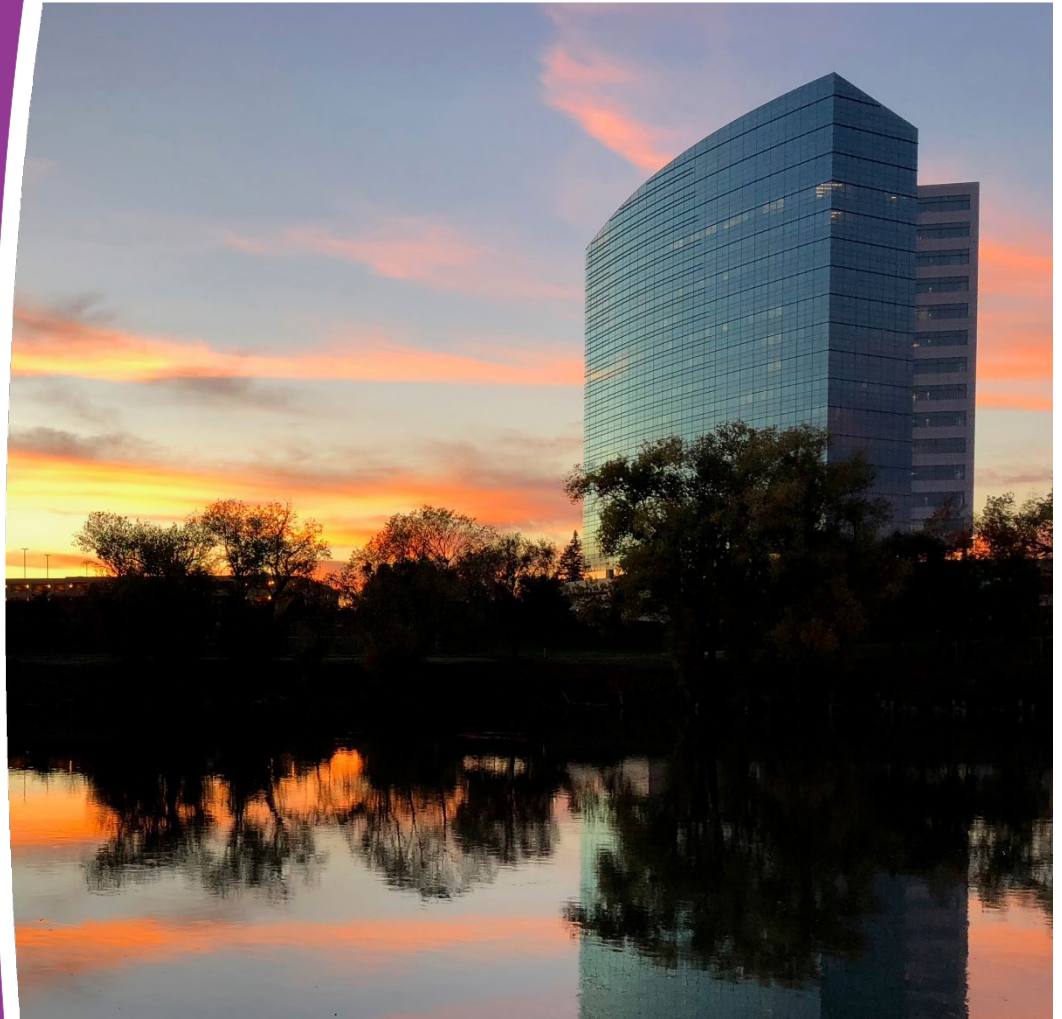




# Enterprise Technology Projects

FISCAL YEAR

2020-21



**FOURTH QUARTER REPORT**

Quarter Ending June 30, 2021

## ENTERPRISE TECHNOLOGY PROJECTS

FISCAL YEAR 2020-21  
FOURTH QUARTER REPORT

At the end of the fourth quarter for fiscal year 2020-21, CalSTRS had nine enterprise projects: six major technology projects over \$1 million and three additional projects under \$1 million.

