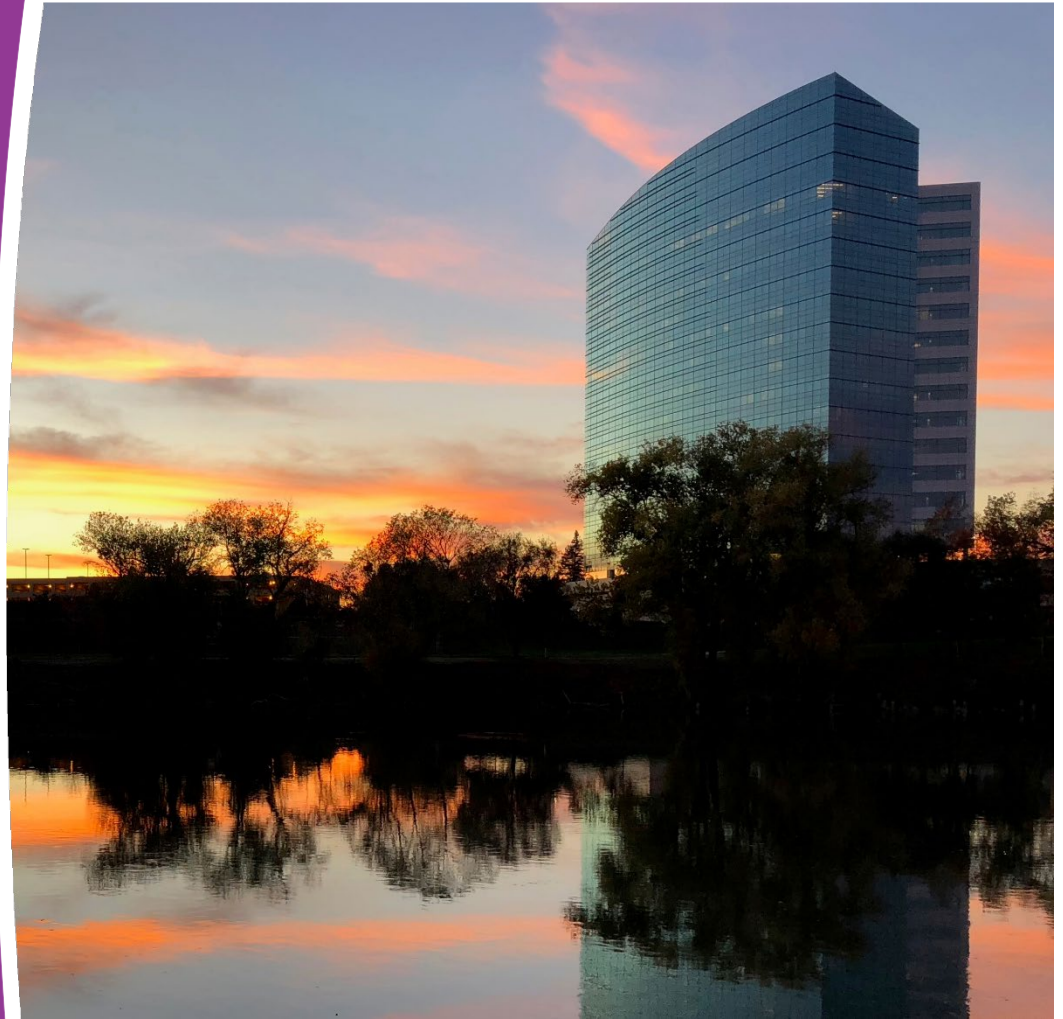




Enterprise Technology Projects

FISCAL YEAR

2022-23



THIRD QUARTER REPORT

Quarter Ending March 31, 2023

ENTERPRISE TECHNOLOGY PROJECTS

FISCAL YEAR 2022-23
THIRD QUARTER REPORT

At the end of the third quarter for fiscal year 2022-23, CalSTRS had seven enterprise projects: six major technology projects over \$1 million and two projects 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
Chief Executive Officer

Lisa Blatnick
Chief Operating Officer

Julie Underwood
Chief Financial Officer

Melissa Norcia
Chief Administrative Officer

Teresa Schilling
Chief Public Affairs Officer













Ashish Jain
Chief Technology Officer

Bill Perez
Chief Benefits Officer

Scott Chan
Deputy Chief Investment Officer

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

The following table summarizes current major enterprise technology projects during the third quarter.

