Enterprise Technology Projects

FISCAL YEAR
2022-23

CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?
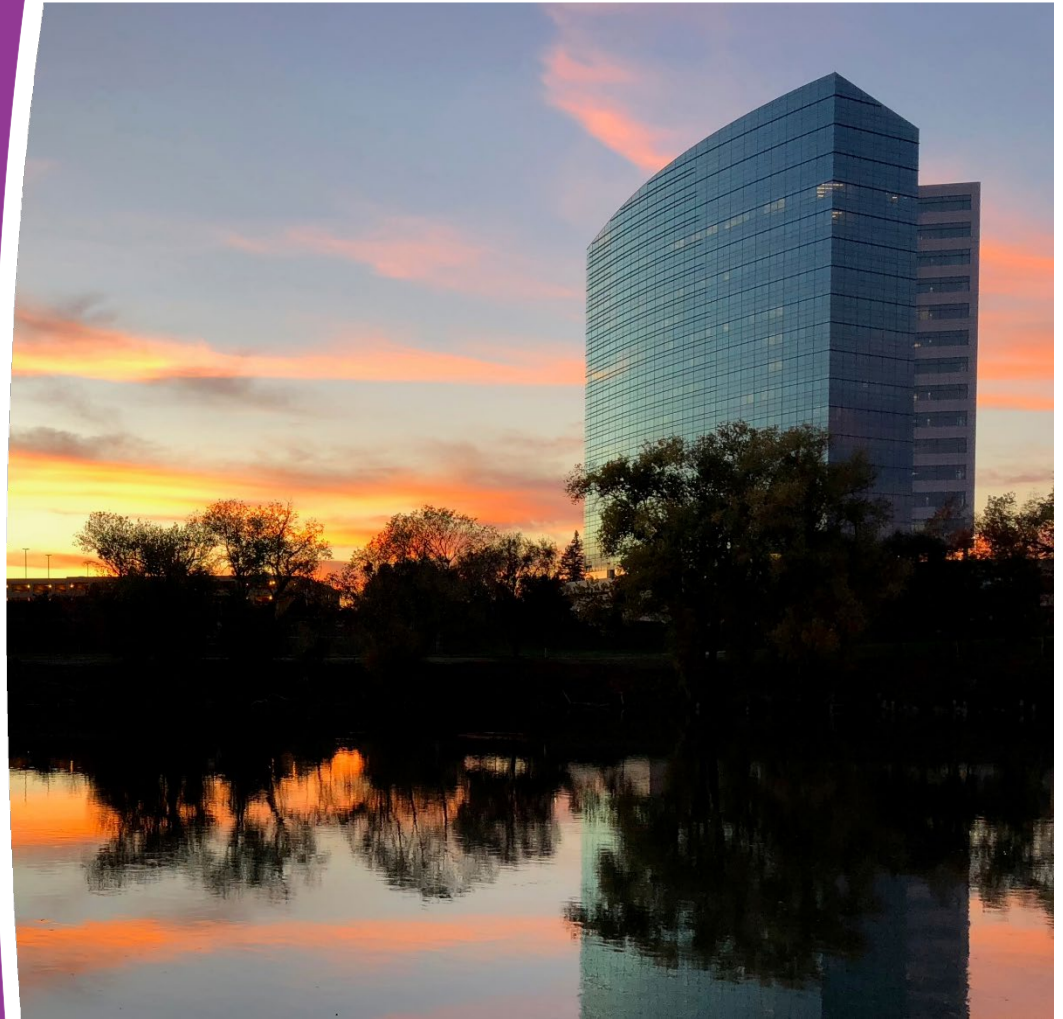
SECOND QUARTER REPORT

