CALSTRS.
HOW WILL YOU SPEND YOUR FUTURE?

Enterprise Technology Projects

Fiscal Year 2018–19
Third Quarter Report

Quarter Ending March 31, 2019

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

Of the four projects under $1 million, one is completed, one is on track to be completed within schedule and budget, one is requesting additional funding, and one is requesting a schedule extension.

The Project Management Office (PMO) 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

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 Technology Projects – Fiscal Year 2018/2019 – Third Quarter						
Project Name	Project Duration	Schedule (Status)	Project Budget[1]	Budget Expended[2]	Budget (Status)
Data Quality	Nov 2011 – Jul 2020	●	$25,981,894	$18,082,014	●
Pension Solution	Jul 2014 – Jan 2023	●	$285,833,040	$148,547,165	●[3]
SAP SuccessFactors	Dec 2018 – Jun 2020	●	$1.2M - $1.7M	$0	●[4]
Transformation Readiness	Jul 2016 – Jun 2021	●	$16,416,930	$5,947,714	●

[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 March 31, 2019.
[4] SAP SuccessFactors – Represents an average of estimates to complete Phase 1; actual budget to be determined through the procurement process.
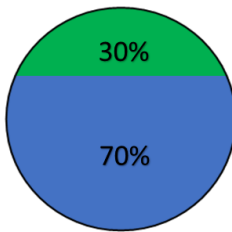
Schedule & Budget Indicators   ● *On Track*   ⚠ *Warning*   ⊖ *Critical*   ✓ *Complete*   ✗ *Cancelled*   ⏱ *Not Started*

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

Project Budget Expended
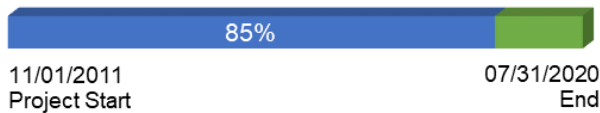

- % Expended
- % Remaining

Accomplishments – Period Ending March 31, 2019

- Completed Termination Out of Balance[5] – Non-Member Accounts.
- Completed Member Lifecycle[6] (Fix 1 of 3) – Change of Membership Dates.
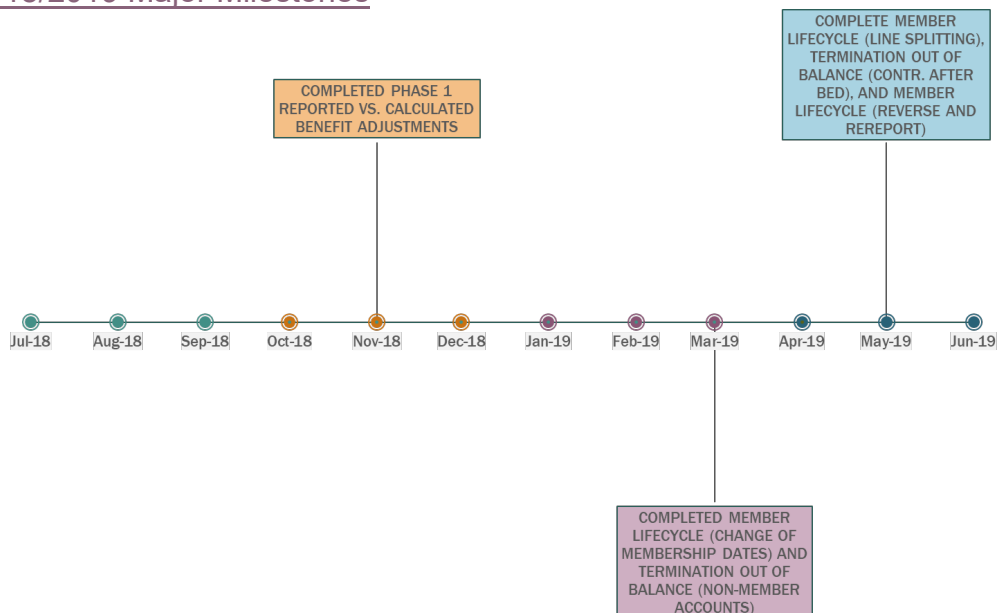
Planned Major Activities & Milestones by June 30, 2019

- Complete Member Lifecycle (Fix 2 of 3) – Reverse and Rereport.
- Complete Member Lifecycle (Fix 3 of 3) – Line Splitting.
- Complete Termination Out of Balance – Contributions After Benefit Effective Date (BED).

