



Regular Meeting

Item Number 4 – Open Session

Subject: Pension Solution Project Update

Presenter(s): Prashant Mittal

Item Type: Information

Date & Time: March 5, 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 January 2021 meeting, staff provided updates to project status, delays in the Functional Rollout 2 (FR2) Contractor Acceptance Testing (CAT) and impacts on FR2 User Acceptance Testing (UAT) and FR3.

DISCUSSION/SUMMARY

Project Response to COVID-19

Staff continue to monitor and mitigate the impacts on the project due to COVID-19 and working remotely. 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. Key training activities continue to be successfully conducted and delivered virtually. UAT continues 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. The team is on track to complete 100% of readiness visits by March 2021. The employers account for approximately 99% 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.

Soft Launch (Employer Readiness Environment) Maintenance Release Update

There is one remaining Maintenance Releases (MRs) during Soft Launch in the Employer Readiness Environment. MR2 includes system updates and additional employer functionality and triggers the final readiness window for employers to become ready for the new Secure Employer Website (new SEW). Remaining MR2 UAT activities are on schedule and MR2 is expected to go live in March 2021.

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 continues 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 progress at a much slower rate than planned. CGI continues to miss schedule dates agreed to in the latest change order (CO) approved in October 2020. Some aspects of CAT have been further delayed, which results in increased overlap with UAT activities, requiring additional UAT testing, and may delay completion of UAT. Staff has asked CGI to conduct a root

cause analysis of testing delays, re-plan and develop a quality-focused achievable project schedule for the remaining FR2 activities for CalSTRS' consideration. CalSTRS and oversight consultants will evaluate the CGI's proposed plan and 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

As reported in last reporting period, FR2 UAT execution commenced in November 2020, and is progressing at a slower rate than planned as of the end of January 2021. CalSTRS remains concerned about the low pass rate and the higher number of defects resulting in a significant increase in the UAT workload as well as an increased need for CGI resources to fix defects in a timely manner. This, in turn, increases the risk of UAT not completing on schedule and achieving the FR2 go-live date. As mentioned above, staff is working with CGI to address this and is awaiting CGI's 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 continues to make progress towards reducing conversion errors. 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

FR2 training course materials for staff, employers and members are on target to be completed Spring 2021. Training logistics planning continues for 2021 training delivery.

Change Management

The Change Management team is working with Project and Business Areas Leadership teams to implement recommendations following the completion of the Change Readiness Assessment. Efforts are focused on maximizing individuals' awareness and desire for changes prior to training to increase its effectiveness. Additionally, the team continues the Business Process Readiness workload. Through this and other efforts, various changes have been identified across the business processes. Staff use Change Roadmaps to introduce, organize, and track these changes and their impacts to business areas.

Implementation Readiness/Cutover/Go-Live

In January and February 2021, key business and technology staff participated in over 70 implementation planning sessions aimed at identifying and clarifying the detailed steps, timing, resources, and communications needed to successfully deploy the new BenefitConnect system at FR2. Over 175 sub-processes were reviewed with business process owners and subject matter

experts. These sessions resulted in decisions regarding when and how to freeze current business processes as well as identification of interim business processes needed for business continuity during the cutover period. Staff has strategically scheduled four implementation readiness checkpoints before FR2 go-live. Finally, to ensure cross-team collaboration, transition approach alignment, and integration of FR2 implementation requirements throughout the planning process, targeted efforts were made to formalize and establish integrated collaboration and communication channels within the teams.

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

The FR3 schedule continues to be impacted by the cascading effects of FR2 CAT delays. FR2 CAT delays have pushed out many FR3 activities. The increased overlap of FR2 activities with those of FR3 activities have also negatively impacted the availability of resources. Staff has requested CGI develop an achievable FR3 schedule, in conjunction with the FR2 replanning effort, for CalSTRS’ review and approval. CalSTRS and oversight consultants will closely review the revised schedule for both FR2 and FR3 when it is delivered to determine if FR2 and FR3 current planned go-live dates remain viable. Staff will monitor progress and work with CGI to adhere to the revised schedule.

