



Regular Meeting

Item Number 6e – Open Session

Subject: Pension Solution Project Update

Presenter(s): Prashant Mittal

Item Type: Consent Action

Date & Time: January 28, 2021 – 15 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 December 2020 meeting, staff provided updates to project status, delays in the Functional Rollout 2 (FR2) Contractor Acceptance Testing (CAT), commencement of FR2 User Acceptance Testing (UAT), impacts on FR3, and the potential project impacts of the COVID-19 pandemic.

DISCUSSION/SUMMARY

Project Response to COVID-19

The project continues working as a 100% remote workforce, making forward progress, though staff will continue to assess the impacts of working remotely due to COVID-19 on the project. Key risk areas that continue to be monitored and mitigated include:

- COVID-19 and Personal Leave Program (PLP) have resulted in small impacts on resource availability which staff continues to monitor and adjust execution plans, as needed.

- Training and User Acceptance Testing (UAT) are two of the most critical remaining activities for CalSTRS. Some of the key training activities have been successfully conducted and delivered virtually with positive results. UAT continue to monitor and adjust strategies to ensure virtual mode of communication remains as effective as possible between UAT testers and the support team members from CalSTRS and CGI.
- Staff continues to monitor the impact on external interfacing employers and partners as they may have competing priorities and delayed response time due to their own pandemic-induced challenges.

Employer Readiness

Employer Readiness Update

The Employer Readiness Team continues to complete virtual readiness visits with employers to establish the employers in and demonstrate the readiness environment. As of December 31, 2020, 79% have completed a readiness visit. The team is on track to complete 100% of readiness visits by March 2021. The employers who attended a readiness visit account for approximately 98% of the annual contribution lines reported to CalSTRS. The Employer Readiness Team also continues to work with employers undergoing their own system upgrades, as well as payroll software vendors, which could impact their employers' readiness for using the New File Format at FR2 go-live.

The Employer Readiness Team is also refining the final testing and readiness activities for employers in 2021 based on lessons learned and employer feedback to ensure that all employers are ready to use the new system at Functional Rollout 2 go-live.

Soft Launch (Employer Readiness Environment) Maintenance Release Update

There are two significant Maintenance Releases (MRs) during Soft Launch in the Employer Readiness Environment. MR1 was deployed on schedule in September 2020, and MR2 is on scheduled to be implemented March 2021. The larger MR2 includes system updates and additional employer functionality and triggers the final six-month readiness window for employers to become ready for the new Secure Employer Website (new SEW). MR2 User Acceptance Testing commenced on October 29, 2020. Testing is going well and generally on schedule.

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 team is continuing with design, development, and system testing of remaining FR2 operational reports.

Contractor Acceptance Test Activities

CGI continues to experience delays in completing Contractor Acceptance Testing (CAT). CAT testing continues to be much slower than planned. CGI has missed some of the schedule dates agreed to in the latest change order (CO) approved in October 2020 and completion of some aspects of CAT could be further delayed. Current and projected completion dates further increase the overlap with UAT, result in additional UAT testing, and could result in delaying completion of UAT. Staff has requested CGI review remaining CAT testing tasks and develop a realistic FR2 schedule that minimizes downstream schedule impacts for CalSTRS' consideration. CalSTRS and oversight consultants will evaluate the CGI's proposed schedule for achievability based on the recent performance trend and alignment with CalSTRS resource planning.

Once the revision to the FR2 schedule is finalized, CalSTRS and oversight consultants will continue to closely monitor progress against the revised project schedules and goals.

User Acceptance Test (UAT) Activities

FR2 UAT execution, which commenced on November 9, 2020, is progressing closely with respect to the planned schedule of initial executions as of end of December 2020. However, CalSTRS is concerned about the low pass rate compared to the expected 80%, as well as the number of defects that are preventing executions of certain downstream test cases. The low pass rate and the higher number of defects will result in a significant increase in the UAT workload as well as an increased need for CGI resources to fix defects in a timely manner. Those extra efforts in turn increase the risk of UAT not completing on schedule and achieving the FR2 go-live date. Staff is working with CGI to address this and is awaiting their plan to resolve the large number of defects as a result of the low pass rate.

Data Conversion Activities

Data Conversion remains on schedule. The team is converting about 2 billion records from the legacy systems to BenefitConnect. Mock data conversions occur regularly and will continue until close to go-live. The team has successfully converted 99.99% of the total records to be converted. Staff continues to address any remaining data conversion issues. Converted data is being used for UAT and parallel testing purposes, in the controlled environments.

Training

The 40 FR2 courses for staff, employers and members have been drafted by the Learning and Development team in collaboration with the business areas and is under review. Training logistics planning is underway for 2021 training delivery.

