Enterprise Technology Projects

Fiscal Year 2018–19
Third Quarter Report
Quarter Ending March 31, 2019
At the end of the third quarter for fiscal year 2018-19, CalSTRS had eight enterprise projects, four major technology projects over $1 million and four additional projects under $1 million.

Of the four projects under $1 million, one is completed, one is on track to be completed within schedule and budget, one is requesting additional funding, and one is requesting a schedule extension.

The Project Management Office (PMO) monitors and reports monthly on the technology appropriations budget and enterprise projects’ status to the Enterprise Program Investment Council (EPIC) and quarterly to the Teachers’ Retirement Board.

Enterprise Program Investment Council Members

Jack Ehnes  
Chief Executive Officer

Cassandra Lichnock  
Chief Operating Officer

Julie Underwood  
Chief Financial Officer

Lisa Blatnick  
Chief of Administrative Services

Grant Boyken  
Public Affairs Executive Officer

Ashish Jain  
Chief Technology Officer

Andrew Roth  
Benefits and Services Executive Officer

Debra Smith  
Chief Operating Investment Officer
### Project Schedule & Budget Indicators

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Duration</th>
<th>Schedule (Status)</th>
<th>Project Budget[^1]</th>
<th>Budget Expended[^2]</th>
<th>Budget Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Quality</td>
<td>Nov 2011 – Jul 2020</td>
<td>●</td>
<td>$25,981,894</td>
<td>$18,082,014</td>
<td>●</td>
</tr>
<tr>
<td>SAP SuccessFactors</td>
<td>Dec 2018 – Jun 2020</td>
<td>●</td>
<td>$1.2M - $1.7M</td>
<td>$0</td>
<td>●[^4]</td>
</tr>
</tbody>
</table>

[^1]: Project Budget – Amount represents the sum of the projects’ prior years’ actual expended, remaining encumbrances, and current and future years budgeted amounts.

[^2]: Budget Expended – Amount represents the total expended.

[^3]: Pension Solution – Represents the actual and projected amounts for the project through March 31, 2019.

[^4]: SAP SuccessFactors – Represents an average of estimates to complete Phase 1; actual budget to be determined through the procurement process.

---

**Schedule & Budget Indicators**
- ● On Track
- ▲ Warning
- ❌ Critical
- ✔️ Complete
- ✗ Cancelled
- ☺️ Not Started
DATA QUALITY

The Data Quality project (formerly Data Preparation) is in the second phase of data cleansing to include data clean-up and preparation for conversion to the new pension administration system.

Accomplishments – Period Ending March 31, 2019

- Completed Termination Out of Balance\(^5\) – Non-Member Accounts.
- Completed Member Lifecycle\(^6\) (Fix 1 of 3) – Change of Membership Dates.

Planned Major Activities & Milestones by June 30, 2019

- Complete Member Lifecycle (Fix 2 of 3) – Reverse and Rereport.
- Complete Member Lifecycle (Fix 3 of 3) – Line Splitting.
- Complete Termination Out of Balance – Contributions After Benefit Effective Date (BED).

Project Schedule Status Timeline

Fiscal Year 2018/2019 Major Milestones\(^7\)

---

\(^5\) Termination Out of Balance – Correction of erroneous contribution and interest amounts on accounts that were not closed out correctly after benefit inception or for which there should not be contributions and interest remaining.

\(^6\) Member Lifecycle – Changes to membership dates and/or employer reporting lines that will not convert successfully because they do not occur within begin and end dates of member lifecycles as defined in the new pension administration system. Includes three discreet fixes: Change of Membership Date, Reverse and Re-report of lines, and Splitting of Lines.

\(^7\) As approved by Pension Solution Steering Committee.
PENSION SOLUTION
The Pension Solution project will replace 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.

Accomplishments – Period Ending March 31, 2019
- Completed initial readiness assessments with external reporting partners.
- Conducted new system functionality demonstrations (3rd of 5) for Functional Rollout 2 (Administration Calculations and Payments).

Planned Major Activities & Milestones by June 30, 2019
- Commence user acceptance testing for Functional Rollout 1 (Employer Reporting functionality).
- Conduct new system functionality demonstration (4th of 5) for Functional Rollout 2.
- Commence contractor acceptance testing for Functional Rollout 2.

Fiscal Year 2018/2019 Major Milestones

---

8 Pension Solution Status Timeline represents the project period beginning with the Fiscal Year 2014-15 through the July 2018 board-approved change request of January 2023.
**SAP SUCCES SFACTORS**

The SAP SuccessFactors project will improve efficiencies by automating Human Resource (HR) processes, delivering real-time data and a self-service platform for all CalSTRS staff. The solution includes a core HR platform and tools for time management, learning and development, performance and goals, succession planning, onboarding, workforce planning and analytics. This is a multi-year project that will be implemented in phases. Employee Central is the first module and includes a core HR platform and time management.