Project Schedule Status Timeline

85%

11/01/2011
Project Start

07/31/2020
End

Fiscal Year 2018/2019 Major Milestones[7]

COMPLETE MEMBER LIFECYCLE (LINE SPLITTING), TERMINATION OUT OF BALANCE (CONTR. AFTER BED), AND MEMBER LIFECYCLE (REVERSE AND REREPORT)

COMPLETED PHASE 1 REPORTED VS. CALCULATED BENEFIT ADJUSTMENTS

Jul-18 Aug-18 Sep-18 Oct-18 Nov-18 Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19

COMPLETED MEMBER LIFECYCLE (CHANGE OF MEMBERSHIP DATES) AND TERMINATION OUT OF BALANCE (NON-MEMBER ACCOUNTS)

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[5] 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.

[6] 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.

[7] As approved by Pension Solution Steering Committee.

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.

<u>Project Budget</u>
$285.8 Million

Project Budget Expended
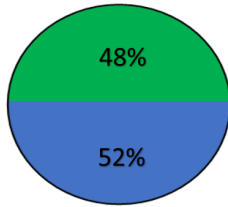
- % Expended - % Remaining

Accomplishments – Period Ending March 31, 2019

- Completed initial readiness assessments with external reporting partners.
- Conducted new system functionality demonstrations (3rd of 5) for Functional Rollout 2 (Administration Calculations and Payments).

Planned Major Activities & Milestones by June 30, 2019

- Commence user acceptance testing for Functional Rollout 1 (Employer Reporting functionality).
- Conduct new system functionality demonstration (4th of 5) for Functional Rollout 2.
- Commence contractor acceptance testing for Functional Rollout 2.
- Commence Fit/Gap activities for Functional Rollout 3 (Customer Service Management, Mobile Applications, and Accessibility).

Project Schedule Status Timeline[8]

55%

07/01/2014
Project Start

01/31/2023
End

Fiscal Year 2018/2019 Major Milestones

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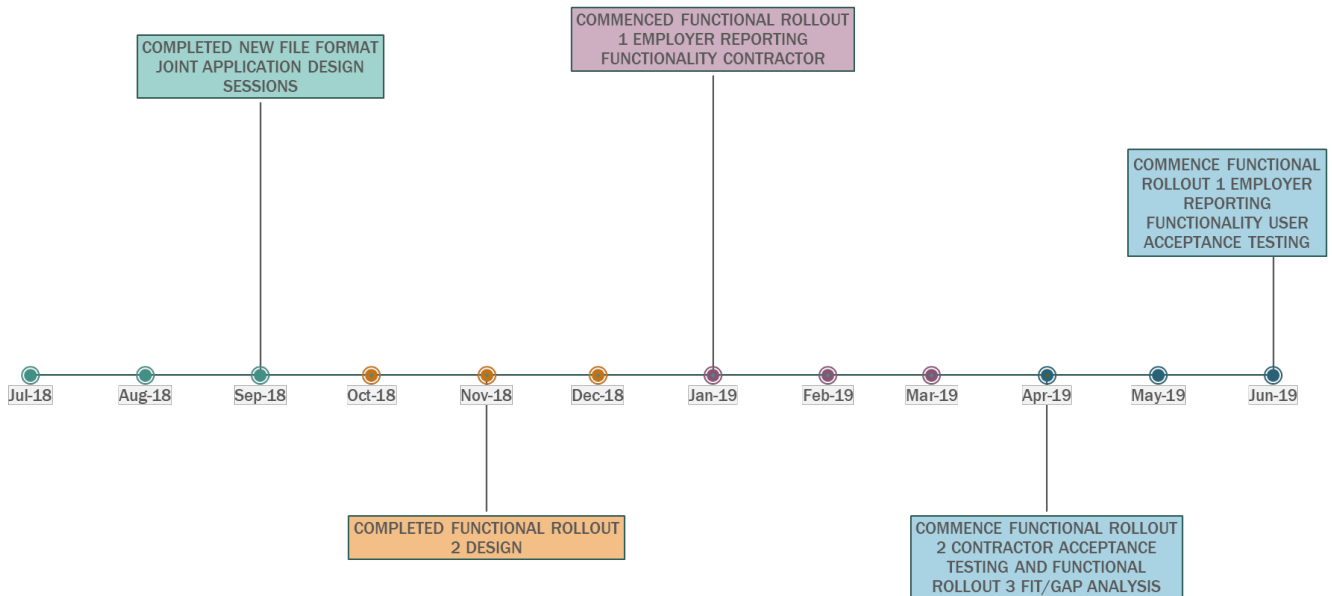
[8] Pension Solution Status Timeline represents the project period beginning with the Fiscal Year 2014-15 through the July 2018 board-approved change request of January 2023.

