



# Regular Meeting

## Item Number 9 – Open Session

**Subject:** Pension Solution Project Update

**Presenter(s):** Prashant Mittal / Graeme Finley, Grant Thornton LLP

**Item Type:** Information

**Date & Time:** November 5, 2021 – 30 minutes

---

**Attachment(s):** Attachment 1 – Grant Thornton Oversight Report

Attachment 2 – Glossary of Terms

**PowerPoint(s):** None

---

### **PURPOSE**

The purpose of this item is to provide the board with an update on Pension Solution project activities.

The Project Oversight report from Grant Thornton is provided as Attachment 1, and Graeme Finley of Grant Thornton will be available to answer questions.

Attachment 2 provides a glossary of terms relating to these items.

### **Background**

At the September 2021 meeting, staff, CGI, and oversight consultant provided updates on project status, employer readiness, Functional Rollout 2 (FR2) Contractor Acceptance Testing (CAT) delays, and progress on the draft revised project schedule. Questions from board members were also answered.

### **DISCUSSION / SUMMARY**

#### **Schedule Replanning Update**

At the September board meeting, staff reported that CGI and CalSTRS had conceptually agreed to take forward the preferred implementation option of a combined FR2 and FR3 rollout with a soft launch period and a tentative go-live date of October 2023 for the next round of due diligence on both sides. The assumptions used to build the draft revised schedule were based on sustained test

execution rates, test case pass rates, and Problem Incident Report (PIR) resolution rates beginning in July 2021, which have not been achieved. Additionally, CGI is running late in completing various tasks as expected in the last revised draft schedule. Given the experience of multiple delays and the newer challenges faced since the last revised draft schedule was submitted by CGI, CalSTRS is conducting further due diligence. This includes re-evaluating assumptions made in the initial draft revised schedule provided by CGI. CalSTRS is working with CGI to identify checkpoints to measure actual versus planned progress more frequently and sooner. This will provide greater visibility of progress, confirm the continued attainability of the revised schedule, and allow for prompt identification of potential issues enabling corrections and adjustments to be made as quickly as possible.

The following three key activities are in progress. When these activities are completed, a final recommendation and change order to adjust the schedule will be presented:

1. Identify and establish measures that CGI can perform to meet the schedule
2. Validate and finalize the revised schedule after CGI resolves all the open issues
3. Determine cost/budget impacts

Given the current challenges of schedule delays, it is imperative that CGI demonstrates its ability to meet its commitments in the revised draft schedule. To achieve this, CalSTRS is working with CGI to identify a set of confidence measures to focus on CGI's ability to complete tasks and resolve PIRs in a timely manner, in addition to validating CAT completeness.

Once these activities are complete, staff will share the results and recommendations to the project governance for review.

### **Adjustments to Pension Solution Project Executive Steering Committee**

Lisa Blatnick in her new role as Chief Operating Officer (COO) and Julie Underwood as Chief Financial Officer (CFO) are now jointly serving in the designated COO role in the pension solution project governance structure effective October 1, 2021. These adjustments will further strengthen the project guidance and support to the project.

Ms. Blatnick and Ms. Underwood will provide leadership in partnership with executive project sponsors Ashish Jain, Chief Technology Officer and Bill Perez, Chief Benefits Officer. Introduction of Ms. Blatnick and Ms. Underwood to the project governance structure further reinforces the fiscal oversight at the executive sponsorship level.

Cassandra Lichnock, in her new role as Chief Executive Officer, will continue to provide guidance and support for the project, promote the project vision and keep the board informed.

## **Employer Readiness**

### Employer Readiness Update

The Employer Readiness Team continues to work with and prepare the employer community with system upgrades and testing support and is initiating additional engagement activities for report sources this month to further enable a successful transition to the new Secure Employer Website. The Employer Readiness Team has kept the employer community informed about the schedule adjustments via formal and informal communications.

