

Glossary of Terms for the Pension Solution Update

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.

Business Scenario Groups (BSGs): A prioritized list of functionalities to focus both the CalSTRS and Sagitec teams on throughput of workload/PIR resolutions. The prioritization focuses on foundational system function and progresses through the member lifecycle with inclusion of core functionality.

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 prior approach to developing and testing the functionality in three phases.

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. Guidehouse, has served as the board oversight vendor since acquiring Grant Thornton in 2022. 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 reports typically focus on six project areas, including requirements, system development, interfaces, deliverable review, and data conversion and reconciliation.

Interim Services Period (ISP): The period of time from July 1, 2022 through June 30, 2023, where Sagitec Solutions is providing essential services (e.g., fixes to design and development and system testing) in collaboration with CalSTRS for the ongoing development of the BenefitConnect system.

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).

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.