Quarter Ending December 31, 2022

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

Project Name	Project Duration	Schedule (Status)	Project Budget	Budget Expended	Budget (Status)
BusinessDirect Retrofit	Apr 2017 – Jan 2023	⚠️ [1]	$9,769,238 [2]	$8,396,615	🎯
Data Quality	Nov 2011 – Jun 2023	🎯	$31,999,333	$29,503,881	🎯
Datacenter Hosting and Migration Services	Nov 2020 – Oct 2023	🎯	$18,900,000	$13,916,040	🎯
HR Link	Dec 2018 – Jun 2022 [3]	🎯	$2,163,751	$1,408,871	🎯
Pension Solution	Jul 2014 [4] – Jun 2023	⛔ [5]	$334,833,040	$291,336,143	🎯
Transformation Readiness	Jul 2016 – Jun 2023	🎯	$20,191,534	$17,958,096	🎯

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

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

[2] BusinessDirect Retrofit – This amount does not reflect $5.9 million in Pension Solution Project funding allocated for system enhancements to support pension administration-related functionality.

[3] HR Link – Project Phases 1 and 2 are approved. However, the project schedule is currently approved through the end of Phase 1. A schedule extension change request for Phase 2 is in process.

[4] Pension Solution – The project's start date represents the effective date of the first comprehensive project budget approved by the Teachers' Retirement Board and enacted through a Budget Change Proposal during the annual budget process. Pre-implementation project activities (e.g., discovery, requirements, and procurement) began in 2010.

[5] Pension Solution – The schedule indicator is in critical status due to the resolution of system defect and downstream task delays. Agreement was reached with the 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 will 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 project schedule is dependent on the Pension Solution Project schedule. At this time, it is unknown what major activities and milestones (aside from those shown below) are expected to be completed during the next quarter.

PROJECT BUDGET

$9.8 Million

14%

86%
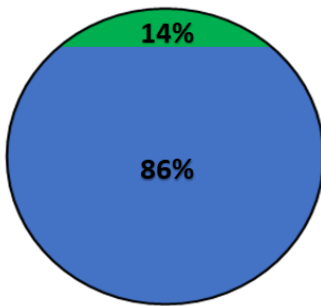
● % Expended ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 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 MARCH 31, 2023

- Continuous monitoring of Pension Solution Project activities and work with system support vendor for resolution of outstanding defects, as needed.
- Request approval to extend project schedule through June 2023 to align with the Pension Solution Project.

PROJECT SCHEDULE STATUS TIMELINE
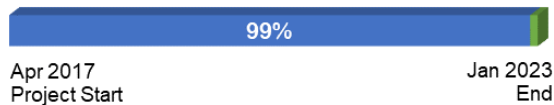
99%

Apr 2017
Project Start

Jan 2023
End

FISCAL YEAR 2022–23 MAJOR MILESTONES

Due to schedule dependency of this project on the Pension Solution Project schedule, milestone dates for this project will not be 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 will prepare legacy pension administration data for conversion to the new pension administration system. The project is in the second phase of data cleansing and includes data clean-up and preparation for data conversion.

NOTE: A change request was approved to extend the project through June 30, 2023, in alignment 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

$32 Million
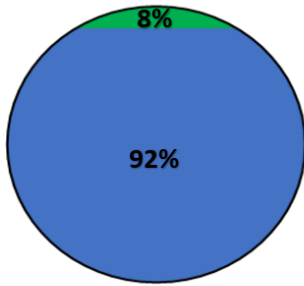
● % Expended ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2022

- Change request to extend project through June 30, 2023, was approved.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2023

- Complete rerun Archive Flag.

PROJECT SCHEDULE STATUS TIMELINE

Nov 2011
Project Start

Jun 2023
End

FISCAL YEAR 2022–23 MAJOR MILESTONES[6]