Design, Development and Unit Test Activities

CGI has redirected most of its FR3 resources to assist with FR2 system testing delays. This has put FR3 development and unit testing activities considerably behind schedule, by more than 2 months. Staff will monitor the mitigation efforts for any potential downstream impacts of such reallocation of resources.

The team is continuing with design and development of FR3 operational reports.

Data Conversion Activities

FR3 conversion code development has been completed.

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
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 and don’t impact quality.	CGI testing activities continue to be delayed, directly impacting downstream activities such as UAT, which continues to experience pass rates below expectations and results in additional retesting work for both CalSTRS and CGI. CalSTRS has requested CGI conduct a root cause analysis of testing

Challenges	Mitigations
Ensuring FR2 UAT execution and defect remediation are progressing as expected in accordance with the revised schedule.	delays, re-plan and develop an achievable project schedule for remaining FR2 and FR3 activities. CalSTRS will continue to work with CGI to re-plan the project schedule and monitor progress against it.
Carefully manage and categorize problems identified during testing as a defect vs. costed change request.	Staff continue to be engaged with CGI to ensure contract agreements remain at the center of resolution. CGI has agreed that any critical change required for go-live will be included in scope to ensure project progress is not compromised, while cost negotiations are escalated. Items that cannot be resolved will be escalated in accordance with the project’s governance process.
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.	User Acceptance Testing and Training activities requires close collaboration across various teams and have some impact on efficiency due to remote working. Staff 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 virtual work environments, collaboration and communication.
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. CalSTRS and oversight consultants are engaged with CGI to seek a revised plan and will review it for its viability. Staff expect to provide recommendations in the 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. However, progress of testing activities for Functional Release (FR) 2 has been slower than expected.

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+ 	Yellow- 

FR2 Testing Progress

Since the last Board meeting, the project has continued to execute user acceptance testing (UAT) for the highest priority items of Functional Release 2 (FR2). It currently appears unlikely the project will be able to complete FR2 UAT by the scheduled deadline. This is primarily due to the higher number of defects being identified than originally anticipated, and slower than planned execution and PIR resolution rates. The number of defects – and how quickly they can be corrected and returned for retesting – is a primary driver of the UAT schedule. Part of Team CGI’s analysis to develop a revised schedule includes determining the current number of true system defects and projecting the number that will be identified over the remaining UAT effort, as well as the rate at which those defects can be resolved. The defect identification and resolution process is complex, and there appear to be opportunities for improvement in the productivity of UAT processes, however at this point IPOC is skeptical that any enhancements will result in reaching the UAT exit criteria within the current schedule.

While our confidence that the project will meet the current schedule for completing UAT is lower at this point, we do have a high degree of confidence that the project – CalSTRS and Team CGI – continue to prioritize quality over schedule. Sponsors in both organizations have been clear to oversight and to their teams there will be no compromise on system quality for FR2 go-live. We will continue to monitor these activities and processes and will continue to discuss these items with Team CGI and Staff.

Project Category Assessment

Category Rating	Category Rating Summary
<p>Scope Yellow- </p>	<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 contractor acceptance testing (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 defects 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>
<p>Schedule Red </p>	<p>The project schedule area has been downgraded to Red, as it currently appears unlikely the project will be able to complete FR2 UAT within the current schedule. This is primarily due to the higher number of defects being identified than originally anticipated, and slower than planned execution and PIR resolution rates.</p> <p>Prior to UAT commencement, FR2 system testing utilized all three months of schedule contingency for FR2, significantly reducing the project’s ability to absorb the challenges encountered in CAT and UAT.</p> <p>Multiple change orders (COs) have been developed to address CAT schedule slip and revise the schedule, the most recent being CO287 in October. Many of the CAT end dates within CO287 are estimated to be unachievable, and Team CGI is currently analyzing the causes for the slower than expected progress of CAT and UAT. The latest schedule submission from Team CGI was rejected by CalSTRS in December as many of the identified end dates were deemed unachievable by the project team and oversight. Team CGI continues to work to develop a path forward plan that addresses the current challenges and provides achievable end dates for testing activities.</p> <p>Experienced development resources have been re-allocated from FR3 to FR2 activities, further slowing FR3 development progress. Given the pace of FR3 development, there is an increasing risk to the implementation schedule for FR3.</p>