The Project Support Office (PSO) 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

**Cassandra Lichnock**  
Chief Executive Officer

**Vacant**  
Chief Operating Officer

**Julie Underwood**  
Chief Financial Officer

**Lisa Blatnick**  
Chief of Administrative Services

**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 fourth quarter.

Project Name	Project Duration	Schedule (Status)	Project Budget <sup>1</sup>	Budget Expended <sup>2</sup>	Budget (Status)
BusinessDirect Retrofit	Jul 2018 – Jan 2022	 <sup>3</sup>	\$9,769,238	\$5,454,542	
Data Quality	Nov 2011 – Jun 2022		\$30,910,879	\$25,087,269	
Datacenter Hosting and Migration Services	Nov 2020 – Oct 2023		\$19,900,000	\$1,063,063	
HR Link	Dec 2018 – Aug 2021		\$1,572,667	\$584,021	
Pension Solution	Jul 2014 – Feb 2023	 <sup>4</sup>	\$304,833,040	\$207,130,316	
Transformation Readiness	Jul 2016 – Jun 2022		\$18,356,368	\$12,892,026	

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

<sup>1</sup> Project Budget – Amount represents the sum of the projects' prior years' actual expended, remaining encumbrances, and current and future years budgeted amounts.

<sup>2</sup> Budget Expended – Amount represents the total expended.

<sup>3</sup> BusinessDirect Retrofit – The schedule is dependent on the implementation schedule for the Pension Solution project.

<sup>4</sup> The yellow indicator is due to the vendor experiencing significant delays with Contractor Acceptance Testing - Part B (CAT-B) for Functional Rollout (FR) 2. CalSTRS is also experiencing a lower than expected pass rate in User Acceptance Testing. Additionally, the vendor is making slower progress in fixing the defects than anticipated. The delayed completion is impacting the project schedule and all downstream project activities including User Acceptance Testing and the Go-Live dates for both FR2 and FR3.

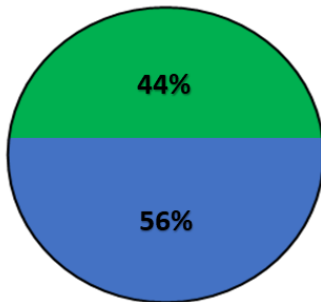
## MAJOR ENTERPRISE TECHNOLOGY PROJECTS

### BUSINESSDIRECT RETROFIT<sup>5</sup>

The BusinessDirect (BD) Retrofit project goals and objectives are to 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.

#### PROJECT BUDGET

\$9.8 Million



● % Expended ● % Remaining

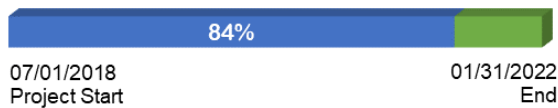
#### ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2021

- Passed 34 out of 58 test cases for System Testing
- Passed 128 out of 296 test cases for User Acceptance Testing
- Completed training materials for the Financial Services Branch

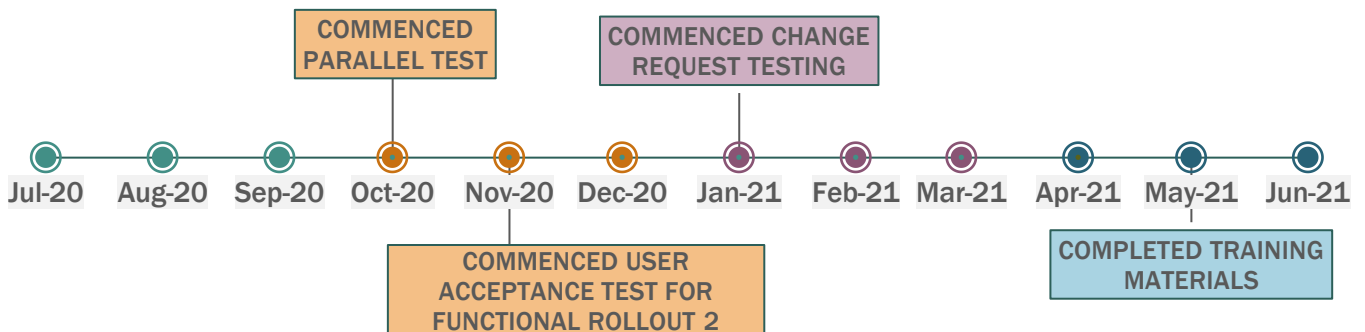
#### PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2021

- Revise project schedule in collaboration with the Pension Solution Project
- Issue project change request to extend project schedule and resources
- Complete Integration Testing Pension Solution Change Requests (Part 1)