## **Functional Rollout 2 (Enrollment and Contributions, Calculations & Payments) Update**

### Design, Development and Unit Test Activities

Functional system design, development, and unit test activities are complete, pending validation from Contractor Acceptance Testing and User Acceptance Testing.

The CalSTRS team continues to make progress with performance testing of remaining FR2 operational reports but is running behind schedule awaiting corrections to environments from CGI.

### Contractor Acceptance Test (CAT) Activities

CGI continues to experience delays in completing numerous CAT activities as established in the approved schedule and is progressing at a slower rate than planned. Due to limited CGI resource availability CGI has paused or slowed down some of the testing tasks and their support of UAT as resources have been redirected to focus on other testing tasks and priorities. CAT overlap with UAT activities continues to expand, requiring additional UAT, and will delay the completion of UAT. Testing pass rates continue to be below expectations which translates into additional time and effort needed for CalSTRS to complete UAT. Timely resolution of defects identified from various CAT and UAT activities to meet critical business and technical requirements remains important for the successful completion of these test activities but the defect resolution rate in recent months continues to be below expected targets in areas such as CAT, data conversion and UAT.

Additionally, CalSTRS is concerned with the quality and completeness of the CAT testing efforts, such as correspondence testing. CalSTRS has recently discovered issues related to CGI's test coverage for correspondences and has asked CGI to do a comprehensive analysis to determine coverage and provide an action plan to remedy the correspondence testing shortfalls. This will require additional testing efforts for CGI, additional CalSTRS validation, and may have schedule impacts.

### User Acceptance Test (UAT) Activities

The initial pass rate continues to be below planned and CalSTRS remains concerned about the impacts of the higher-than-expected number of defects on increased workload, execution throughput, defect resolution timeliness and stakeholder resources. The UAT team is now focusing

on ensuring test coverage and testing of defect fixes instead of new executions until CGI CAT efforts are complete. As of October 2021, UAT is approaching almost 50% complete, with execution of over 3,500 FR2 UAT test runs, of which over 2,700 have passed. Given these challenges, FR2 UAT execution continues to progress at a slower rate than planned.

### Data Conversion Activities

Data conversion continues to make progress on defects raised by the various testing efforts but remains behind schedule. The team is converting just over two billion records from the legacy systems to BenefitConnect and continues to track and address conversion fallout. Mock data conversions occur frequently to supply data for the various testing efforts (Parallel, UAT, CAT, and development unit test) that are underway. These activities will continue through go-live to ensure quality of data.

### Training

FR2 training development and logistic planning for staff, employers, and members continue to make progress.

CGI's involvement with FR2 training development has been paused by CGI as their training lead left the project in May 2021 and new resource has yet to be assigned by CGI. CGI has redirected some of the training resources to support delayed FR2 testing activities.

### Change Management

The Change Management team is progressing in the resolution of cross functional decisions by focusing on processes that include facilitating discussions across multiple business areas. The team is also progressing in process readiness efforts through the analysis and documentation of select technology services workloads. They continue to work collaboratively with project leadership to develop and distribute transparent communication to the organization on the schedule development progress. Additionally, the team continues to use Change Roadmaps to introduce, organize, and track changes, impacts and action items for business areas.

### Implementation Readiness/Cutover/Go-Live

The FR2/FR3 Implementation Team continues to work closely with the various teams across the project as schedule adjustments are discussed. This includes strategy development, high-level planning and analysis, and staffing projections associated with the rollout approach and the inclusion of a new proposed Soft Launch period. Also, the FR2/FR3 Implementation Team is working with team members to develop action plans for closing gaps and finalizing the implementation work products (i.e., Implementation Scorecard, Cutover Matrix, Business Transition Matrix).

## **Functional Rollout 3 (Customer Service Management, Enhanced Member Self Service) Update**

### Design, Development and Unit Test Activities

CGI has resumed FR3 activities including commencement of unit integration test, however, the progress is slower than planned as resources continue to be redirected to support other FR2 testing activities.

The CalSTRS team continues to make progress with the design, development, and testing of FR3 operational reports.