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 – Employee Central Implementation[9]
$1.2M - $1.7M

Project Budget Expended

0%
Expended

100%

- % Expended   - % Remaining
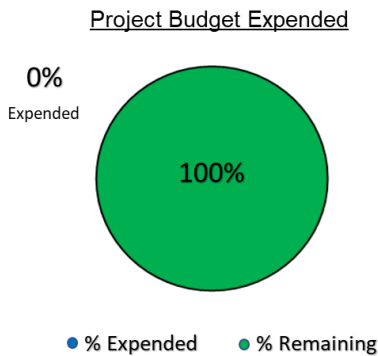
Accomplishments – Period Ending March 31, 2019

- Completed Request for Proposal (RFP); began approval cycle process.
- Updated business process catalog related to SuccessFactors implementation.
- Began business process documentation and requirements refinement for Employee Central.
- Conducted project kick-off meeting and delivered project presentation to HR Leadership.
- Created change management plan and administered first business readiness survey.
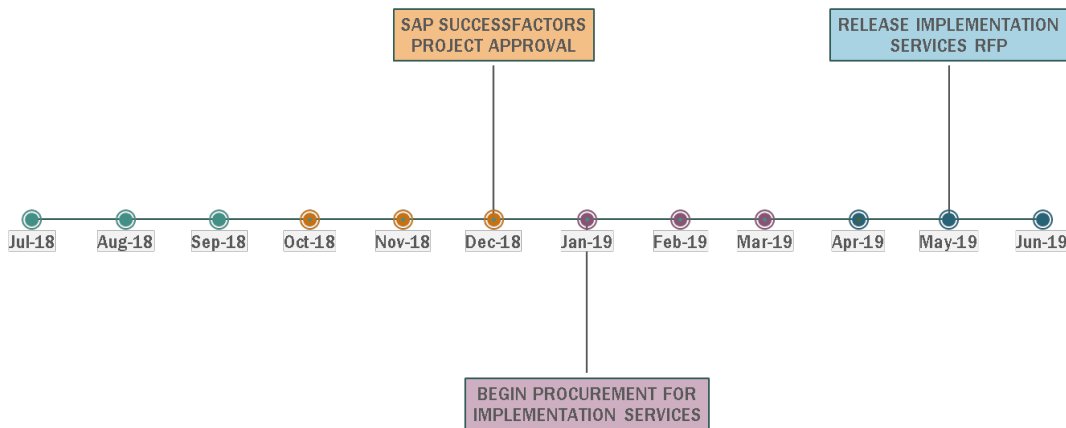- Released Request for Personnel Action for three temporary back-fill resources in HR.

Planned Major Activities & Milestones by June 30, 2019

- Release implementation services RFP for vendor responses.
- Release Request for Offers for a solution architect and testing resource.
- Conduct focus group workshop to name the new HR Tool.
- Staff temporary back-fill resource positions in HR.

Project Schedule Status Timeline

21%

12/01/2018
Project Start

06/30/2020
End

Fiscal Year 2018/2019 Major Milestones

SAP SUCCESSFACTORS PROJECT APPROVAL

RELEASE IMPLEMENTATION SERVICES RFP

Jul-18   Aug-18   Sep-18   Oct-18   Nov-18   Dec-18   Jan-19   Feb-19   Mar-19   Apr-19   May-19   Jun-19