#### PROJECT SCHEDULE STATUS TIMELINE



#### FISCAL YEAR 2020–21 MAJOR MILESTONES



<sup>5</sup> BusinessDirect Retrofit Project – This project was initially part of the Pension Solution project. Over time it has become clear that, while it is in direct support of the Pension Solution project, the effort is updating the BusinessDirect system and should, therefore, be reported separately. In addition to the amount reported above, the Pension Solution project is providing \$5.4 Million funding for system enhancements to pension administration-related functionality

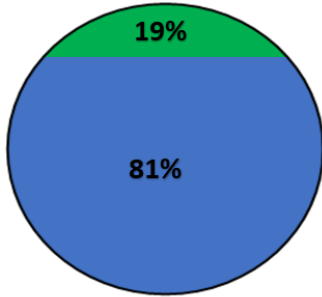
# MAJOR ENTERPRISE TECHNOLOGY PROJECTS

## DATA QUALITY

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

### PROJECT BUDGET

\$30.9 Million



● % Expended ● % Remaining

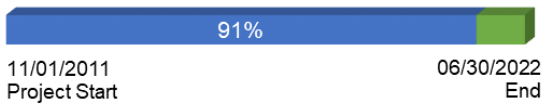
### ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2021

- Completed or closed three conversion fallout issues.
- Completed data fix for Termination Out of Balance – Additional Earning Credit/Additional Annuity Credit – Phase 3.
- Completed data fix for Termination Out of Balance – DBS/DB Interest Only.
- Completed Termination out of Balance data fix series.
- Completed inventory of Complex Issues.

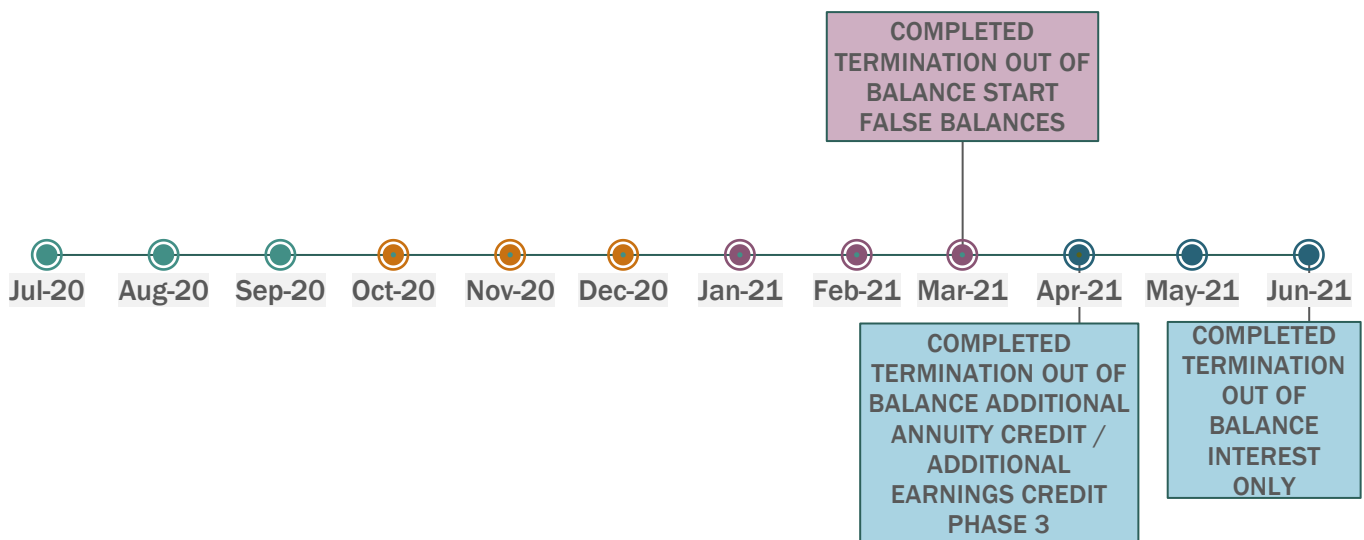
### PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2021

- Triage and Resolve Conversion Fallout Issues.
- Rerun Archive Flag.
- Rerun Member Lifecycle data fix series.