The FR3 functional demonstration was held on October 13, 2021. CalSTRS staff (subject matter experts, business owners, design process participants, and business and technical teams) along with CGI have worked together to get to this important milestone. The main purpose of this demonstration was to provide an opportunity for staff to see a working model of BenefitConnect features configured and customized through the FR3 design process. This demonstration was an early view of select functionality much before FR3 CAT completion. FR3 UAT will start after CGI successfully completes FR3 CAT.

### Contractor Acceptance Test (CAT) Activities

FR3 CAT execution continues to be delayed due to delays in predecessor tasks.

### User Acceptance Test (UAT) Activities

FR3 UAT execution remains deferred due to FR3 CAT activities being delayed and pending combined rollout discussions. It was scheduled to commence in mid-July 2021 as per the current approved schedule.

### Data Conversion Activities

The development for FR3 conversion is complete. The next step will be to validate the converted data by various teams.

### Training

FR3 training planning is underway.

**Summary of Top Challenges and Mitigations**

Staff continues to monitor and report on the significant challenges facing the project. Challenges and associated mitigations include:

<b>Challenges</b>	<b>Mitigations</b>
<p>Reducing the impacts to downstream activities (e.g., UAT, BusinessDirect Retrofit project, and FR3, etc.) due to FR2 CAT execution and defect remediation schedule delays beyond the approved change order dates</p>	<p>CGI testing activities continue to be delayed, directly impacting activities such as UAT, which continues to experience pass rates below expectations and results in additional retesting work for both CalSTRS and CGI. CalSTRS continues to work with CGI to obtain a viable revised schedule with a focus on reducing impacts to business operations.</p>
<p>Ensuring CGI address:</p> <ul style="list-style-type: none"> <li>• The higher-than-normal staff turnover in recent months, many with in-depth project knowledge.</li> <li>• The need for adding sufficient skilled resources to keep the project on schedule.</li> </ul>	<p>Loss of staff with in-depth project and system knowledge has impacted project progress. CalSTRS and oversight have asked CGI to mitigate the current loss of staff and address this situation proactively, going forward. CGI also needs to ensure sufficient skilled resources are assigned to the project to ensure project tasks can stay on schedule.</p>
<p>Response to COVID-19. Enabling staff to remain productive while working remotely and continues to meet project goals.</p>	<p>Staff continues to monitor, and assess the impacts of COVID-19, on the staff working remotely and ongoing/upcoming tasks. Staff continues to identify opportunities to improve the virtual work environments, collaboration, and communication.</p>
<p>Timely completion of critical scope items to meet business and technical requirements.</p>	<p>Staff continues to be engaged with CGI to ensure contract agreements remain at the center of scope resolution. Staff and oversight consultants continue to reiterate the need for timely resolution of these scope items to CGI and monitor the progress of CGI addressing the critical functionality to meet CalSTRS business and technical requirements timely.</p>
<p>Providing timely availability and continuity of business area resources (subject matter experts) for the duration of the project.</p>	<p>Continue to work with various business areas to identify and secure resources (subject matter experts) in advance of the anticipated need-by dates.</p>
<p>Providing employer readiness and ability to report production contribution data at go-live.</p>	<p>Continue active engagement and support to employers by the Employer Readiness Team to achieve participation goals of ensuring employer readiness for go-live.</p>

**RECOMMENDATION**

As CGI has indicated that it will provide its finalized revised schedule at the end of the month and CalSTRS is working with CGI to understand its funding request, staff does not have a recommendation to share with the board at the time of this report. Staff will keep the board apprised of the progress made and provide a recommendation as these activities reach closure.





## Pension Solution Independent Project Oversight Report

This informational item includes the Executive Summary of Grant Thornton’s monthly oversight report for the Pension Solution project. The assessments contained in this report are focused on key project risks and issues and provide recommendations for improvement where appropriate.

To provide a more concise, meaningful report to the Board, we have focused on the key areas of Scope, Schedule, Cost, and Resources, and the primary items of note contributing to the rating for those areas. In future updates we will identify a smaller number of key metrics to provide a clear picture of where key activities are against planned targets.

