At the end of the fourth quarter for fiscal year 2018–19, CalSTRS had eight enterprise projects: five major technology projects over $1 million and three additional projects under $1 million.

Of the three projects under $1 million, one has been completed and two are on track to be completed within schedule and budget.

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.

ENGINEERING TECHNOLOGY PROJECTS
FISCAL YEAR 2018–19
FOURTH QUARTER REPORT

ENTERPRISE PROGRAM INVESTMENT COUNCIL MEMBERS

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jack Ehnes</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Cassandra Lichnock</td>
<td>Chief Operating Officer</td>
</tr>
<tr>
<td>Julie Underwood</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Lisa Blatnick</td>
<td>Chief of Administrative Services</td>
</tr>
<tr>
<td>Grant Boyken</td>
<td>Public Affairs Executive Officer</td>
</tr>
<tr>
<td>Ashish Jain</td>
<td>Chief Technology Officer</td>
</tr>
<tr>
<td>Vacant</td>
<td>Benefits and Services Executive Officer</td>
</tr>
<tr>
<td>Debra Smith</td>
<td>Chief Operating Investment Officer</td>
</tr>
</tbody>
</table>
The following table summarizes current major enterprise technology projects during the fourth quarter.

<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>$18,926,370</td>
<td>●</td>
</tr>
<tr>
<td>EIM Software Tool</td>
<td>Jun 2018 – Jan 2020</td>
<td>●</td>
<td>$1,036,350</td>
<td>$0</td>
<td>●</td>
</tr>
<tr>
<td>Pension Solution</td>
<td>Jul 2014 – Jan 2023</td>
<td>●</td>
<td>$285,833,040</td>
<td>$162,008,026(^3)</td>
<td>●</td>
</tr>
<tr>
<td>SAP SuccessFactors</td>
<td>Dec 2018 – Jun 2020</td>
<td>●</td>
<td>$0(^4)</td>
<td>$19,500(^5)</td>
<td>●</td>
</tr>
<tr>
<td>Transformation Readiness</td>
<td>Jul 2016 – Jun 2021</td>
<td>●</td>
<td>$16,416,930</td>
<td>$6,566,558</td>
<td>●</td>
</tr>
</tbody>
</table>

**Schedule & Budget Indicators**

- On Track
- Warning
- Critical
- Complete
- Cancelled
- Not Started

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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 June 30, 2019.

4. SAP SuccessFactors – The project budget will be determined once the procurement is finalized.

5. SAP SuccessFactors – Amount represents expenditures to date for a contract Business Analyst.
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 JUNE 30, 2019

- Completed Member Lifecycle\(^6\) (Fix 2 of 3) – Reverse and Rereport.
- Completed Member Lifecycle (Fix 3 of 3) – Line Splitting.
- Completed Termination Out of Balance\(^7\) – Contributions After Benefit Effective Date (BED) was a cross population between Member Lifecycle and was resolved by the Member Lifecycle solution.
- Completed or closed 31 of 76 currently assigned Functional Rollout 2 basic issues.

PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2019

- Complete 18 additional Functional Rollout 2 basic issues.

PROJECT SCHEDULE STATUS TIMELINE

FISCAL YEAR 2018–19 MAJOR MILESTONES\(^8\)

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\(^6\) 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.

\(^7\) 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.

\(^8\) As approved by Pension Solution Steering Committee.
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

EIM SOFTWARE TOOL

Procurement and implementation of a tool that will support effective information management and governance throughout the enterprise’s repositories. It will manage and enforce internal controls for unstructured data such as electronic documents and emails related to members and internal enterprise operations.

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ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2019

- Completed solution and vendor selection process.
- Finalized contract development and internal approvals.

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PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2019

- Execute contract for solution and vendor services.
- Complete project management planning phase.
- Complete project requirements analysis phase.

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PROJECT SCHEDULE STATUS TIMELINE

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FISCAL YEAR 2018–19 MAJOR MILESTONES
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

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.

Project Budget
$285.8 Million

ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2019

- Achieved the project milestone of user acceptance testing for Functional Rollout 1 (Employer Reporting functionality) commencement.
- Conducted new system functionality demonstration (4th of 5) for Functional Rollout 2.
- Achieved the project milestone of contractor acceptance testing for Functional Rollout 2 commencement.
- Achieved the project milestone of Fit/Gap activities for Functional Rollout 3 (Customer Service Management, Mobile Applications, and Accessibility) commencement.

PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2019

- Complete user acceptance testing for Functional Rollout 1 (Employer Reporting functionality).
- Complete Parallel testing for Functional Rollout 1.
- Complete Final Dry Run activities for Functional Rollout 1.
- Perform cut-over activities for Functional Rollout 1.
- Conduct new system functionality demonstration (5th of 5) for Functional Rollout 2 (Benefit/Payment cancellations, Tax documentation, Survivor Benefits).
- Complete development activities for Functional Rollout 2.
- Commence Joint Application Development activities for Functional Rollout 3.

PROJECT SCHEDULE STATUS TIMELINE

FISCAL YEAR 2018–19 MAJOR MILESTONES

9 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.
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

SAP SUCCESSFACTORS

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
To Be Determined

1% Expended
99% Remaining

ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2019

- Released implementation services RFP for vendor responses.
- Progressed current state business process documentation (25%) and functional requirements refinement (55%) for Employee Central.
- Developed internal Change Management Plan.
- Interviewed for temporary back-fill resources in HR.

PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2019

- Conduct vendor interviews for implementation services.
- Complete current state business process documentation and requirements refinement for Employee Central, including external interface requirements.
- Conduct internal change management activities to promote awareness.
- Staff temporary back-fill resource positions in HR.

PROJECT SCHEDULE STATUS TIMELINE

FISCAL YEAR 2018–19 MAJOR MILESTONES

10 SAP SuccessFactors – The project budget will be determined once procurement is finalized; expenditures to date cover a contract Business Analyst.
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.

**Project Budget**

$16.4 Million

**ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2019**

- Completed six instructor-led training modules for employer reporting functionality training for internal staff supporting employers.
- Published change management roadmaps for each business area affected by Pension Solution.
- Completed to-be process documentation for Benefit Payroll, Employment Maintenance, Death Before/After Retirement and others to support change and testing preparation.
- Held a Change Champion Network Quarterly meeting to increase project awareness and provide an opportunity for participants to share best practices.

**PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2019**

- Prepare business area trainers to deliver staff training for employer reporting functionality.
- Deliver process readiness overviews regarding employer reporting and survivor benefit form processing to Member Account Services and Disability and Survivor Benefits, respectively.
- Develop Change Management for Leaders computer-based training module.
- Deliver final Change Champion Network training course regarding the sponsor’s role in change.
- Complete to-be process for security role administration for Technology Services staff responsible for the task during employer reporting functionality.

**PROJECT SCHEDULE STATUS TIMELINE**

**FISCAL YEAR 2018–19 MAJOR MILESTONES**

- Began Employer Reporting Functionality Training Development
- Conducted Employer Reporting Functionality Presentation and Training Needs Assessment
- Prepared for Employer Reporting Functionality UAT Training and Learning Event
- Completed Quality Control on Employer Reporting Functionality Storyboards and Facilitator Guides
- Completed Course Materials for Employer Reporting Functionality Staff Training
- Delivered UAT Learning Event
- Delivered Change Management Roadmaps to Affected Business Areas
The following table summarizes other enterprise projects during the third quarter.

<table>
<thead>
<tr>
<th>Project and Description</th>
<th>Project Duration</th>
<th>Schedule (Status)</th>
<th>Project Budget(^{11})</th>
<th>Budget Expended(^{12})</th>
<th>Budget (Status)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contact Center Migration</strong></td>
<td>Jun 2017 – Aug 2018</td>
<td></td>
<td>$401,428</td>
<td>$336,085</td>
<td></td>
</tr>
<tr>
<td>Migrates from the existing Contact Center solution to the new cloud platform with ‘like-for-similar’ functionality and processes.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FI$Cal R17 Changes</strong></td>
<td>Dec 2016 – Sep 2019</td>
<td>(13)</td>
<td>$319,965</td>
<td>$209,926</td>
<td></td>
</tr>
<tr>
<td>Updates file formats and file transfer processes necessary to support the exchange of files associated with the FI$Cal project. Note: The State Controller’s Office has contacted CalSTRS and is in the process of resuming this effort with limited scope of the first two of six interfaces originally identified.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Information Technology Service Management</strong></td>
<td>Phase 1 May 2016 – Dec 2018</td>
<td>(14)</td>
<td>$475,000</td>
<td>$351,550</td>
<td></td>
</tr>
<tr>
<td>Replaces the current, unsupported Service Desk system with a modern and hosted Information Technology Service Management solution. Phase 2 scope and schedule is being defined.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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\(^{11}\) 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.

\(^{12}\) Budget Expended – Amount represents the total expended.

\(^{13}\) FI$Cal R17 Changes – CalSTRS is ready to deploy and is awaiting FI$Cal’s deployment date, as it is an external dependency. Due to moving go-live dates from FI$Cal and SCO, a change request may be submitted in the next quarter to extend the schedule beyond September 2019.

\(^{14}\) IT Service Management – Phase 1 was completed on time and within budget. Phase 2 is currently being defined.