Project Name	Project Duration	Schedule (Status)	Project Budget	Budget Expended	Budget (Status)
BusinessDirect Retrofit	Apr 2017 – Jun 2023	 ¹	\$9,769,238 ²	\$8,399,215	
Data Quality	Nov 2011 – Jun 2023	 ³	\$31,999,333	\$30,230,037	
Datacenter Hosting and Migration Services	Nov 2020 – Oct 2023		\$18,900,000	\$15,448,995	
HR Link	Dec 2018 – Aug 2023		\$2,163,751	\$1,652,606	
Pension Solution	Jul 2014 ⁴ – Jun 2023	 ⁵	\$334,833,040	\$304,987,622	
Transformation Readiness	Jul 2016 – Jun 2023	 ⁶	\$20,191,534	\$18,535,808	

Schedule & Budget Indicators  On Track  Warning  Critical  Complete  On Hold  Cancelled  Not Started

¹ BusinessDirect Retrofit – The schedule indicator is in critical 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 Data Quality – The schedule indicator is in critical status due to dependency on the Pension Solution Project implementation schedule.

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 revising the schedule and remaining project activities.

⁶ Transformation Readiness – The schedule indicator is in critical status due to dependency on the Pension Solution Project implementation schedule.

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

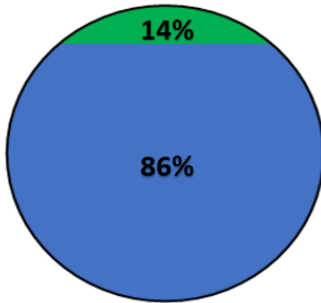
BUSINESSDIRECT RETROFIT

The BusinessDirect Retrofit (BDR) project will support CalSTRS in the implementation of a new pension administration system, BenefitConnect (BC). 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



● % Expended ● % Remaining

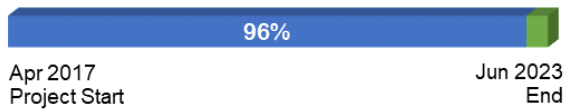
ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2023

- Approved Pension Solution Change Control IAP Concept Approval - PSCC1405
- Transitioned Business Lead role and responsibilities to Technical Lead.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2023

- Continuous monitoring of Pension Solution Project activities and work with system support vendor for resolution of outstanding defects, as needed.
- Identify new and modified Pension Solution project requirements that impact the BDR Project.
- Validate open work items to complete the BDR project.

PROJECT SCHEDULE STATUS TIMELINE



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.



MAJOR ENTERPRISE TECHNOLOGY PROJECTS

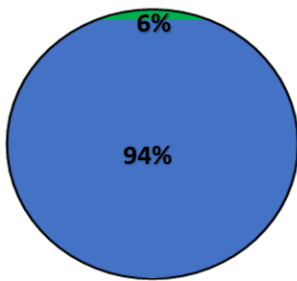
DATA QUALITY

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

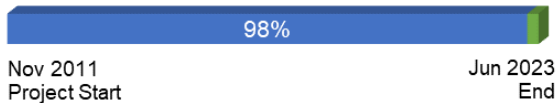
ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2023

- Rerun Archive Flag completed.