RERAN MEMBER LIFECYCLE FIX D

RERUN MEMBER LIFECYCLE FIX A

RERUN ARCHIVE FLAG

RERUN MEMBER LIFECYCLE FIX B

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

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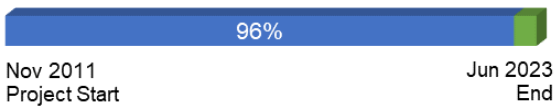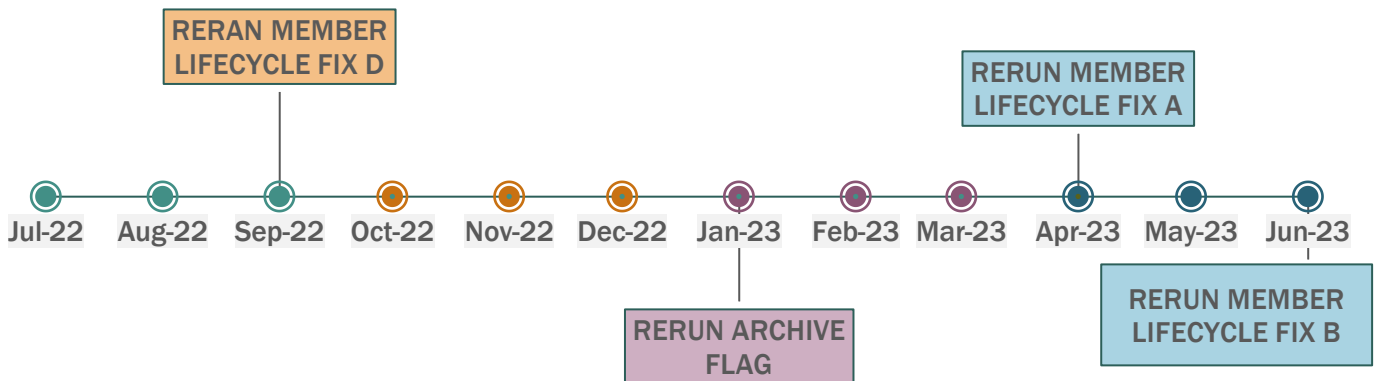
[6] As approved by Pension Solution Steering Committee.

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 DECEMBER 31, 2022
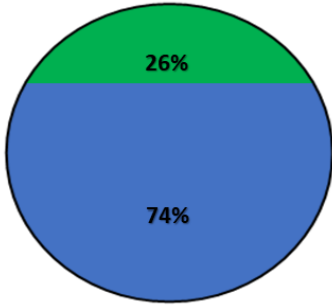
- Continued maintenance and operations for the infrastructure.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2023
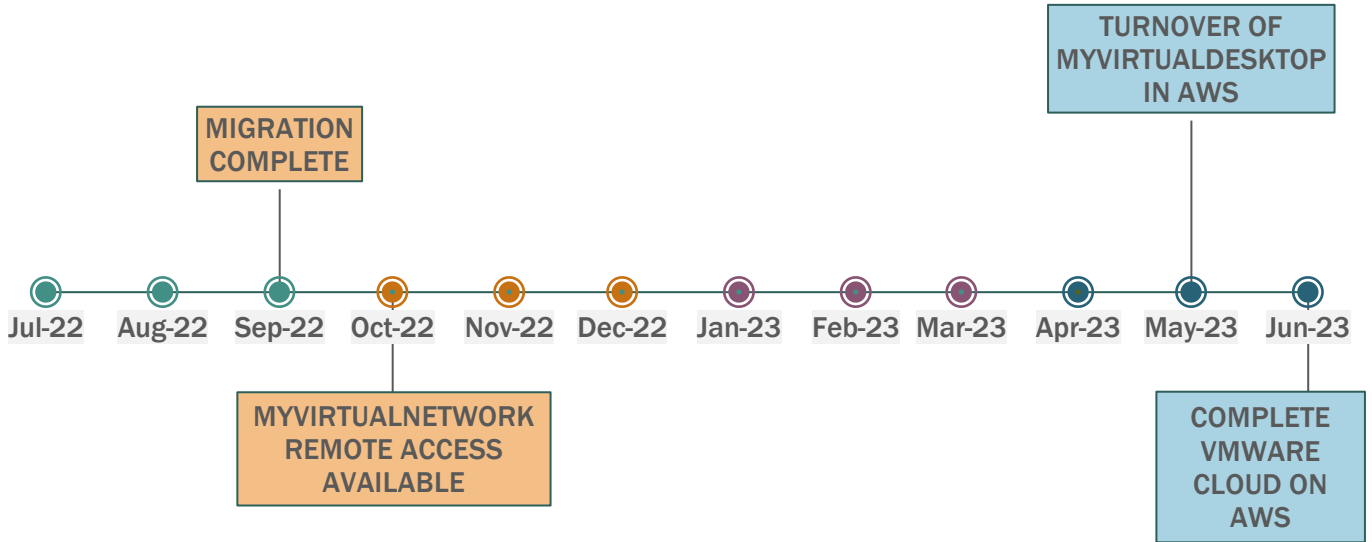
- Continue to assess pension administration infrastructure migration to the cloud.