Change Management

The Change Management team conducted a Change Readiness Assessment in December which is a critical tool to help identify areas of resistance and measure the effectiveness of communication and change activities to date. Results from the assessment are currently being analyzed and the findings will allow staff to adjust strategies, activities and communications in order to better

prepare staff and leadership for the implementation of BenefitConnect. Data from the assessment will also feed into the Change Management Dashboard to show the current, expected and planned level of readiness across the organization. Additionally, the team continues to work with business areas to introduce changes, impacts and decisions through use of the Change Roadmaps.

Implementation Readiness/Cutover/Go-Live

Schedule, resource, and risk planning and analysis initiatives are underway for the new FR2 implementation activities outlined in the Implementation and Transition Plans. In December 2020, key business and technology staff participated in FR2 Implementation Overview sessions and CGI kicked off the 150+ individualized business transition discussions with business process owners which are planned through February 2021. These facilitated discussions help each business area develop a strategic, step-by-step approach for transitioning from the old processes and systems to the new ones using the BenefitConnect system. Coordination related to finalizing the FR2 cutover matrix with CGI, Pension Solution project leads, and the Legacy Applications Decommission (LAD) team is scheduled for January 2021. The cutover matrix outlines all activities required to stop production processing in one system, complete and validate data conversion activities, and stand up the new production system. The project has planned two dry run exercises before FR2 implementation in order to confirm all the steps in the cutover matrix.

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

The FR3 schedule was adjusted in October 2020 based on the CO 287 mentioned above to address the then cascading impacts of FR2 CAT delays. However, since that CO was approved, FR2 CAT delays continue to negatively impact the FR3 schedule and resources. Staff has requested CGI develop an achievable FR3 schedule for CalSTRS' review and approval. Staff will monitor progress and work with CGI to adhere to the revised schedule. CalSTRS and oversight consultants will closely review the revised schedule for both FR2 and FR3 in January 2021 to determine if FR2 and FR3 current planned go-live dates remain viable.

Design, Development and Unit Test Activities

CGI has redirected most of the FR3 resources to assist with FR2 system testing delays. This has put FR3 development and unit testing activities considerably behind schedule, potentially by more than 2 months. CalSTRS raised this concern; CGI has stated the delay in FR3 can be mitigated, by retaining resources longer by overlapping of tasks, and adding additional resources. Staff will monitor the mitigation efforts for any potential downstream impacts of such reallocation of resources.

The team is continuing with design of FR3 operational reports.

Data Conversion Activities

FR3 conversion code has been developed. Converted data will be used when testing begins.

Summary of Top Challenges and Mitigations

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

Challenges	Mitigations
<p>Ensuring 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, are minimized.</p> <p>Ensuring FR2 UAT execution and defect remediation are progressing as expected in accordance with the revised schedule.</p>	<p>CalSTRS and CGI approved a Change Order (CO) on October 30, 2020 to mitigate the delay and re-baseline the remaining FR2 CAT tasks. However, CGI is currently behind schedule on many of the CAT testing timelines as agreed upon in CO. UAT pass rates are below expectations and will likely result in additional work for the CalSTRS UAT and CGI. Staff will continue to work with CGI to re-plan the project schedule and monitor progress against it.</p>
<p>Ensuring CGI provides a qualified replacement Project Manager following the departure of the prior PM.</p>	<p>CalSTRS has been introduced to the new project manager from CGI. Steve Papke joined the project mid-December. Closely observing the effectiveness of CGI’s replacement project manager to manage their recent struggles and minimize the impacts of current delays as well as avoiding additional delays.</p>
<p>Carefully manage and categorize problems identified during testing as a defect vs. costed change request.</p>	<p>Staff is discussing the challenge with CGI and working to ensure contract agreements remain at the center of resolution. CGI has agreed that any critical change required for go-live will be resolved swiftly to ensure project progress is not compromised. Items that cannot be resolved will be escalated in accordance with the project’s governance process.</p>
<p>Response to COVID-19. Ensuring staff remain productive while working remotely and continue to meet project goals. Re-planning Training and User Acceptance Testing based on a fully remote workforce.</p>	<p>Continue to monitor, assess and mitigate the impacts of COVID-19, on the staff working remotely and ongoing/upcoming tasks. Staff continue to identify opportunities to improve the work environments, collaboration and communication. CalSTRS continues to hold CGI accountable to make resources available via remote means to effectively mitigate operating UAT in a remote environment (i.e, adequate CGI resources to work with UAT testers via Zoom video conferencing).</p>

Sustaining effective communication and collaboration between CGI and CalSTRS as schedule pressures impact resources and solution delivery, judicious scope control and rapid resolution of scope questions for successful FR2 and FR3 implementations.	Continue regular virtual stand-up meetings between CalSTRS and CGI management teams to foster open communication and to quickly address roadblocks as they are identified.
Ensuring timely availability and continuity of business area resources (subject matter experts) for the duration of the project.	Continue to work with various business areas to identify and secure resources (subject matter experts) in advance of the anticipated need-by dates.
Ensuring employer readiness and ability to report production contribution data at FR2 go-live.	Continue active engagement and support to employers by the Employer Readiness Team to achieve participation goals of ensuring employer readiness for FR2 go-live.