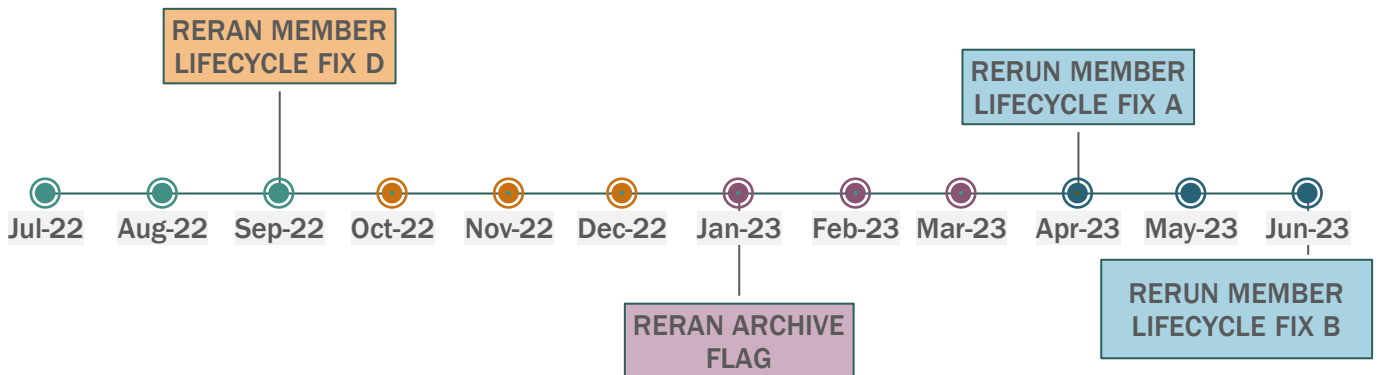
PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2023

- Complete Member Lifecycle Fix A Implementation Rerun.
- Complete Member Lifecycle Fix B Implementation Rerun.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2022–23 MAJOR MILESTONES⁷



⁷ As approved by Pension Solution Steering Committee.

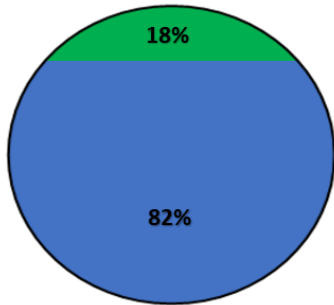
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

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

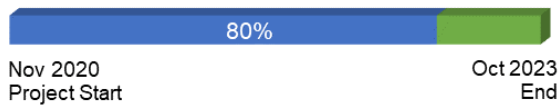
ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2023

- Continued maintenance and operations for the infrastructure.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2023

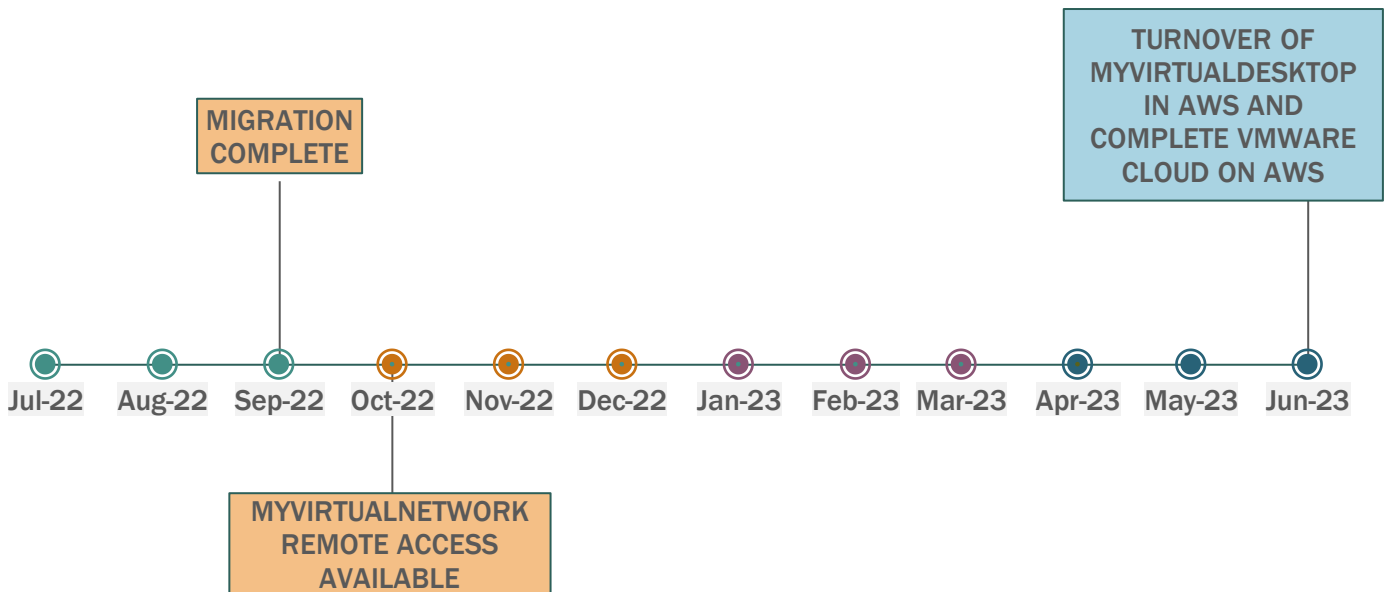
- Continue to assess pension administration infrastructure migration to the cloud.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2022–23 MAJOR MILESTONES