PROJECT SCHEDULE STATUS TIMELINE

Nov 2020
Project Start

Oct 2023
End

FISCAL YEAR 2022–23 MAJOR MILESTONES

NOTE: AWS = Amazon Web Service

HR LINK

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

PROJECT BUDGET

$2.2 Million

● % Expended ● % Remaining
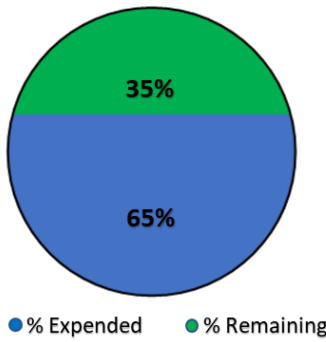
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2022
- Completed integration with BusinessDirect.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2023

- Complete Phase 2 change request to extend schedule through August 31, 2023 and adjust the scope to include Cross-boarding and remove Off-boarding from the Onboarding module, and remove Workforce Analytics and Succession Planning modules.
- Complete Iteration 1 activities (i.e., requirements and configuration validation) for Onboarding and Performance and Goal Management modules.

PROJECT SCHEDULE STATUS TIMELINE[7]

Dec 2018
Project Start

100%

Jun 2022
End

FISCAL YEAR 2022–23 MAJOR MILESTONES

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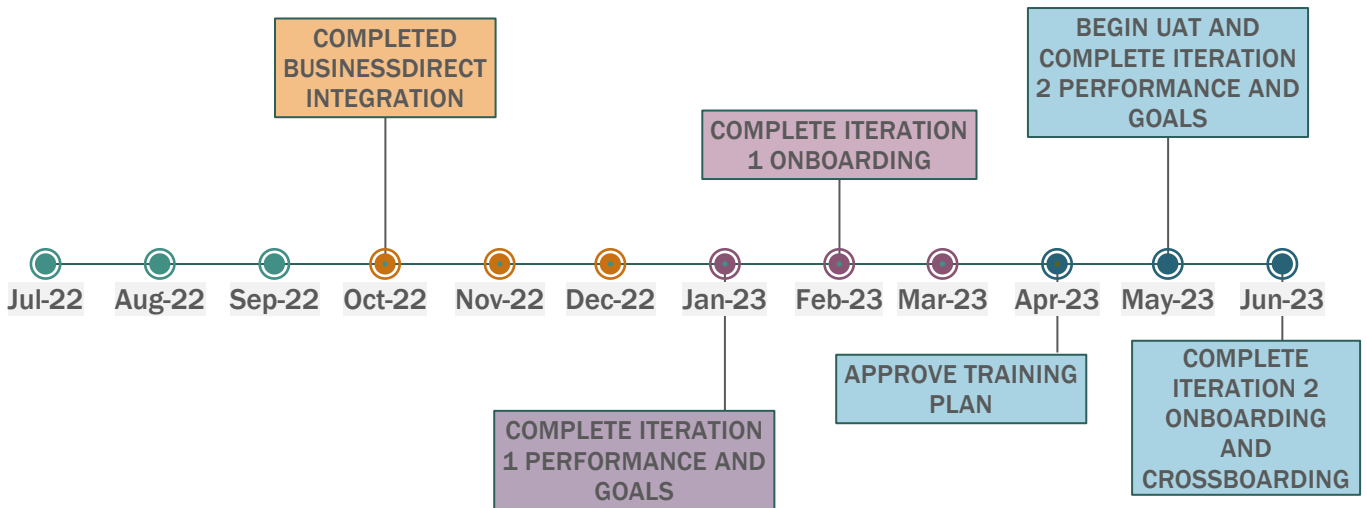
[7] Project Phases 1 and 2 are approved. The schedule, however, is currently approved through the end of Phase 1. A schedule extension change request for Phase 2 is in process.

