Enterprise Technology Projects

FISCAL YEAR 2023-24

CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?
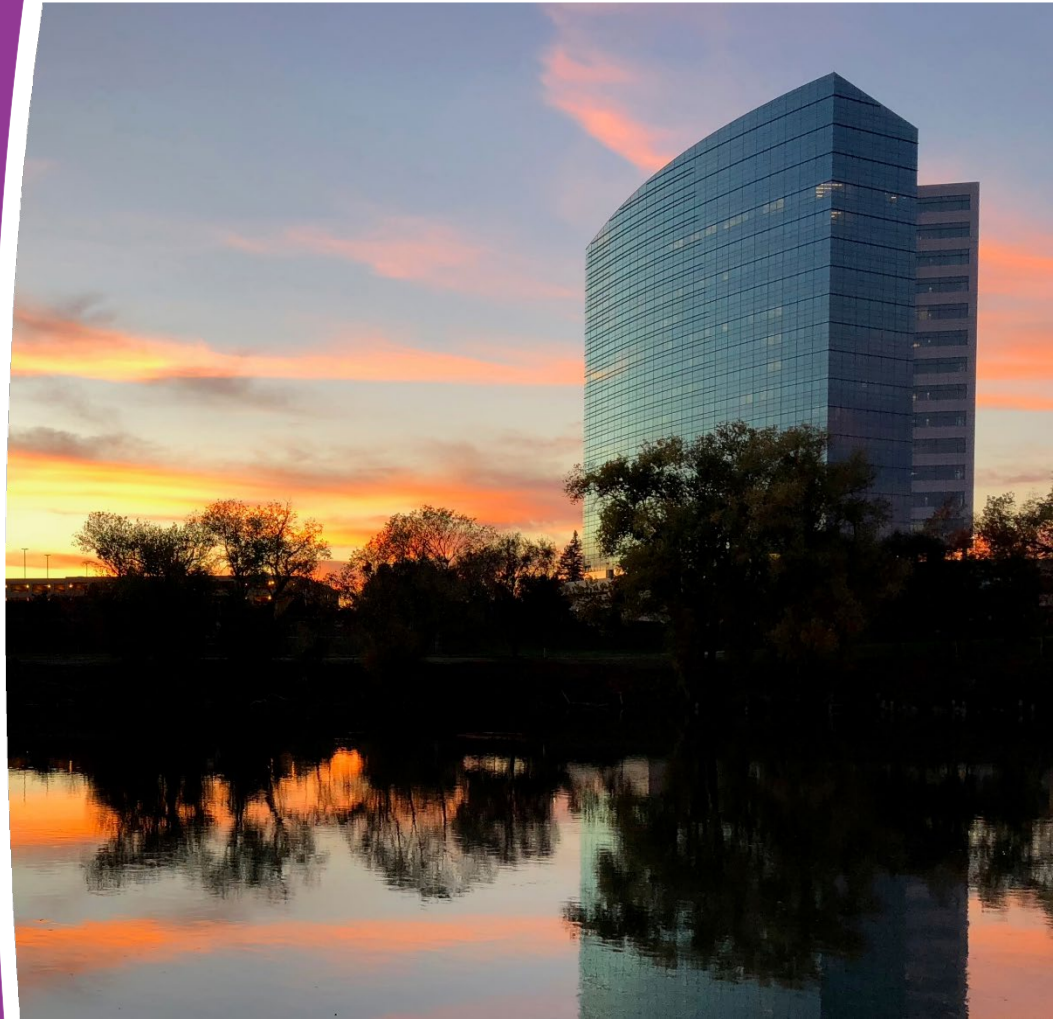
THIRD QUARTER REPORT

Quarter Ending March 31, 2024

FISCAL YEAR 2023-24
THIRD QUARTER REPORT

At the end of the third quarter for fiscal year 2023-24, CalSTRS had nine reportable enterprise projects: seven 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