### PROJECT SCHEDULE STATUS TIMELINE



### FISCAL YEAR 2020–21 MAJOR MILESTONES<sup>6</sup>



<sup>6</sup> As approved by Pension Solution Steering Committee.

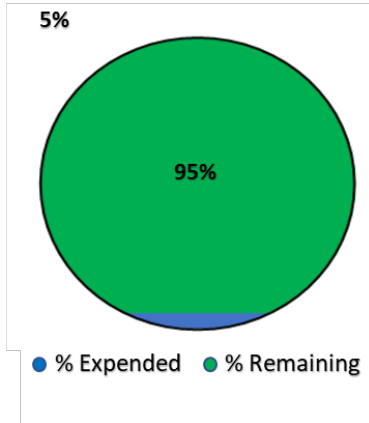
## MAJOR ENTERPRISE TECHNOLOGY PROJECTS

### 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

\$19.9 Million



#### ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2021

- Completed migration of development and test environment servers for the Proof of Viable Service (PoVS) systems.
- Completed build of the VMware Cloud on Amazon Web Services (VMC on AWS) environment for Electronic Content Management System (ECMS) & BusinessDirect (BD) systems.
- Completed SD-WAN solution at CalSTRS Headquarters, CalSTRS Disaster Recovery, and the Equinix Data Center.

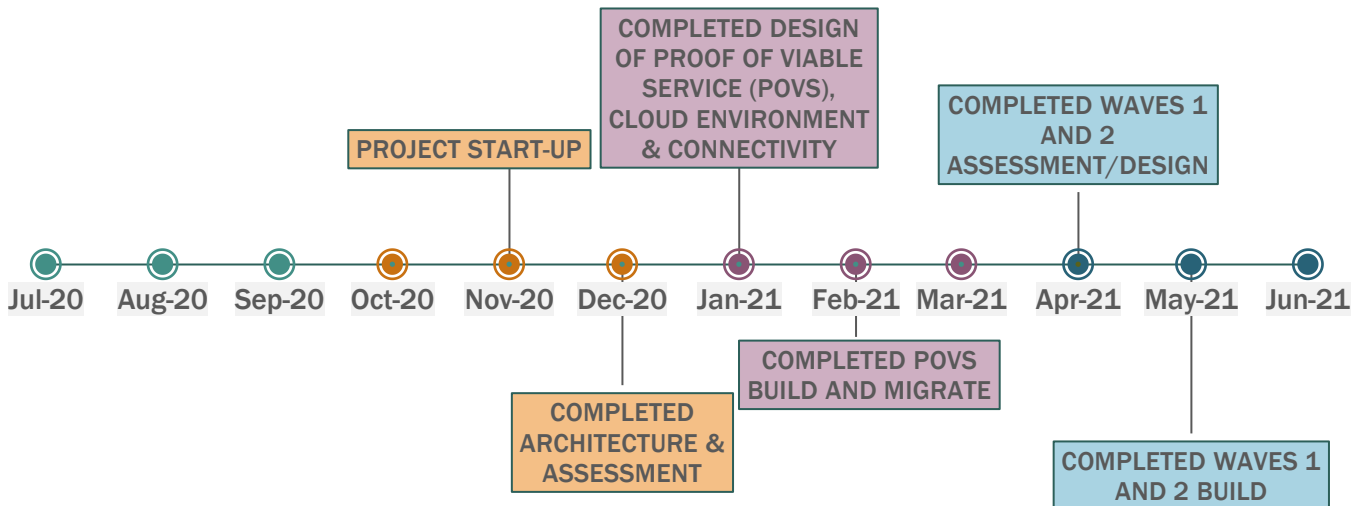
#### PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2021

- Complete PoVS by successfully migrating Active Directory (AD), 403B Compare, Online Forms, and various connectors into the AWS cloud.
- Complete the migration verification (testing) and cutover efforts for the Electronic Content Management System (ECMS), Investment CPEs, Genesys, and BD migrations.
- Complete the designs for both the AppGate SDP (Software-Defined Perimeter) ZTNA (zero-trust network access) & VMware Horizon on VMC on AWS (Virtual Desktop Infrastructure – VDI) solutions as the replacements for myRemoteOffice.