### Project Budget – Employee Central Implementation

$1.2M - $1.7M

- **0%** Expended
- **100%** Remaining

### Accomplishments – Period Ending March 31, 2019

- Completed Request for Proposal (RFP); began approval cycle process.
- Updated business process catalog related to SuccessFactors implementation.
- Began business process documentation and requirements refinement for Employee Central.
- Conducted project kick-off meeting and delivered project presentation to HR Leadership.
- Created change management plan and administered first business readiness survey.
- Released Request for Personnel Action for three temporary back-fill resources in HR.

### Planned Major Activities & Milestones by June 30, 2019

- Release implementation services RFP for vendor responses.
- Release Request for Offers for a solution architect and testing resource.
- Conduct focus group workshop to name the new HR Tool.
- Staff temporary back-fill resource positions in HR.

### Project Schedule Status Timeline

- **21%** Complete
- **12/01/2018** Project Start
- **06/30/2020** End

### Fiscal Year 2018/2019 Major Milestones

- **Jan-18**: BEGIN PROCUREMENT FOR IMPLEMENTATION SERVICES
- **Feb-18**: SAP SUCCESSFACTORS PROJECT APPROVAL
- **Mar-18**: RELEASE IMPLEMENTATION SERVICES RFP
- **Apr-18**: **May-18**: **Jun-18**: **End**

---

9 SAP SuccessFactors – Represents an average of estimates to complete Phase 1; actual budget to be determined through the procurement process.
TRANSFORMATION READINESS

The Transformation Readiness project (formerly Business Transformation) supports business areas and prepares staff for impacts, changes and benefits from large enterprise modernization efforts.

Accomplishments – Period Ending March 31, 2019

- Presented three transformation readiness overview sessions about employer readiness to the enterprise.
- Created and published Pension Solution orientation training course.
- Finalized change management roadmap tool for each business area impacted by the Pension Solution project.
- Completed Functional Rollout 1 employer reporting functionality training outlines, curriculum guides, facilitator guides and computer-based-training storyboards for employer reporting sources and internal staff.
- Briefed technology executive on his business area’s readiness for the new system.
- Introduced business area trainers training tool to be used for the new system.

Planned Major Activities & Milestones by June 30, 2019

- Deliver change management roadmaps to each business area impacted by the Pension Solution project.
- Performed enterprise education about employer functionality user acceptance testing.
- Conduct quality assurance on the thirteen (13) employer reporting functionality training course storyboards and facilitator guides with Training Services and Member Account Services.

Project Schedule Status Timeline

Fiscal Year 2018/2019 Major Milestones
<table>
<thead>
<tr>
<th>Project and Description</th>
<th>Project Duration</th>
<th>Schedule (Status)</th>
<th>Project Budget&lt;sup&gt;10&lt;/sup&gt;</th>
<th>Budget Expended&lt;sup&gt;11&lt;/sup&gt;</th>
<th>Budget (Status)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Center Migration</td>
<td>Jun 2017 – Aug 2018</td>
<td>✔️</td>
<td>$401,428</td>
<td>$336,085</td>
<td>✔️</td>
</tr>
<tr>
<td>EIM Software Tool</td>
<td>Jun 2018 – Jan 2020</td>
<td>▶️</td>
<td>$495,000</td>
<td>$0</td>
<td>▶️</td>
</tr>
<tr>
<td>FI$Cal R17 Changes</td>
<td>Dec 2016 – Apr 2019</td>
<td>▶️</td>
<td>$319,965</td>
<td>$209,926</td>
<td>✔️</td>
</tr>
<tr>
<td>Information Technology Service Management</td>
<td>Phase 1 May 2016 – Dec 2018</td>
<td>✔️</td>
<td>$475,000</td>
<td>$351,550</td>
<td>✔️</td>
</tr>
</tbody>
</table>

<sup>10</sup> Project Budget – Amount represents the sum of the projects’ prior years’ actual expended, remaining encumbrances, and current and future years budgeted amounts. In addition, those projects with a $0 budget utilize internal resources and operational program budgets.

<sup>11</sup> Budget Expended – Amount represents the total expended.

<sup>12</sup> EIM Software Tool Budget – The bid came in higher than expected for the implementation contract. Awaiting governance approval for an increase in budget.

<sup>13</sup> FI$Cal R17 Changes Schedule – CalSTRS is ready to deploy and is awaiting FI$Cal’s deployment date, as it is an external dependency. Due to moving go-live dates from FI$Cal and SCO, a change request has been submitted to extend the schedule five months for a new finish date of September 2019.