NOTE: AWS = Amazon Web Service



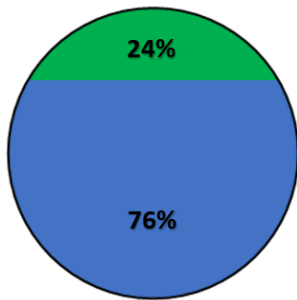
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

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 (ONB) with Cross-boarding (CSB) and Performance and Goals Management (PMGM) modules. Workforce Analytics and Succession Planning will be part of a future phase.

PROJECT BUDGET

\$2.2 Million



● % Expended ● % Remaining

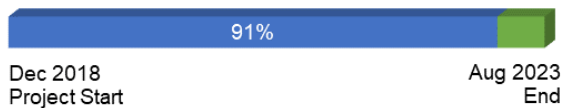
ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2023

- Completed ONB Iteration 1 requirements, configuration, and validation.
- Finalized requirements for Iteration 2 testing of ONB/CSB.
- Completed Phase 2 change request to extend schedule through August 31, 2023 and adjust the scope to include CSB and remove Off-boarding from the ONB module, and also remove Workforce Analytics and Succession Planning modules.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2023

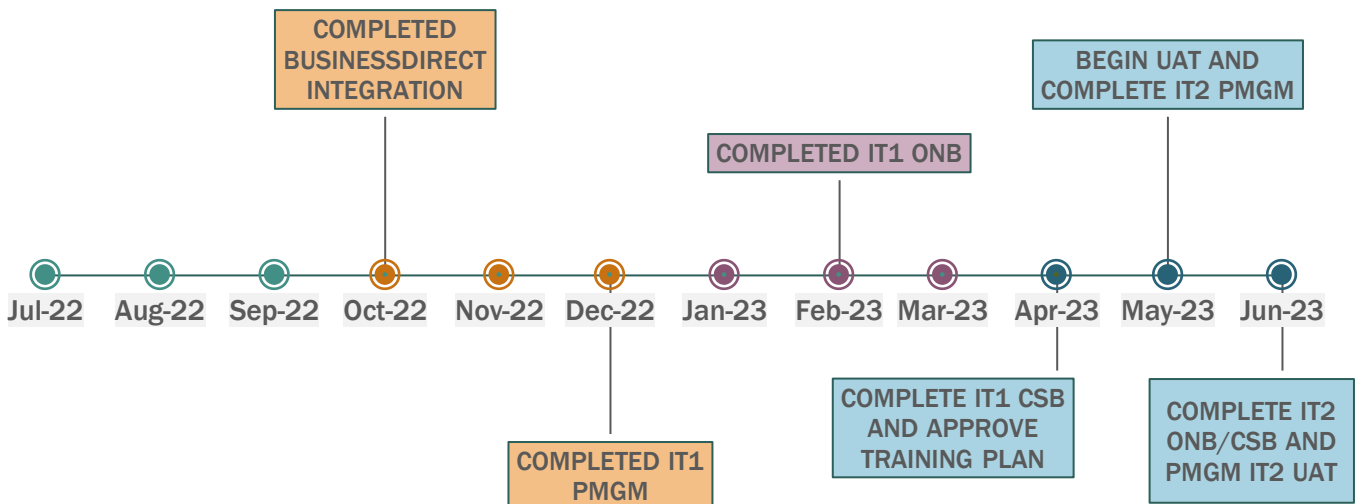
- Complete approval process to fully execute contract amendment.
- Resume support services to resolve open tickets from Phase 1.
- Complete CSB Iteration 1 testing, requirements, configuration, and validation.
- Complete PMGM Iteration 2 testing, configuration, and validation.
- Complete PMGM user acceptance testing, configuration, and validation.
- Complete ONB/CSB for Iteration 2 testing, configuration, and validation.
- Draft Facilitator Guides for training.
- Develop and approve training plan & schedule.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2022–23 MAJOR MILESTONES