#### PROJECT SCHEDULE STATUS TIMELINE



#### FISCAL YEAR 2020–21 MAJOR MILESTONES



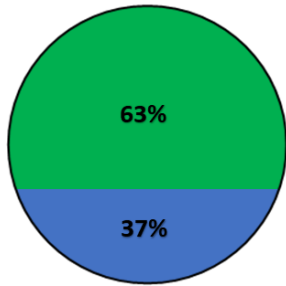
## MAJOR ENTERPRISE TECHNOLOGY PROJECTS

### HR LINK

The HR Link 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 and Learning and Development are the first modules and include a core HR platform, time and attendance management, and a learning management system.

#### PROJECT BUDGET

\$1.5 Million



● % Expended ● % Remaining

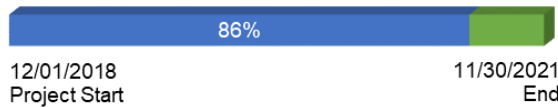
#### ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2021

- Completed Iteration 2, Learning Management System.
- Completed Iteration 3, Employee Central and Time and Attendance.
- Completed all Integrations, except for BusinessDirect Replication.
- Completed CalSTRS test preparation activities.
- Completed change request to extend project through November 30, 2021 to accommodate extended configuration and testing period, as well as add an additional data load.

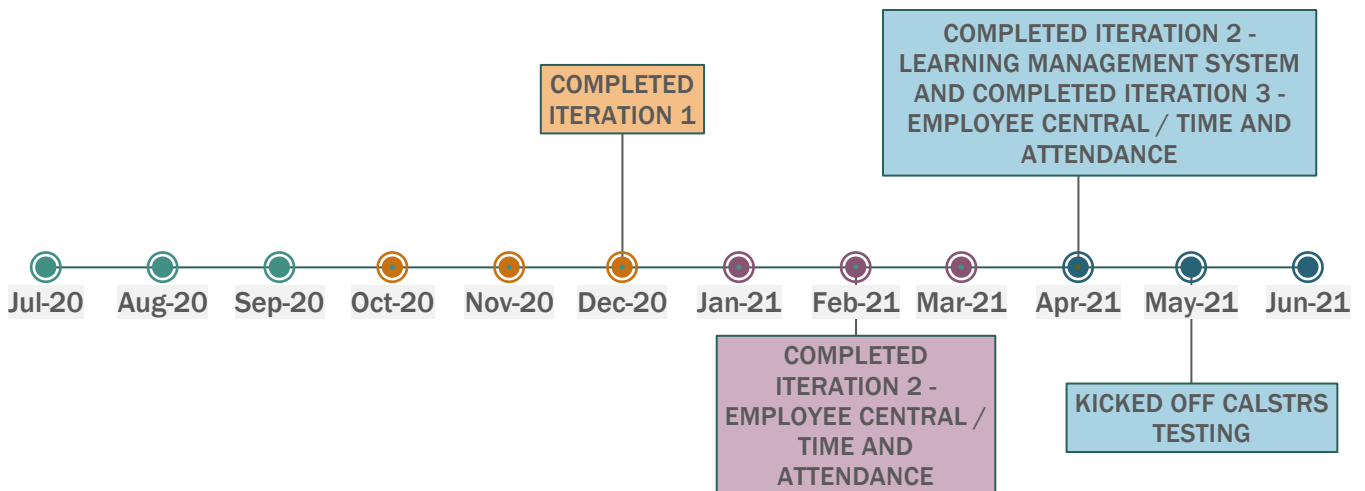
#### PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2021

- Complete integrations.
- Complete training material development.
- Deliver HR Link training to organization.
- Complete CalSTRS testing of HR Link.

#### PROJECT SCHEDULE STATUS TIMELINE



#### FISCAL YEAR 2020–21 MAJOR MILESTONES



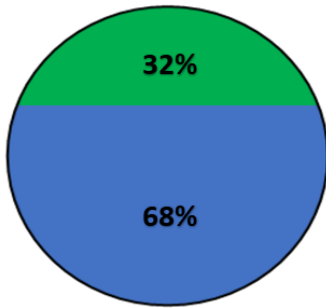
# MAJOR ENTERPRISE TECHNOLOGY PROJECTS

## 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.

### PROJECT BUDGET

\$304.8 Million



● % Expended ● % Remaining

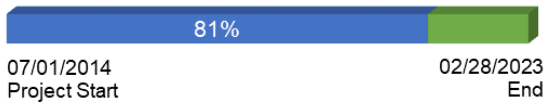
### ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2021

- Passed 2,397 of 3,168 executed test cases for Functional Rollout 2 User Acceptance Testing.

