencing Contractor Acceptance Testing for Maintenance Release 1.
- Update schedule and staffing plans.

PROJECT SCHEDULE STATUS TIMELINE[8]

64%

07/01/2014
Project Start

01/31/2023
End

FISCAL YEAR 2019–20 MAJOR MILESTONES

COMPLETED FUNCTIONAL ROLLOUT 1 USER ACCEPTANCE TESTING AND FUNCTIONAL ROLLOUT 2 DEVELOPMENT ACTIVITIES

COMPLETED SYSTEM TESTING (PART - A) AND COMMENCED SYSTEM TESTING (PART - B) FOR FUNCTIONAL ROLLOUT 2

COMPLETE SYSTEM TESTING (PART - B) AND INITIAL CONVERSION CODE AND MIGRATION FOR FUNCTIONAL ROLLOUT 2

Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20

COMPLETED STAFF TRAINING FOR AND SOFT LAUNCH OF EMPLOYER READINESS ENVIRONMENT. COMMENCED EMPLOYER TRAINING FOR EMPLOYER READINESS ENVIRONMENT

COMPLETE FUNCTIONAL ROLLOUT 3 DESIGN

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[8] 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).

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
$1.4 Million

1%
Expended

99%

● % Expended ● % Remaining
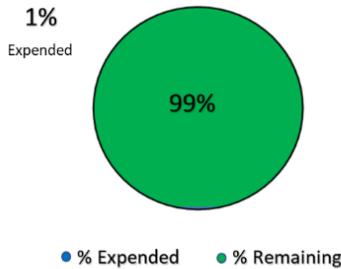
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2019
- Finalized current-state business process documentation and requirement refinement for Employee Central (EC).
- Conducted first round of vendor interviews for SAP SuccessFactors Implementation Specialist.
- Procured software licenses leveraging the Software Licensing Program offered through the Department of General Services.
- Transitioned Change Management (CM) lead role to new core team member.
- Launched project site on CalSTRS intranet.
- Conducted internal change management activities to promote project awareness.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2020
- Conduct final vendor interviews for implementation services.
- Select vendor for implementation services and finalize contract.
- Complete interface and data requirement analysis.
- Progress business analysis and project management activities for preparation of vendor onboarding.
- Conduct internal change management activities to promote project awareness.

PROJECT SCHEDULE STATUS TIMELINE

68%

12/01/2018
Project Start

06/30/2020
End

FISCAL YEAR 2019–20 MAJOR MILESTONES

REQUEST FOR PROPOSAL RELEASED

COMPLETED BUSINESS PREPARATION ACTIVITES

IMPLEMENTATION VENDOR ONBOARD

Jul-19 Aug-19 Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20

REQUEST FOR PROPOSAL RESPONSES DUE

PROCURED SOFTWARE LICENSING (EMPLOYEE CENTRAL) AND COMPLETE CONTRACT
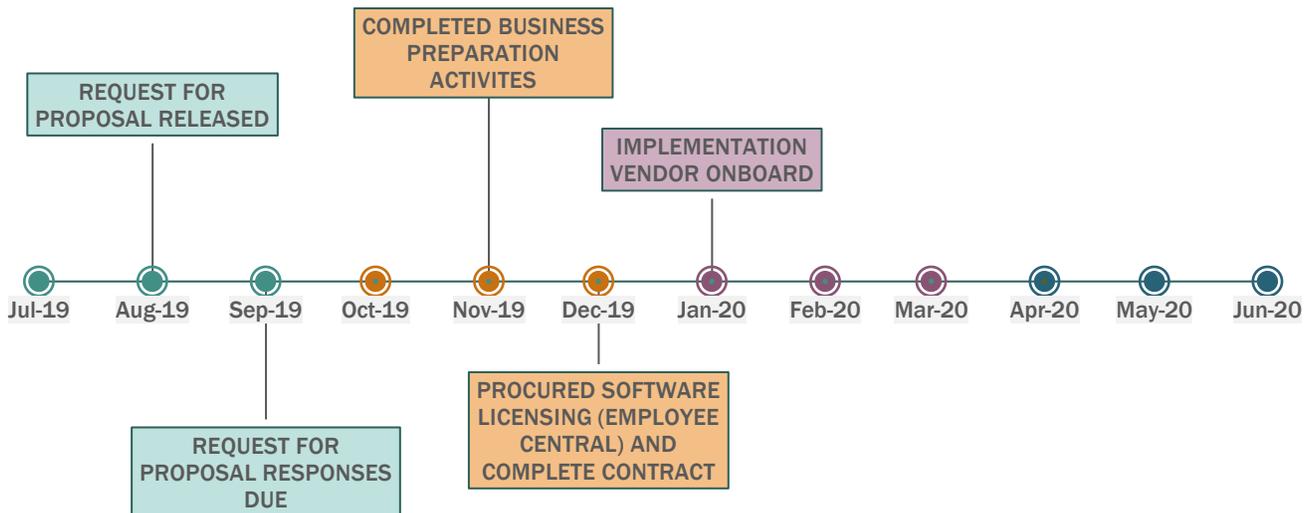
TRANSFORMATION READINESS