Note: IT1 = Iteration 1; IT2 = Iteration 2; UAT = user acceptance testing



MAJOR ENTERPRISE TECHNOLOGY PROJECTS

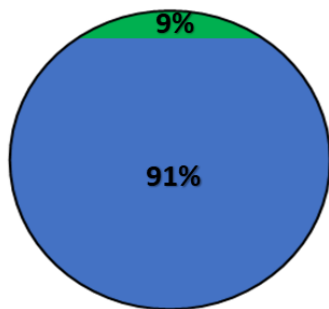
PENSION SOLUTION

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



● % Expended ● % Remaining

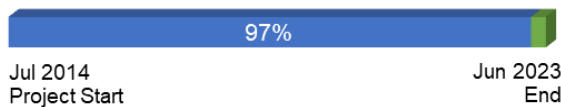
ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2023

- Hired Project Director.
- Submitted proposed budget to Teachers’ Retirement Board for approval.
- Prioritized assessment recommendations for implementation.
- Identify strategies for procuring vendor services.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2023

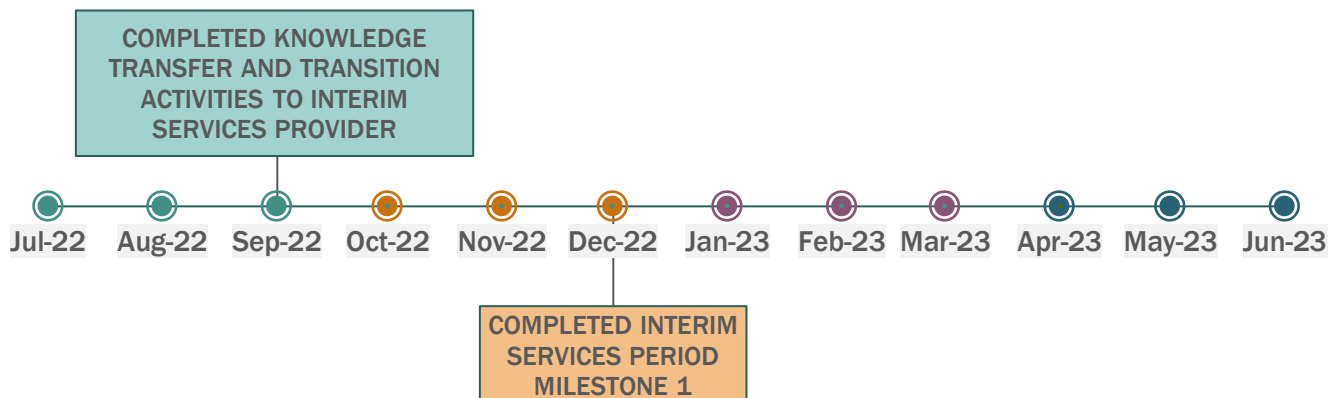
- Implement the top 10 project improvements.
- Reassess the critical success factors to be incorporated as the new vendor is determined.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2022–23 MAJOR MILESTONES

NOTE: The project is revising the schedule and remaining project activities. Milestones will be added after the schedule replanning efforts are finalized.