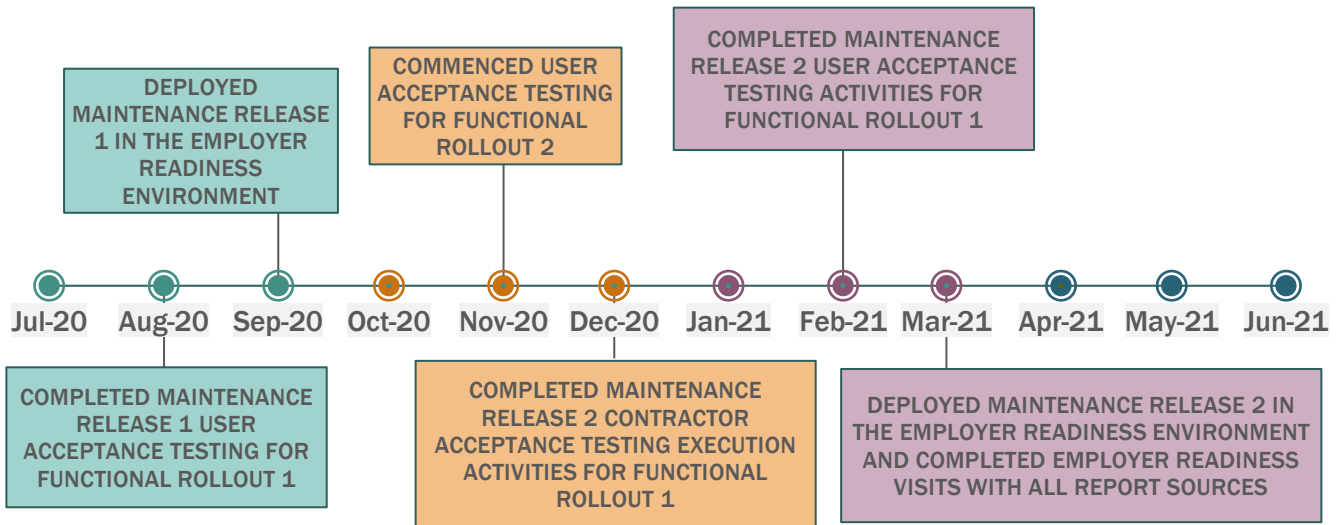
### PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2021

- Complete Contractor Acceptance Testing (Part-B) for Functional Rollout 2.
- Complete Development activities for Functional Rollout 3.
- Provide details of the schedule replanning effort and adjustments to the remaining project tasks and milestones.

### PROJECT SCHEDULE STATUS TIMELINE<sup>7</sup>



### FISCAL YEAR 2020-21 MAJOR MILESTONES



<sup>7</sup> CalSTRS does not anticipate meeting this project completion date. A revised date is being determined.



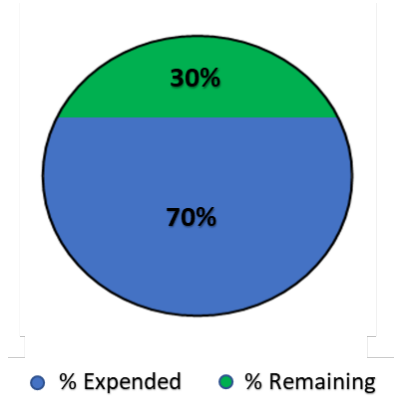
## MAJOR ENTERPRISE TECHNOLOGY PROJECTS

### TRANSFORMATION READINESS

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

#### PROJECT BUDGET

\$18.3 Million



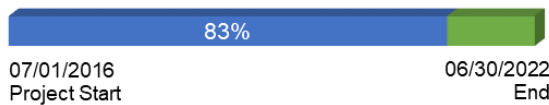
#### ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2021

- Completed Business Process Readiness documentation for Functional Rollout 3.
- Created Change Management Activity Catalogue to identify and utilize readiness tools and activities.
- Delivered change management learning module, Engaging with Manager and Sponsors During Change.
- Delivered the business area specific change readiness assessment results and recommendations.
- Completed review of draft training materials for Functional Rollout 2 training courses for staff, members, and employers in collaboration with business area training staff and subject matter experts.
- Facilitated a Dataset training in collaboration with Technology Services.