Grant Thornton uses a graphical dashboard that assigns a checkpoint rating to each Pension Solution project area. The legend of these checkpoint ratings is as follows:

### Checkpoint Rating Legend

Checkpoint Rating	Checkpoint Rating Definition
<b>Green</b> 	No priority items noted that require the project to take action at this time
<b>Yellow+</b> 	Risks, issues and/or challenges are noted, and the project is taking action with sufficient progress to address
<b>Yellow–</b> 	Risks, issues and/or challenges are noted, and the project has taken action to partially address.
<b>Red</b> 	High priority items noted, and the project has not taken action or made progress in addressing

The Pension Solution project has an extremely dynamic operating environment. Given this, it is possible that the checkpoint ratings and supporting justifications may change prior to the Board meeting. Should this occur, Grant Thornton will explicitly note this in any discussion with the Board.







## Pension Solution Project Oversight Update

Grant Thornton LLC Independent Project Oversight Consulting (IPOC) services has observed continued progress by the Pension Solution project while maintaining a fully remote workforce. However, progress of schedule revision and testing activities for Functional Release 2 (FR2) and FR3 has continued at a slower than expected pace.

The overall status of the Pension Solution project along with progress and concerns are noted below.

### Overall Status

Scope	Schedule	Cost	Resources
Yellow- 	Red 	Yellow- 	Red 

### FR2 Schedule Development and Testing Progress





In the prior update we noted that Team CGI and CalSTRS staff were working to develop a revised schedule that combines FR2 and FR3 with a potential implementation date in late 2023. Team CGI is analyzing and revising end dates and assumptions to address testing activities that are currently running behind the end dates in the combined schedule. Team CGI plans to deliver the revised combined schedule and staffing plan by the end of October. Costs associated with the major activities in the combined schedule will need to be clearly defined by Team CGI to support negotiations for a path forward once a schedule agreement is reached. CalSTRS executive sponsors and CGI executive leadership plan to meet daily during the week of October 25<sup>th</sup> to discuss budget and schedule and work toward a formal path forward agreement.

It is feasible that agreement may be reached on the combined schedule by the November Board, however it is unlikely a final agreement including cost will be achieved at that time.

Since September 1, 2021 Team CGI has reported on boarding 19 resources comprised of both on shore and offshore personnel. IPOC has requested that Team CGI report on the specific activities the additional resources are assigned to once on-boarded to allow for effective monitoring of progress as staffing levels are adjusted. CalSTRS staff and oversight teams will continue to monitor activity progress to determine the impact the additional resources are having in bringing activities back to plan.

FR2 user acceptance testing (UAT) and contractor acceptance testing (CAT) activities continue with slower than planned progress. Problem incident reports (PIRs) continue to be identified, and PIR burndown continues to run slower than planned.