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 former technology vendor mutually agreed to transition the remaining portion of the project work to another technology vendor. To ensure continued progress on project activities during the transition, the former technology vendor 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 is under development and targeted for July 1, 2023, to acquire a new vendor to complete the remainder of the project.

PROJECT BUDGET

$334.8 Million

13%
87%
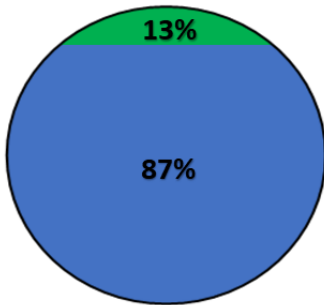
● % Expended   ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2022

- Completed Interim Services Period Milestone 1, which included the User Acceptance Testing Pilot.
- Appointed Interim Project Director.
- Released Request for Information to inform procurement for implementation vendor.
- Reviewed responses to Request for Information.
- Completed planning activities to strengthen the project's foundation.
- Identified top 10 project improvements to be implemented by June 30, 2023.

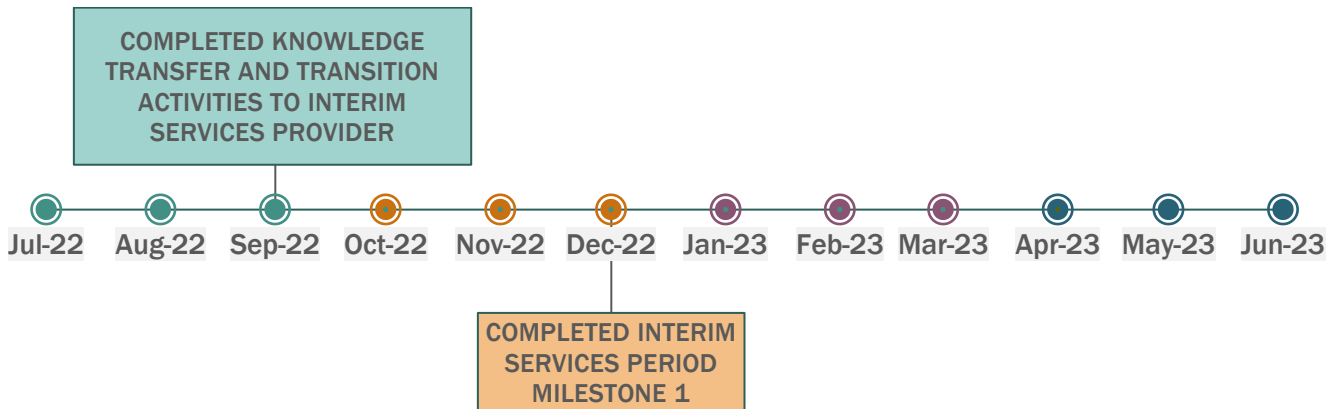### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2023

- Hire Project Director.
- Submit proposed schedule and budget to Teachers' Retirement Board for approval.
- Prioritize assessment recommendations for implementation.
- Identify strategies for procuring vendor services.