MAJOR ENTERPRISE TECHNOLOGY PROJECTS

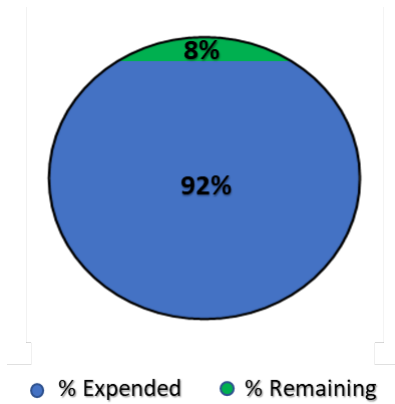
TRANSFORMATION READINESS

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



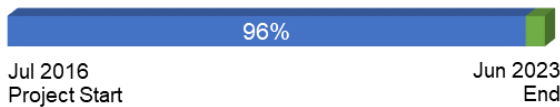
ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2023

- Worked with team leads to update Pension Solution Project team SharePoint sites with current and useful information.
- Collaborated with project leadership to develop frequent and transparent communication about the current project status and ongoing potential adjustments.
- Provided introduction presentation and distributed the Change Leadership toolkit to remaining business areas.
- Participated in Retirement Readiness Change Management Summit and crafted plans for next 6 months of change management activity.
- Created initial testing site for Pension Solution Onboarding Program.
- Completed Pension Solution training material transition to HR Link.
- Drafted Articulate Storyline developer materials.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2023

- Complete rollout of Change Leadership Toolkit by introducing to remaining business area leaders.
- Restructure, update and write The Messenger newsletter for May release.
- Continue revamp of the Pension Solution training standards and templates.
- Develop and implement Change Management action plan for strengthening the team restructure plan.

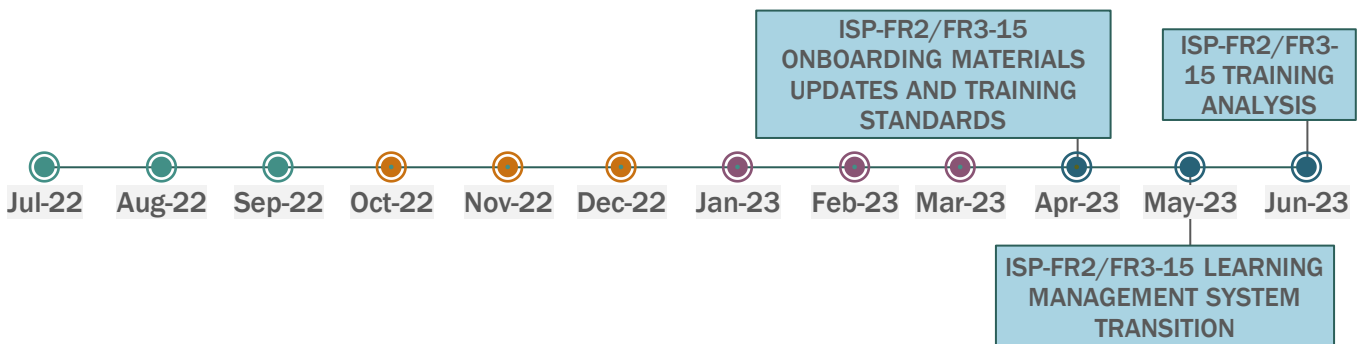
PROJECT SCHEDULE STATUS TIMELINE



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



OTHER ENTERPRISE PROJECTS UNDER \$1 MILLION

The following table summarizes other reportable enterprise projects under \$1 million during the third 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	
Customer Relationship Management Solution Readiness Assessment Conduct an assessment to determine the viability, benefits, and timing of acquiring a customer relationship management tool to support CalSTRS business strategy of enhancing the customer experience, improving engagement, and reducing effort.	Feb 2023 – Nov 2023		\$476,824	\$0	

Schedule & Budget Indicators  On Track  Warning  Critical  Complete  On Hold  Cancelled  Not Started

⁸ Print to Mail Software Schedule – The schedule indicator is in hold status because the project is dependent on the Pension Solution Project implementation schedule.