**Project Category Assessment**

Category Rating	Category Rating Summary
<b>Scope</b> <b>Yellow-</b> 	<p>Project scope remains Yellow- for this reporting period.</p> <p>The project’s capacity for additional scope through go-live will be included in the revised schedule as CR “bundles.” If additional items are identified beyond the estimates in the revised schedule, they will need to be prioritized, and choices will need to be made to ensure critical functionality can be included at go-live.</p> <p>CalSTRS and Team CGI project leadership are developing a repeatable process to more efficiently resolve scope dispute items and avoid extensive negotiations and escalation.</p>
<b>Schedule</b> <b>Red</b> 	<p>Project schedule maintains a Red rating for this reporting period.</p> <p>The project has missed the FR2 implementation date based on the latest approved schedule. As noted, a revised schedule is in development which combines FR2 and FR3 go-live in late 2023.</p> <p>Team CGI has indicated the revised schedule and staffing plan will be delivered at the end of October 2021 for CalSTRS and oversight review. IPOC has recommended Team CGI revisit assumptions used to develop the schedule and revise as necessary as multiple testing activities are currently behind the combined schedule plan.</p>
<b>Cost</b> <b>Yellow-</b> 	<p>Project cost remains Yellow- for this reporting period.</p> <p>The project is currently on budget overall, however the schedule delay will result in additional cost. IPOC has recommended that Team CGI expose the math behind the cost components associated with the combined schedule to support negotiations, and an ultimate path forward agreement. Team CGI executive leadership and CalSTRS executive sponsors plan to meet daily during the week of 10/25/2021 to work toward an agreement on cost.</p>
<b>Resources</b> <b>Red</b> 	<p>Project resources maintains Red for this reporting period.</p> <p>Team CGI has brought on 19 resources since September 1, 2021, primarily at the functional level. Team CGI’s project leadership roles including the Assistant Project Manager, Implementation Lead, Quality Assurance Lead, and Training Lead remain vacant. It is important to fill these roles quickly to facilitate schedule development and to effectively execute project activities.</p> <p>Impacts to the project, particularly UAT have been noted as a result of the fully remote workforce and the COVID19 pandemic. Though the project team has mitigated many of the remote work challenges to the extent possible, the fully remote environment has impacted the efficiency and effectiveness of these project activities.</p>

## IPOC Activities and Contributions

For this reporting period, the IPOC team has been engaged in a variety of oversight-related activities, including meeting attendance, document review, independent analysis, and discussions with project staff and leadership. Representative activities are presented below:

Change request management:

- Attended weekly CR review meetings
- Participated in discussions with Team CGI, and CalSTRS staff and leadership regarding CRs, and scope and cost negotiation processes
- Conducted specific conversations with Team CGI leadership and CalSTRS project management regarding scope determination processes and defect classification, particularly related to UAT items
- Participated in multiple meetings related to disputed items identified during testing

Project metrics / leading indicators:

- Attended weekly testing activity metrics meetings and tracked progress
- Continued conversations with Pension Solution project management and business area leadership regarding tracking/metrics
- Held discussions with Team CGI and CalSTRS project sponsors and business area Directors regarding project needs for business resources, and ongoing capacity management

Project analysis and observation:

- Performed independent analysis of Team CGI's schedule development
- Participated in multiple meetings to discuss schedule path forward strategy and feedback resolution
- Conducted multiple meetings with Team CGI Executive leadership to discuss current status, challenges, and recommendations
- Continued individual conversations with Team CGI Executive leadership regarding resourcing challenges and gaps
- Conducted additional meetings with project management team members regarding testing execution and metrics
- Conducted meetings with Team CGI regarding CAT test metrics, status, and plans to address current challenges
- Continued analysis of testing data to assess UAT progress against plan and conduct conversations with Team CGI and CalSTRS staff
- Delivered Comprehensive Monthly Reports
- Continued to meet with the Pension Solution Project Sponsors, Project Director, CalSTRS Executive, and Governance Advisor to discuss overall observations and areas of focus
- Presented independent assessments of path forward process progress to the Pension Solution Steering Committee and Joint Executive Steering Committee
- Participated in Executive Steering Committee and Joint Executive Steering Committee meetings

Selected project meetings attended:

- Executive Steering Committee meetings
- Pension Solution Steering Committee meetings
- Pension Solution Joint Implementation meetings
- Pension Solution Bi-weekly status meetings
- Weekly Pension Solution CalSTRS Sponsor meetings
- Weekly Pension Solution CalSTRS Sponsor and CGI meetings
- Combined schedule assumptions meeting
- Team CGI and CalSTRS Project Management Team Sync meetings
- One on one meetings with project sponsors
- Project leadership and project sponsor meetings
- IPOC, Sponsor, and Executive leadership meetings
- Risk and Issue Management meetings
- CalSTRS Pension Solution Status meetings
- Individual Stakeholder meetings
- CR Review meetings
- PIR discussions
- Ad hoc discussions with CalSTRS Project Director
- Daily UAT Stand-up meetings
- Multiple one on one project team member meetings
- FR2 System Test Metrics meetings
- UAT Test Metrics meetings
- Team CGI Executive discussions
- Team CGI project management discussions

## **Glossary of Terms for the Pension Solution Update**

**Basic Issues (BIs)**, also referred to as basic data issues, are data issues resulting from general inconsistencies in the type of data intended for a data field, such as missing values in a field, abnormal date ranges, abnormal alpha-numeric values, etc.