PROJECT SCHEDULE STATUS TIMELINE

94%

Jul 2014
Project Start

Jun 2023
End
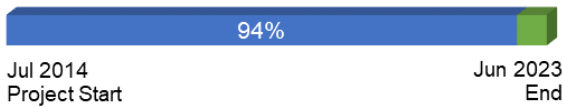
FISCAL YEAR 2022–23 MAJOR MILESTONES

NOTE: The project is replanning the schedule and remaining project activities. 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

COMPLETED 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 the former technology vendor mutually agreed to 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

$20.2 Million

11%
89%

● % Expended   ● % Remaining
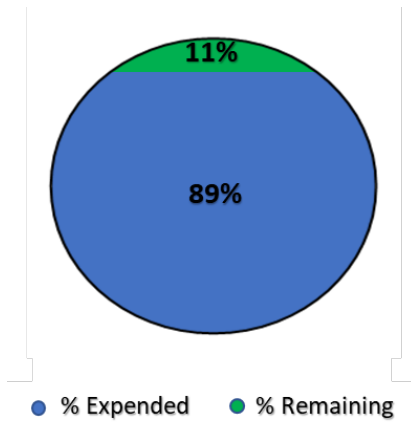
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2022

- Completed Learning & Development (L&D) process improvements as part of the Pension Solution Project top 10 project improvements.
- Worked to resolve cross functional decisions by facilitating discussions with multiple business areas.
- Developed and distributed communication to increase awareness of project progress and milestones.
- Completed socialization of the L&D process improvements with business area training leadership.
- Identified owners for all Change Management tasks as the team manager transitioned off the project.

PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2023

- Work with team leads to update Pension Solution Project team SharePoint sites with current and useful information.
- Collaborate with Project Leadership to develop frequent and transparent communication about the current project status and ongoing potential adjustments.
- Provide introduction presentation and distribute the Change Leadership toolkit to remaining business areas.
- Participate in Retirement Readiness Change Management Summit and craft plans for next 6 months of Change Management activity.
- Create initial testing site for Pension Solution Onboarding Program.
- Complete Pension Solution training material transition to HR Link.
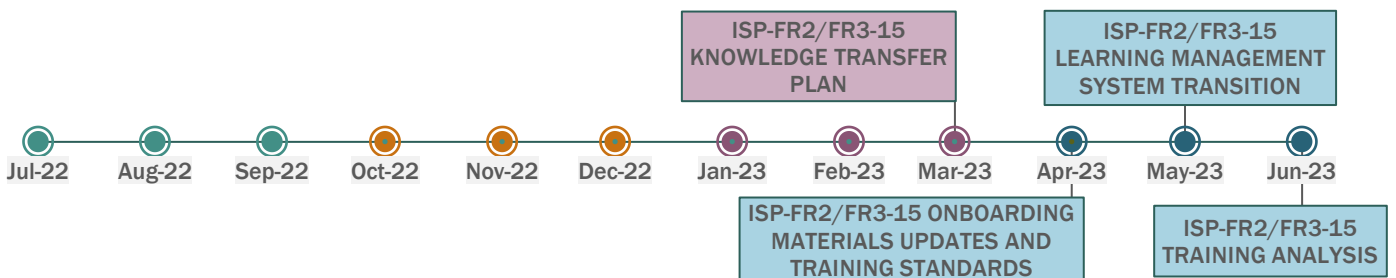- Draft Articulate Storyline developer materials.

PROJECT SCHEDULE STATUS TIMELINE
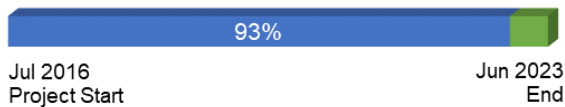
93%

Jul 2016
Project Start

Jun 2023
End

FISCAL YEAR 2022–23 MAJOR MILESTONES

Due to schedule dependency of this project on the Pension Solution Project schedule, milestone dates for this project 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 second quarter.

Project and Description	Project Duration	Schedule (Status)	Project Budget	Budget Expended	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	⛔ [8]	$559,283	$136,310	◎

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

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[8] Print to Mail Software Schedule – The schedule indicator is in critical status because the project is on hold due to dependency on the Pension Solution Project implementation schedule.