BEGIN PROCUREMENT FOR IMPLEMENTATION SERVICES

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

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
$16.4 Million

Project Budget Expended

64%

36%
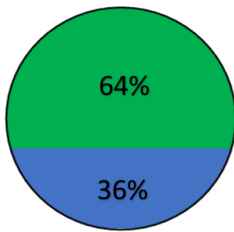
● % Expended   ● % Remaining

Accomplishments – Period Ending March 31, 2019

- Presented three transformation readiness overview sessions about employer readiness to the enterprise.
- Created and published Pension Solution orientation training course.
- Finalized change management roadmap tool for each business area impacted by the Pension Solution project.
- Completed Functional Rollout 1 employer reporting functionality training outlines, curriculum guides, facilitator guides and computer-based-training storyboards for employer reporting sources and internal staff.
- Briefed technology executive on his business area's readiness for the new system.
- Introduced business area trainers training tool to be used for the new system.
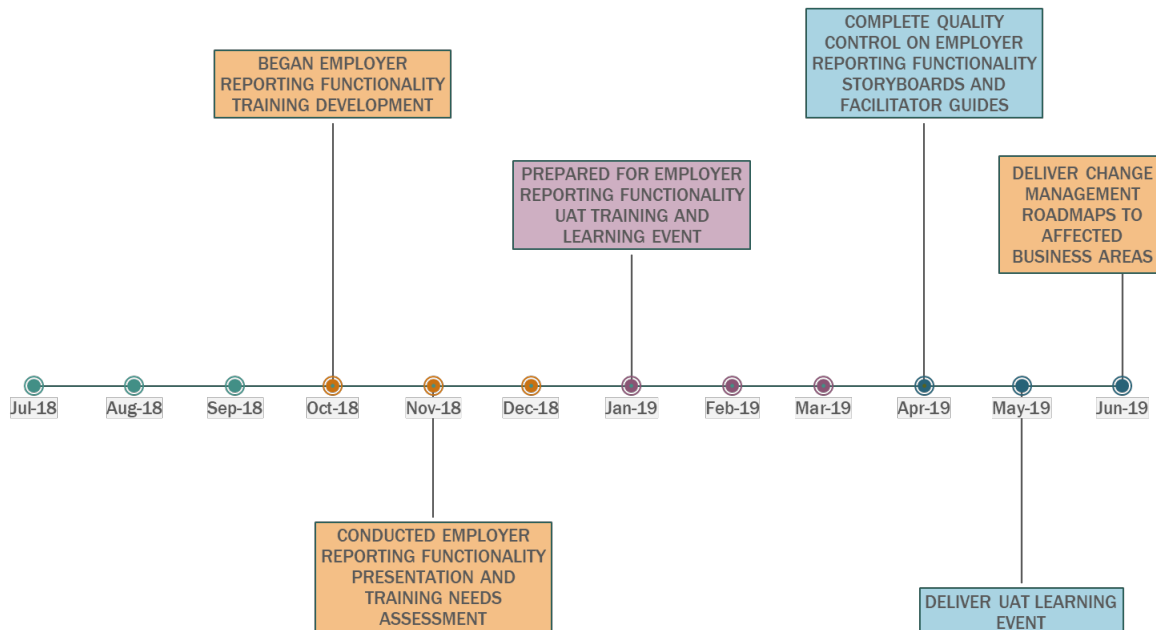
Planned Major Activities & Milestones by June 30, 2019

- Deliver change management roadmaps to each business area impacted by the Pension Solution project.
- Performed enterprise education about employer functionality user acceptance testing.
- Conduct quality assurance on the thirteen (13) employer reporting functionality training course storyboards and facilitator guides with Training Services and Member Account Services.

Project Schedule Status Timeline

55%

07/01/2016
Project Start

06/30/2021
End

Fiscal Year 2018/2019 Major Milestones

BEGAN EMPLOYER REPORTING FUNCTIONALITY TRAINING DEVELOPMENT

COMPLETE QUALITY CONTROL ON EMPLOYER REPORTING FUNCTIONALITY STORYBOARDS AND FACILITATOR GUIDES

PREPARED FOR EMPLOYER REPORTING FUNCTIONALITY UAT TRAINING AND LEARNING EVENT

DELIVER CHANGE MANAGEMENT ROADMAPS TO AFFECTED BUSINESS AREAS

Jul-18 Aug-18 Sep-18 Oct-18 Nov-18 Dec-18 Jan-19 Feb-19 Mar-19 Apr-19 May-19 Jun-19

CONDUCTED EMPLOYER REPORTING FUNCTIONALITY PRESENTATION AND TRAINING NEEDS ASSESSMENT

DELIVER UAT LEARNING EVENT

Project and Description	Project Duration	Schedule (Status)	Project Budget[10]	Budget Expended[11]	Budget (Status)
Contact Center Migration Migrates from the existing Contact Center solution to the new cloud platform with 'like-for-similar' functionality and processes.	Jun 2017 – Aug 2018	✔	$401,428	$336,085	✔
EIM Software Tool 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	$0	⚠ 12
FI$Cal R17 Changes Updates 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 – Apr 2019	⚠ 13	$319,965	$209,926	●
Information Technology Service Management Replaces the current, unsupported Service Desk system with a modern and hosted Information Technology Service Management solution. Phase 2 scope and schedule is being defined.	**Phase 1** May 2016 – Dec 2018	●	$475,000	$351,550	●

[10] Project 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.

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

[12] EIM Software Tool Budget – The bid came in higher than expected for the implementation contract. Awaiting governance approval for an increase in budget.

[13] FI$Cal R17 Changes Schedule – CalSTRS is ready to deploy and is awaiting FI$Cal's deployment date, as it is an external dependency. Due to moving go-live dates from FI$Cal and SCO, a change request has been submitted to extend the schedule five months for a new finish date of September 2019.

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