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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 2024	⊙ [1]	$9,769,238	$8,486,731	⊙
Contact Center Modernization	Jun 2023 – Mar 2025	⊙	$1,375,000	$84,786	⊙
Data Quality	Nov 2011 – Jun 2024	⊙ [2]	$34,416,937	$32,574,329	⊙
Datacenter Hosting and Migration Services	Nov 2020 – Jun 2026	⊙	$31,595,000[3]	$18,430,703	⊙
HR Link	Dec 2018 – Feb 2024	⊙	$2,445,398	$2,386,179	⊙
Pension Solution	Jul 2014[4] – Jun 2027[5]	⊙	$422,006,496	$361,910,735	⊙
Transformation Readiness	Jul 2016 – Jun 2024	⊙ [6]	$24,198,053	$20,644,005	⊙

Schedule & Budget Indicators   ⊙ *On Track*   ⚠ *Warning*   ⊖ *Critical*   ✔ *Complete*   ⏸ *On Hold*   ⊗ *Cancelled*   ⏱ *Not Started*

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[1] BusinessDirect Retrofit: The schedule shown for this project will change based on the revised schedule for the Pension Solution project. The status for this project is shown as "On Track" based on a revised project schedule that is expected to be formally approved in Quarter 4.

[2] Data Quality: The schedule shown for this project will change based on the revised schedule for the Pension Solution project. The status for this project is shown as "On Track" based on a revised project schedule that is expected to be formally approved in Quarter 4.

[3] Datacenter Hosting and Migration Services: Increase in budget is due to an approved change request to expand project scope and schedule to include migration of remaining on-premises applications and increased funding to cover costs for Equinix datacenter transfer and to build a new CalSTRS AWS environment.

[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: A change request was approved by the CalSTRS Enterprise Program Investment Council in October 2023 to extend the Pension Solution project to 2027, including maintenance and operations and stabilization.

[6] Transformation Readiness: The schedule shown for this project will change based on the revised schedule for the Pension Solution project. The status for this project is shown as "On Track" based on a revised project schedule that is expected to be formally approved in Quarter 4.

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 BusinessDirect (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
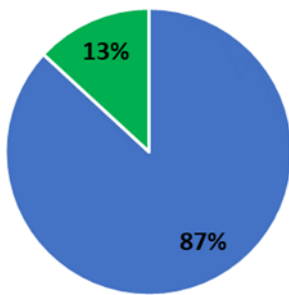

- % Expended - % Remaining

ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2024

- Identified vendor to support remaining project activities.
- Received draft schedule from vendor that aligns remaining BDR activities with Pension Solution.
- Confirmed resources to complete activities.
- Completed impact assessment of AB1667 on BC to BD interface, and as a result, designed a new interface.
- Resumed parallel testing with Pension Solution project.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2024

- Finalize the schedule with vendor.
- Incorporate the final schedule with Pension Solution schedule.
- Continuous monitoring of Pension Solution Project activities and work with system support vendor for resolution of outstanding defects, as needed.
- Continue to identify new and modified Pension Solution project requirements that impact the BDR Project.

PROJECT SCHEDULE STATUS TIMELINE

Apr 2017
Project Start

97%

Jun 2024
End
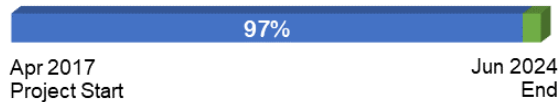
FISCAL YEAR 2023–24 MAJOR MILESTONES

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.

Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24

CONTACT CENTER MODERNIZATION

The Contact Center Modernization project will replace the current Contact Center platform, Genesys, with the NICE CXone platform. Objectives include:

- Maintain existing functionality that CalSTRS currently uses in the Genesys platform.
- Maintain current member service levels (e.g., member satisfaction, member wait time, etc.).
- Decommission current Genesys system by February 2024 when contract expires.

NOTE: A change request was approved in December 2023 to extend the schedule thirteen months, from February 2024 through March 2025, and expand the scope to implement additional functionality.