**BCP (Budget Change Proposal)**: A proposal to change the level of service or funding sources for activities authorized by the Legislature and approved by the Governor or to propose new program activities not currently authorized.

**BusinessDirect (BD) Retrofit Project** will make the changes necessary for BusinessDirect to integrate with Pension Solution and update functionality that remains in Business Direct. The prime vendor for this project is Deloitte Consulting.

- BusinessDirect is the financial system that was implemented thru the Corporate Accounting and Resource Management (CARM) Project.
- BusinessDirect is an SAP system that manages CalSTRS' budgeting, procurement, accounting and contract management functions.

**Change Requests (CRs)** are formal requests to modify project scope, schedule and/or cost. These requests go through a rigorous process and series of approvals. Once approved, these requests are called **Change Orders (COs)** and modify the agreements in place between CalSTRS and CGI.

**Change Order #130 B** memorialized CalSTRS and CGI negotiating a 30-month, \$34 million contract amendment, adjusting the project's scope, schedule, and contract cost with CGI for the Pension Solution system effective March 30, 2018. The schedule extension moved the implementation of the last functional rollout (FR3) to February 2022 and also extend the scheduled project end date to January 2023, after a one-year warranty, maintenance and operations period.

**Complex Issues (CIs)**, also referred to as complex data issues, are data issues resulting from business or system process deficiencies, prior system conversion, placeholder data, employer and member contribution changes, changes in the law, missing functionality in START, etc.

**Contractor Acceptance Testing (CAT)** demonstrates successful testing and operation of the system prior to transitioning the Pension Solution to CalSTRS for User Acceptance Testing. CAT is performed by Team CGI and supported by CalSTRS.

**Conversion** refers to the work required to move data from an old computer system (the “legacy” system) to a new computer system.

**Employer Readiness Environment (ERE):** A non-production system environment utilized by employers during Soft Launch.

**Employer Support Portal:** A website that employers will visit to be a one-stop-shop for everything CalSTRS related. Employers can access the current Secure Employer Website, PALMS (Pension Administration Learning Management System) and the Employer Readiness Environment from the landing page. Employers will also have access to tools and resources such as job aids and file specification documents. Employers have a Message Board where they can learn about key items from CalSTRS.

**Encumbrances:** Commitment of funding for legally authorized expenditures. Recording an encumbrance is the initial step in legal/budgetary accounting for expenditures.

**External Reporting Partners (ERPs)** includes employers (some have custom systems, and many are vendor supported), payroll software vendors, and third-party administrators.

### **Fit/Gap**

The fit/gap analysis is an opportunity for CalSTRS and Team CGI to identify key design gaps in advance of the detailed Functional Rollout 3 (FR3) JAD sessions. The benefits of conducting a fit/gap phase before moving forward with JAD sessions are:

- Reduce project risk by identifying critical design expectation gaps and involving project leadership to resolve issues prior to proceeding with JADs.
- Enable CalSTRS leadership to make more informed decisions regarding subsequent functional rollouts.
- Provide the project a foundation to complete FR3 design, build, and test activities more efficiently.
- Improve estimates of the amount of work remaining to produce a more reliable schedule.

### **Functional Rollout (FR).**

- FR refers to the project’s three phased releases.