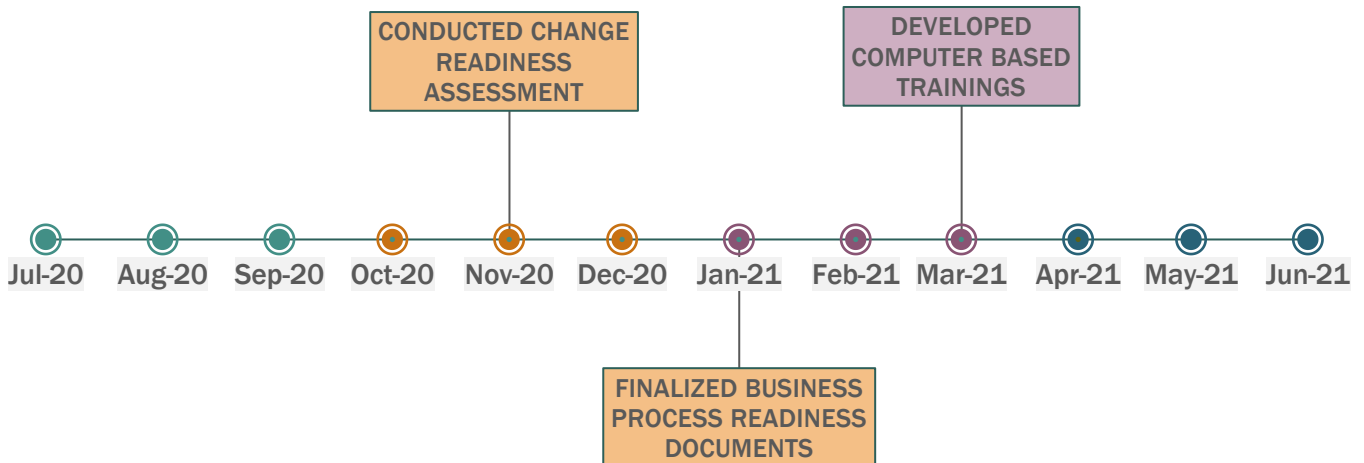
#### PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2021

- Kickoff Technology Services Process Readiness documentation effort with Subject Matter Experts.
- Conduct a Pension Solution Town Hall and Open House to increase organizational awareness of project activities.
- Draft the Functional Rollout 2 Train-the-Trainer and Staff Training Schedules based on updated Pension Solution project schedule.
- Deliver Change Leadership Toolkit to change champions and change leaders.
- Update Pension Solution overview materials shared at new employee onboarding.

#### PROJECT SCHEDULE STATUS TIMELINE









#### FISCAL YEAR 2020-21 MAJOR MILESTONES



## OTHER ENTERPRISE PROJECTS UNDER \$1 MILLION

The following table summarizes other reportable enterprise projects under \$1 million during the fourth quarter.

Project and Description	Project Duration	Schedule (Status)	Project Budget <sup>8</sup>	Budget Expended <sup>9</sup>	Budget (Status)
<b>CalSTRS.com Modernization</b> Provides CalSTRS with a modern public-facing website that meets the latest web architecture standards and caters to members, investors, and all other CalSTRS business partners' needs.	Sep 2020 – Feb 2022		\$678,123	\$0	
<b>Print to Mail Software</b> 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	 <sup>10</sup>	\$559,283	\$0	
<b>SAP Concur (Travel and Expense Management)</b> Adds a new digital service to the CalSTRS portfolio while significantly improving the end user experience. Provides travelers a "one stop shop" for all travel and expense needs which does not exist in the current application and significantly decreases the time it takes users to create and submit expense reports, while reducing the high number of errors during the expense submission process.	Jan 2020 – July 2021		\$865,000	\$578,662	

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

<sup>8</sup> Project Budget – Amount represents the sum of the projects' prior years' actual expended, remaining encumbrances, and current and future years budgeted amounts.

<sup>9</sup> Budget Expended – Amount represents the total expended.

<sup>10</sup> Print to Mail Software Schedule – The schedule is dependent on the implementation schedule for the Pension Solution project.