PROJECT BUDGET

$1.375 Million

6%
94%
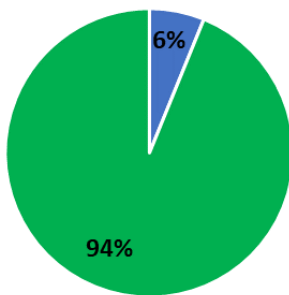
■ % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2024

- Implemented other CXone products including Quality Management, IEX Workforce Management, Feedback Management, Performance Management, and Interaction Analytics.
- Completed various trainings for above CXone products.
- Transitioned to post-implementation and technical account management (TAM) support model for each of above products.
- Developed integration between BenefitConnect and NICE CXone systems.
- Completed CalSTRS activities related to Genesys decommissioning.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2024

- Complete Phase II planning activities.
- Complete Phase II scoping discussions both internally and with vendors.
- Finalize Statement of Work and have it vetted through CalSTRS Procurement.
- Execute contract with AT&T for Phase II.

PROJECT SCHEDULE STATUS TIMELINE

45%

Jun 2023 Project Start — Mar 2025 End

FISCAL YEAR 2023–24 MAJOR MILESTONES
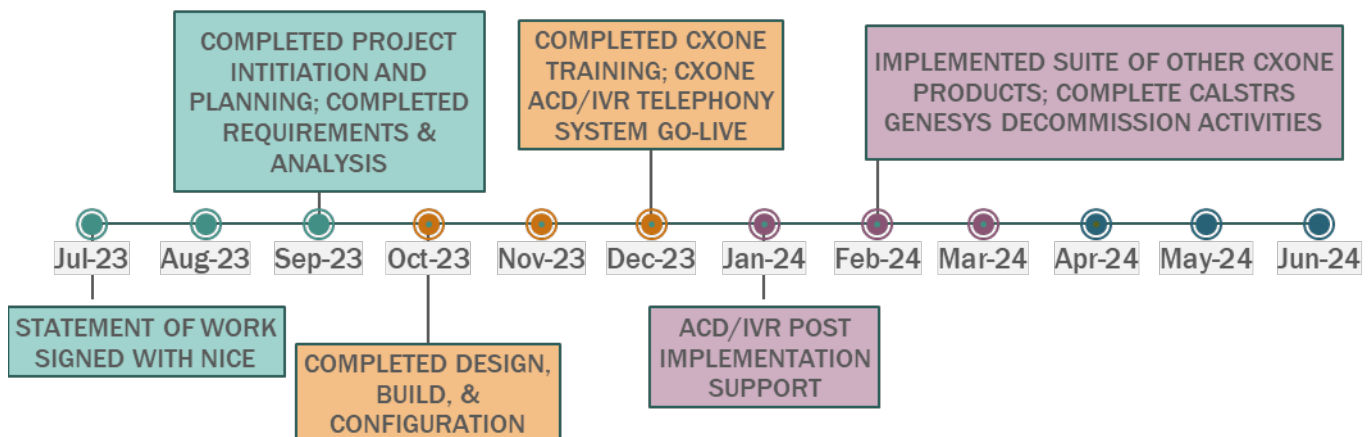
NOTE: ACD = Automatic Call Distribution; IVR = Interactive Voice Response

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

DATA QUALITY

The Data Quality project will prepare the 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, rerun of data fixes, resolution of conversion fallout and preparation for data conversion.

PROJECT BUDGET

$34.4 Million
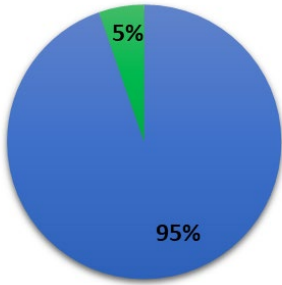
■ % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2024

- Completed and executed annual Archive Flag Rerun, which archived or unarchived member accounts meeting approved logic.
- Completed Data Quality changes required for AB 1667.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2024

- Complete Annual Member Lifecycle Fix A. This fix backdates membership dates in the legacy pension administration system to align with the earliest employer reporting information received for a member's account.
- Complete Annual Member Lifecycle Fix B. This fix reverses and re-reports employer reporting information in the legacy pension administration system to ensure there is no creditable service received after a benefit effective date to align with BenefitConnect's rules.