## Implementation in 3 Functional Rollouts

Rollout #1: Soft Launch of the Employer Readiness Environment	Rollout #2: Administration Calculations and Payments	Rollout #3: Customer Service Management Mobile Applications and Accessibility
Non-production environment for employers  Early exposure to system for staff supporting employers	Processing benefit applications Calculating benefits Benefit payments and adjustments Employer reporting	Benefits planning scheduling Internal customer service view New <i>myCalSTRS</i> functionality
Fall 2019	Fall 2021	Winter 2022

PENSION SOLUTION

**Funding authority** authorizes the allocation of appropriate funding to meet project needs.

**Implementation Dry Runs:** Testing activity or dress rehearsal to simulate the tasks and activities to be performed during the production implementation. During these simulations, the team can identify potential gaps or failures and develop corrective actions to mitigate any problems during the production implementation.

**IPOC:**

- IPOC stands for Independent Project Oversight Consultants. Grant Thornton has served as the board oversight vendor since 2011.
- IPOC reports focus on project sponsorship and governance, project management, risk and issue management, organizational change and training management, and vendor and contract management.

**IV&V:**

- IV&V stands for Independent Verification and Validation.
- MAXIMUS has served as the Pension Solution IV&V consultant since 2015.
- The IV&V report currently focuses on six project areas, including requirements, system development, interfaces, deliverable review, and data conversion and reconciliation.

**JAMA:** The Pension Solution project requirements management repository.

**Joint Application Design Sessions (JADS)** are the meetings in which the vendor and CalSTRS staff work through the process of aligning business requirements with technological design specifications to design the system. These sessions will begin again after the FR3 Fit/Gap.

**New File Format (NFF):** The project includes the implementation of two new file formats—the Employment File and the Contribution File—that will replace the existing legacy reports referred to as MR87, Address, Accounts Receivable, F496 and VDF files. The new file formats will be available to test in the employer readiness environment.

**Operational Reports:** Standard operational reports monitor basic operations such as workflow metrics, user access trace audit logs, problem incident reports, and many more. Most of the standard reports do not require any customization. Additionally, Neospin tracks basic operational transaction response times, including online transactions, batch jobs, query execution time, screen access timestamp, and user information. Operational Reports are intended to be statistical in nature providing metrics not found in Benefit Connect.

**Parallel Testing:** Testing performed to confirm that the new Pension Solution system is functioning properly based on comparisons with the existing CalSTRS legacy system(s). Parallel testing confirms that key business processes (e.g., monthly payroll and benefits recalculations) that are tested side-by-side with legacy systems return results that either match or have explainable and acceptable differences (i.e. due to changes in edit rules or other planned functional changes).

**Pre-Flight:** Informal testing to validate UAT test cases are written in accordance with the navigation, system components, and functions from within a fully operational system environment. This will provide CalSTRS advance time to potentially identify gaps in functionality necessary for FR2 Go-Live.

**Pre-User Acceptance Testing (Pre-UAT):** Testing of core system functions with the intent of improving both the overall system quality and UAT experience, confirm key functionalities, and build confidence for CalSTRS that the system is ready for UAT prior to commencement of formal UAT.

**Problem Incident Report (PIR):** Documentation that is submitted when a defect is discovered. A “defect” refers to any instance in which the system in the test environment does not function according to the design specification (DS) or when the actual result does not match the expected result during test execution.

**Resources:** Project resources usually means people resources, including staff, but could reference financial resources or materials.



**Secure Employer Website:** The Secure Employer Web Site provides a secure mechanism for reporting sources and reporting units within CalSTRS to submit inquiries about and changes to member information.

**Soft Launch:** The FR1 Soft Launch of the employer readiness environment was implemented on October 7, 2019. This environment is intended for the employer reporting partners to gain familiarity with the new system and to test the new file formats in advance of the production implementation in the fall of 2021 of FR1 and FR2.

**Software defects,** also known as Problem Incident Reports (PIRs), are descriptions of problems with software that block it from performing the business functions they were designed to execute.

**Spending Authority:** Authorizes the project to expend appropriated funds based on the approved project budget.

**To-be Process Documents:** A process document outlines the steps necessary to complete a task or process in the new system.

**User Acceptance Testing (UAT)** is formal testing of CalSTRS business processes to verify the new system, BenefitConnect meets organizational needs and is ready for production. UAT is performed by CalSTRS and supported by Team CGI.