RECOMMENDATIONS

None during this reporting period. Once CGI propose a revised plan and CalSTRS and oversight consultants review it for its viability, staff may provide recommendations in next reporting period.

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.

Key Findings

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
Green 	No priority items noted that require the project to take action at this time
Yellow+ 	Risks, issues and/or challenges are noted and the project is taking action with sufficient progress to address
Yellow– 	Risks, issues and/or challenges are noted and the project has taken action to partially address.
Red 	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. The project team has continued to focus on testing activities for Functional Release (FR) 2 as well as on employer readiness.

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

Overall Status

Scope	Schedule	Cost	Resources
Yellow- 	Yellow- 	Yellow+ 	Yellow+ 

FR2 Testing Progress

FR2 contractor acceptance testing (CAT) continues to run behind schedule in multiple areas. The most recently agreed upon CAT end dates in Change Order (CO) 287 are unachievable based on current progress. Team CGI recently provided a draft revised plan to complete all CAT activities and user acceptance testing (UAT) support by the current FR2 go-live date. CalSTRS and oversight teams will be discussing the plan with Team CGI and assessing its feasibility.

UAT began in early November, and CalSTRS’ test execution has progressed on track. However, the currently reported test case pass rate is below expected levels, and Team CGI has been unable to address the resulting problem incident reports (PIRs) at the expected pace. These metrics have not impacted UAT progress thus far, however Team CGI’s ability to address PIRs in a timely manner is critical to maintaining the UAT schedule. UAT progression models are being run based on actual metrics to-date to determine what increased levels of progress will be needed to maintain the schedule. If the current pass rate continues and Team CGI is unable to increase the rate at which PIRs are addressed to levels indicated in model assessments, there is a significant risk the full scope of UAT will not complete on time.

Project Category Assessment

Category Rating	Category Rating Summary
Scope Yellow- 	<p>Project scope is rated as Yellow- for this reporting period.</p> <p>The project’s capacity for additional scope through FR2 go-live is extremely limited. Items identified during the remainder of CAT and UAT deemed new scope will need to be critically prioritized, and choices will need to be made to ensure critical functionality is included at go-live.</p> <p>In order to help ensure that critical functionality is addressed and included for FR2 go-live, Team CGI has indicated a commitment to begin addressing critical PIRs immediately while discussions are held related to potential cost impacts.</p> <p>CalSTRS and Team CGI project management have continued to work through FR2 CRs and items identified during testing to determine whether specific components are in scope or new scope, along with any associated cost/credits. A small number of disputed items remain in discussion. Progress has been seen in the project’s ability to reach agreement on disputed items, however scope determination continues to require escalation and extended negotiation in some cases.</p>

Category Rating	Category Rating Summary
<p>Schedule Yellow-</p> 	<p>The project schedule area is rated as Yellow-.</p> <p>Risks to the schedule continue due to the ongoing system testing challenges, and to UAT test case pass rate and PIR resolution rates.</p> <p>FR2 system testing is estimated to use all three months of schedule contingency for FR2, which greatly reduces the project’s ability to absorb any challenges encountered during the remainder of CAT and UAT.</p> <p>As noted, many of the CAT end dates within CO287 are estimated to be unachievable, and Team CGI is currently replanning CAT and UAT activities with a draft proposed schedule submitted at the end of December. The latest schedule submission from Team CGI was rejected by CalSTRS and will be revised pending discussion and analysis of the proposed plan provided in late December.</p> <p>Experienced development resources have been re-allocated from FR3 to FR2 activities, and FR3 development has further slowed as a result.</p>
<p>Cost Yellow+</p> 	<p>Project cost remains Yellow+ for this reporting period, primarily due to the schedule pressures noted, and the potential cost impacts of any schedule delays. The project currently continues to be on budget overall.</p> <p>IPOC has continued to observe effective management of project scope cost through the formal CR management process and the level of scrutiny applied to potential changes through criticality, implementation timing, and cost analyses.</p> <p>Additional costs may also be encountered if the project encounters additional resource needs, or critical functionality gaps determined to be new scope.</p>
<p>Resources Yellow+</p> 	<p>The Project resources area is rated Yellow+ for this reporting period.</p> <p>CAT testing delays have resulted in multiple overlapping activities for business area subject matter experts including end-to-end testing validation and UAT test execution. These resources will also be involved in a number of training, transition, and implementation activities from this point through go-live. If the current UAT pass rate and resulting PIR count continue, CalSTRS’ UAT testers will need to perform more re-executions than originally planned to validate that the issue is fixed, resulting in additional strain on resource capacity.</p> <p>As noted, Team CGI’s experienced development resources have been re-allocated from FR3 to FR2. FR2 CAT and UAT support activities are experiencing slower than expected progress due to the number of concurrent activities these resources are working on.</p>