PROJECT SCHEDULE STATUS TIMELINE

Nov 2011
Project Start

Jun 2024
End
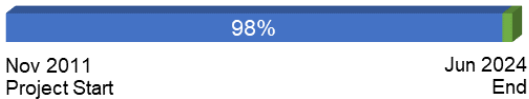
FISCAL YEAR 2023–24 MAJOR MILESTONES[7]

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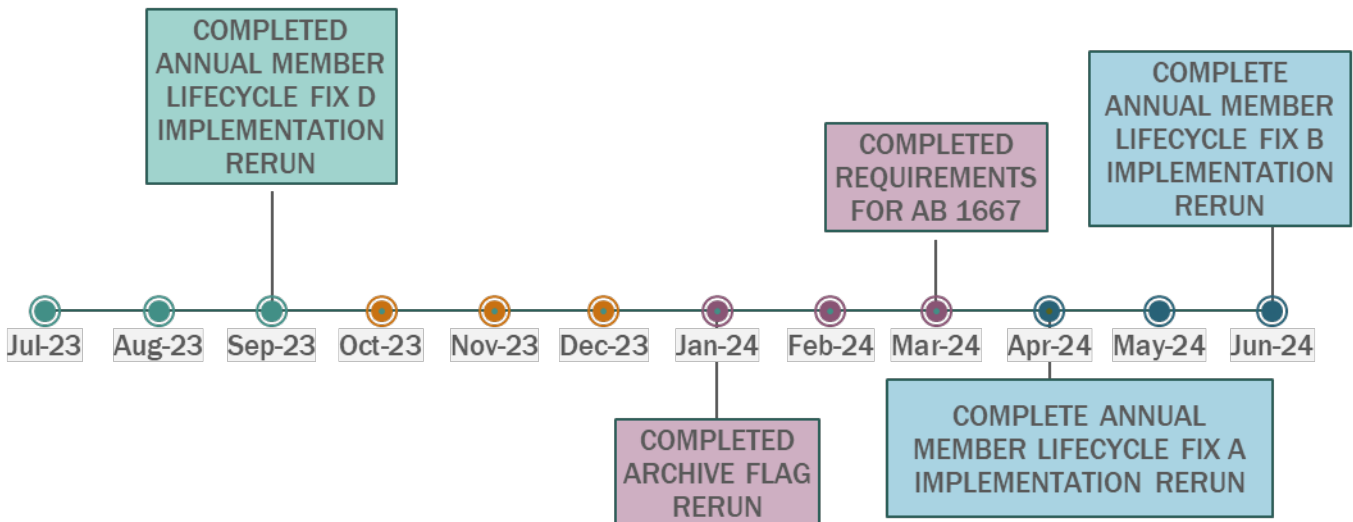
[7] As approved by Pension Solution Steering Committee.

DATACENTER HOSTING AND MIGRATION SERVICES

The Datacenter Hosting and Migration Services (DHMS) 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-premises critical systems/equipment onto a multi-modal data center solution.

PROJECT BUDGET

$31.6 Million
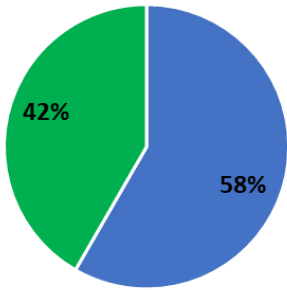
- % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2024

- Continued maintenance and operations for the infrastructure.
- Completed migration of CalSTRS connector applications from DHMS Amazon Web Services (AWS) to CalSTRS AWS Platform.