Category Rating	Category Rating Summary
Cost Yellow+ 	<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>
Resources Yellow- 	<p>The Project resources area has been downgraded to Yellow- for this reporting period.</p> <p>CAT testing delays have resulted in multiple overlapping activities for Team CGI development and analysis resources, and CalSTRS business area subject matter experts. These resources are also involved in a number of validation, training, transition, and implementation activities through go-live. 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. Continued FR2 CAT activities, along with UAT support 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 are meeting with project team members and Team CGI frequently to discuss the current challenges.</p>
Project Management Red	<p>The Project Management area is rated Red for this reporting period primarily due to the continued CAT delays, higher than expected PIR count, lack of an</p>

Area Rating	Area Rating Summary
	<p>agreed upon schedule for testing activities through FR2 go-live, and slowed FR3 progress.</p> <p>The Project Manager for Team CGI has continued to increase his involvement and understanding in the project. Collaboration between Team CGI and CalSTRS will be monitored as the new Project Manager takes a more prominent role.</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, 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. Collaboration between Team CGI and CalSTRS during UAT, particularly related to PIR analysis is experiencing challenges due to the remote nature of these activities. Process improvements are currently being analyzed and implemented to help address these challenges.</p>
<p>Risk and Issue Management</p> <p>Green</p> 	<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>
<p>Organizational Change and Training Management</p> <p>Green</p> 	<p>This category maintains a rating of Green for this reporting period.</p> <p>Transformation Readiness is analyzing the results from their readiness assessment survey and will provide the results in the coming weeks. 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 areas with roles, responsibilities, and timelines for transition and implementation activities running up to FR2 go-live.</p> <p>The project’s Employer Readiness team continues to conduct site visits for external reporting partners (ERPs), and are on track to complete all site visits by March 2021. The site visits provide direct support to the ERPs as they access the employer readiness environment and test the submission of files into the system. Virtual site visits are performed due to ongoing remote work requirements associated with COVID-19, and have continued to be effective.</p> <p>Learning and development continues to develop FR2 training materials for trainers and system users.</p>

Area Rating	Area Rating Summary
<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>UAT results to-date show slower than expected progress in the first phase of UAT execution and PIR resolution, with continued higher than expected PIR counts.</p> <p>CalSTRS and Team CGI project leadership, sponsors, and executives have continued to state their commitment to system quality. Current discussions to address the CAT and UAT challenges are focused on maintaining the planned exit criteria and scope for all testing activities prior to going live with FR2.</p> <p>FR3 development continues to slow 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>

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:

- Continued to track the CR credit balance against approved CRs
- Attended weekly CR review meetings
- Participated in discussions with Team CGI, and CalSTRS staff and leadership regarding FR2 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

Project metrics / leading indicators:

- Participated in multiple meetings with Team CGI and CalSTRS project staff to provide recommendations on methods and approaches to presenting leading indicators/metrics, particularly related to FR2 UAT progress and results
- Continued conversations with Pension Solution project management and business area leadership regarding internal CalSTRS resource hours tracking/metrics for UAT
- Held discussions with project sponsors and business area Directors regarding project needs for business resources, and ongoing capacity management

Project analysis and observation:

- Continued individual conversations with Team CGI Executive leadership regarding resourcing, contingency planning, and project progress
- Continued to participate in Employer Readiness team meetings progress
- Conducted additional meetings with project management team members regarding UAT execution and defect triage/analysis
- Participated in multiple meetings with Team CGI leadership regarding UAT progress, assumptions, and challenges
- Conducted meetings with Team CGI regarding CAT test metrics, status, and plans to address current challenges
- Continued analysis of testing data to assess the 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 monthly analysis at the Pension Solution 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 Status 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
- UAT Update meetings
- CalSTRS Pension Solution Status meetings
- Individual Stakeholder meetings
- CR Review meetings
- PIR discussions
- Employer Readiness Round Table meetings
- 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.