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
$16.8 Million

● % Expended   ● % Remaining
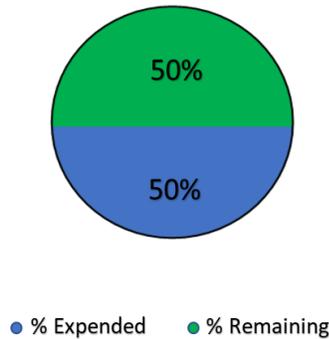
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2019

- Held the Pension Solution Open House to increase staff awareness and engagement with projects teams and activities.
- Introduced readiness approach with affected business areas sponsors to define roles and responsibilities for change activities related to Functional Rollout 2 (FR2).
- Facilitated sessions with representatives from impacted business areas to develop usage standards for annotations in the new pension administration system.
- Held a Change Champion Network Quarterly meeting to increase project awareness and provide an opportunity for participants to share best practices.
- Implemented the Pension Solution Soft Launch learning and development effort in collaboration with Member Account Services by delivering six instructor-led training courses, three computer-based training courses (CBTs) and a Train-the-Trainer program to selected MAS staff.
- Developed and delivered the Pension Solution Soft Launch training program for the Contributions unit in the Financial Services Branch.
- Published the Introduction to the new pension administration system CBT on the project SharePoint site and made available to all staff.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2020

- Develop a schedule to address decisions where cross-functional standards need to be developed.
- Continue finalization of to-be process documentation to support change and testing preparation.
- Develop "A Leader's Role in Change" CBT module.
- Deliver "Resistance Management, Manager and Sponsor Change Management" training to the Retirement Readiness division leadership team.
- Finalize and publish 18 CBT modules for employers.
- Approve the 8.1 FR2 Training Plan in collaboration with Team CGI.
- Socialize the FR2 training curricula with training leadership and staff.

PROJECT SCHEDULE STATUS TIMELINE

70%

07/01/2016
Project Start

06/30/2021
End

FISCAL YEAR 2019–20 MAJOR MILESTONES

COLLECTED IMPACTS FROM BUSINESS AREAS

COMPLETE FUNCTIONAL ROLLOUT 2 TRAINING PLAN

Jul-19   Aug-19   Sep-19   Oct-19   Nov-19   Dec-19   Jan-20   Feb-20   Mar-20   Apr-20   May-20   Jun-20

PENSION SOLUTION OPEN HOUSE FOR STAFF AND DEFINED ROLES FOR FUNCTIONAL ROLLOUT 2 CHANGE ACTIVITIES

BEGIN FUNCTIONAL ROLLOUT 2 TRAINING DEVELOPMENT
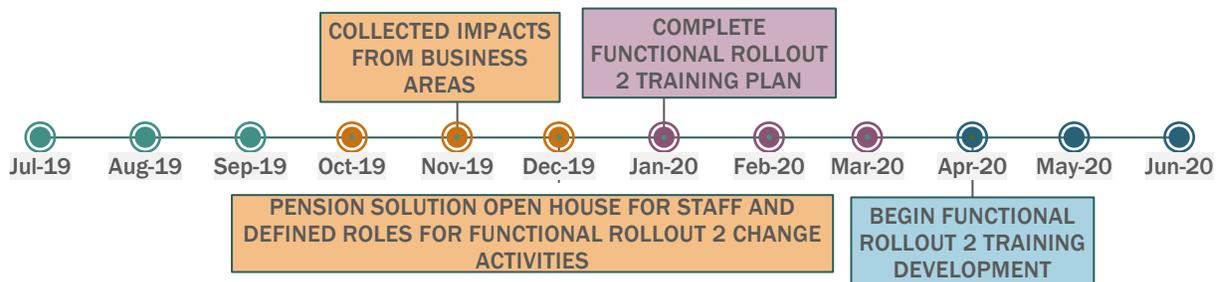
OTHER ENTERPRISE PROJECTS UNDER $1 MILLION

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

Project and Description	Project Duration	Schedule (Status)	Project Budget[9]	Budget Expended[10]	Budget (Status)
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.	Estimate 8-10 months	⏱	$865,000	$0	⏱

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

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

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