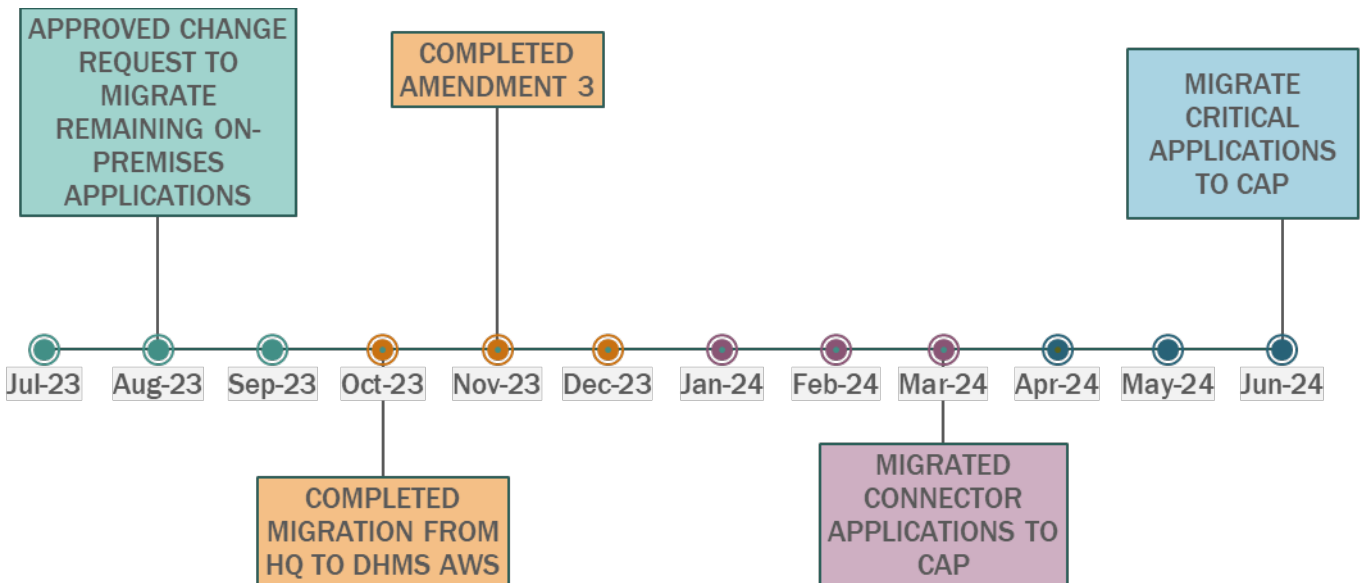### PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2024

- Complete migration of CalSTRS critical applications from DHMS AWS to CalSTRS AWS Platform.

PROJECT SCHEDULE STATUS TIMELINE

Nov 2020
Project Start

60%

Jun 2026
End

FISCAL YEAR 2023–24 MAJOR MILESTONES

NOTE: VDI = Virtual Desktop Infrastructure; AWS = Amazon Web Service; CAP = CalSTRS AWS Platform

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, SAP SuccessFactors, includes a core HR platform called Employee Central, Learning and Development, Performance and Goals Management, Succession & Development, Onboarding, and Workforce Planning & Analytics modules. This is a multi-year project that will be implemented in phases. The first phase includes Employee Central and Learning & Development modules. The second phase includes Onboarding (ONB) with Cross-boarding (CSB) and Performance & Goals Management (PMGM) modules. Succession & Development and Workforce Planning & Analytics will be assessed for configuration and implementation as part of a future phase(s).

PROJECT BUDGET

$2.4 Million

2%

98%
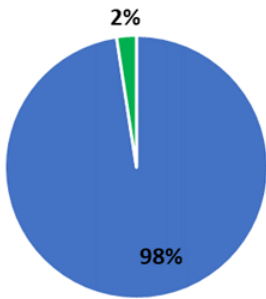
■ % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2024

- Completed Phase 2 Lessons Learned review sessions.
- Resolved 76% of Phases 1 & 2 open tickets (enhancement and incident tickets).
- Completed SAP SuccessFactors system updates/releases in Staging & Production.
- Completed SAP M&O Support Services procurement, which includes HR Link.
- Transitioned further development of a system roadmap to the SAP support services vendor and system owner.
- Transitioned project activities to the Support Services team.
- Transitioned management activities from the project manager to the system owner.
- Completed the project close-out report.