Project Area Assessment

Area Rating	Area Rating Summary
Project Sponsorship and Governance Green 	<p>This category is rated Green for this reporting period.</p> <p>The Chief Operating Officer (COO), Chief Technology Officer (CTO), Chief Benefits Officer (CBO), and business area Directors remain effectively involved in the project.</p> <p>The Pension Solution Steering Committee (PSSC) and Executive Steering Committee (ESC) continue to meet regularly to discuss upcoming CRs, key activities, open concerns, and pending challenges across the project.</p> <p>Project Sponsors meet with project team members and Team CGI regularly to discuss status and challenges, and address items as appropriate.</p>
Project Management Red 	<p>The Project Management area is rated Red for this reporting period primarily due to the continued CAT delays, and lack of agreed upon schedule for CAT activities, UAT PIR resolution, and FR3.</p> <p>The Project Manager role for Team CGI has been filled, which is a significant step for the project team, particularly with regard to Team CGI’s schedule management challenges. Collaboration between Team CGI and CalSTRS will be monitored as the new Project Manager becomes more involved.</p> <p>CalSTRS and Team CGI continue to effectively work remotely due to COVID-19, and have maintained positive progress in many project areas including UAT execution, data conversion, training, and employer readiness. Risks exist due to potential resource capacity challenges resulting from internal COVID-19 related activities as well as external/personal priorities, particularly during UAT.</p>
Risk and Issue Management Green 	<p>Risk and Issue Management maintains a Green rating for this reporting period.</p> <p>The Risk and Issue Management process continues to follow defined procedures. Risks and issues continue to be submitted by project stakeholders, monitored by assigned risk owners, and discussed in formal bi-weekly risk and issue meetings.</p> <p>IPOC has continued to emphasize the importance of clearly defining risks/issues to allow for specific, time-based mitigating actions.</p>
Organizational Change and Training Management Green 	<p>This category maintains a rating of Green for this reporting period.</p> <p>Transformation Readiness launched a readiness assessment survey to provide a perspective on the organization’s state of readiness for the new system and is analyzing responses. A change dashboard has also been developed to provide a visual depiction of readiness throughout the organization. Additional tasks in progress include transition and implementation readiness activities such as business process transition meetings to provide business</p>

Area Rating	Area Rating Summary
	<p>areas with roles, responsibilities, and timelines for transition and implementation activities running up to FR2 go-live.</p> <p>Learning and development continues to develop FR2 computer based training scripts and training courses.</p>
<p>Solution Delivery</p> <p>Yellow-</p> 	<p>This assessment category is rated Yellow- for this reporting period.</p> <p>The primary focus of the Solution Delivery area for this period is FR2 testing, particularly CAT and UAT.</p> <p>Progress on remaining system testing and PIR resolution continues behind the dates agreed upon in CO287, and replanning is underway.</p> <p>UAT results to-date have shown positive execution progress, however test case pass rates and PIR resolution are running behind plan.</p> <p>FR3 development continues behind schedule due to Team CGI's focus on, and resource allocation to, FR2 CAT and UAT.</p> <p>This area will be lowered to Red if the proposed plan by Team CGI is deemed insufficient, or if approved, does not yield expected improvements.</p>
<p>Vendor and Contract Management</p> <p>Yellow+</p> 	<p>This assessment category is rated Yellow+ for this reporting period.</p> <p>As noted, collaboration between Team CGI and CalSTRS will be monitored as the new Project Manager effectively assumes the role.</p> <p>Given the current phase of the project, it is critical for Team CGI and CalSTRS project management and leadership to effectively and efficiently discuss concerns and negotiate agreements, particularly those related to items identified during testing that need to be classified either as a defect/PIR or enhancement/CR. Improvements have been seen in these discussions, and the number of disputed items has been reduced to a small population.</p> <p>CalSTRS and Team CGI project leadership should continue to meet daily to discuss the ongoing schedule challenges, and ways to collaboratively mitigate them.</p>

Glossary of Terms for the Pension Solution Updates

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 myCalSTRS 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.