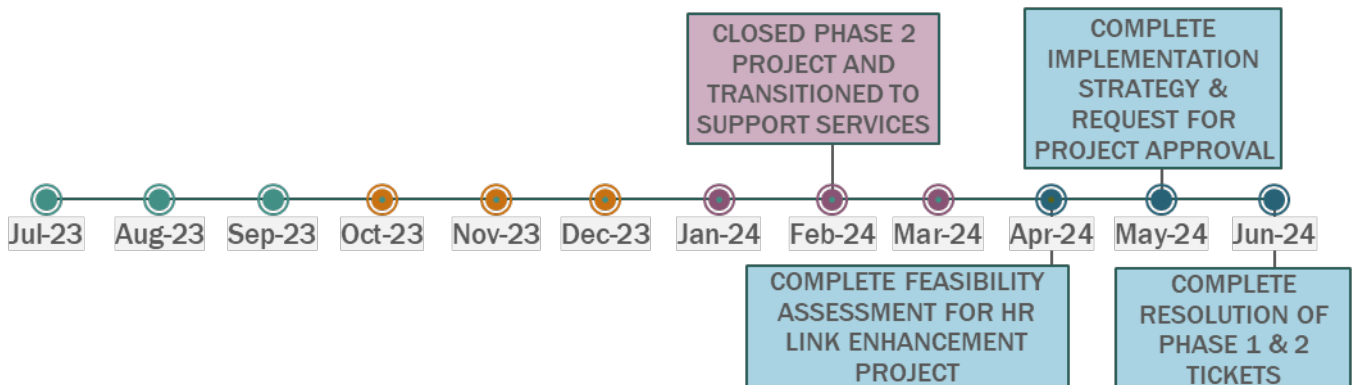### PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2024

- Triage and resolve remaining open tickets from Phases 1 & 2.

PROJECT SCHEDULE STATUS TIMELINE

100%

Dec 2018
Project Start

Feb 2024
End

FISCAL YEAR 2023–24 MAJOR MILESTONES

NOTE: Milestones April 2024 and beyond are part of support services, including preparatory activities associated with a new project to assess the feasibility and determine the strategy to implement two additional modules and enhance overall system functionality.

CLOSED PHASE 2 PROJECT AND TRANSITIONED TO SUPPORT SERVICES

COMPLETE IMPLEMENTATION STRATEGY & REQUEST FOR PROJECT APPROVAL

Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24

COMPLETE FEASIBILITY ASSESSMENT FOR HR LINK ENHANCEMENT PROJECT

COMPLETE RESOLUTION OF PHASE 1 & 2 TICKETS

PENSION SOLUTION

The Pension Solution Project will replace the CalSTRS legacy pension administration system with a new pension administration system, BenefitConnect, 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: A new contract with Sagitec has been established taking the project through implementation and beyond and was approved by the Board in September 2023. In addition, CalSTRS completed the procurement process to secure vendor resources to support project management, testing, training, business transition and data services work streams, and the Teachers' Retirement Board (TRB) approved those contracts in November 2023.

PROJECT BUDGET

$422 Million
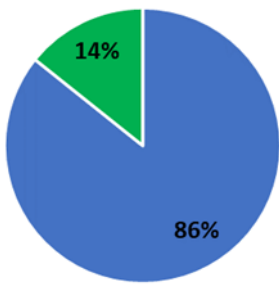
- % Expended   - % Remaining

ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2024

- Completed Parallel Test Execution.
- Approved Amazon Web Services migration plan.
- Completed Business Process Documentation.
- Completed System Integration Testing Stream 2 Checkpoint.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2024

- Complete development of mandated design requests.
- Complete System Integration Testing Stream 3 Checkpoint.
- Commence System Integration Testing Stream 4.
- Complete System Integration Testing Set 1.
- Commence System Integration Testing Set 3.
- Complete migration from Quest Data Center to AWS.
- Draft plan for Artificial Intelligence Use Case development.
- Complete and approve the User Acceptance Testing Detailed Test Plan.
- Commence User Acceptance Testing test case development activities.

PROJECT SCHEDULE STATUS TIMELINE

75%

Jul 2014
Project Start

Jun 2027
End
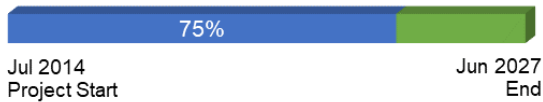
FISCAL YEAR 2023–24 MAJOR MILESTONES
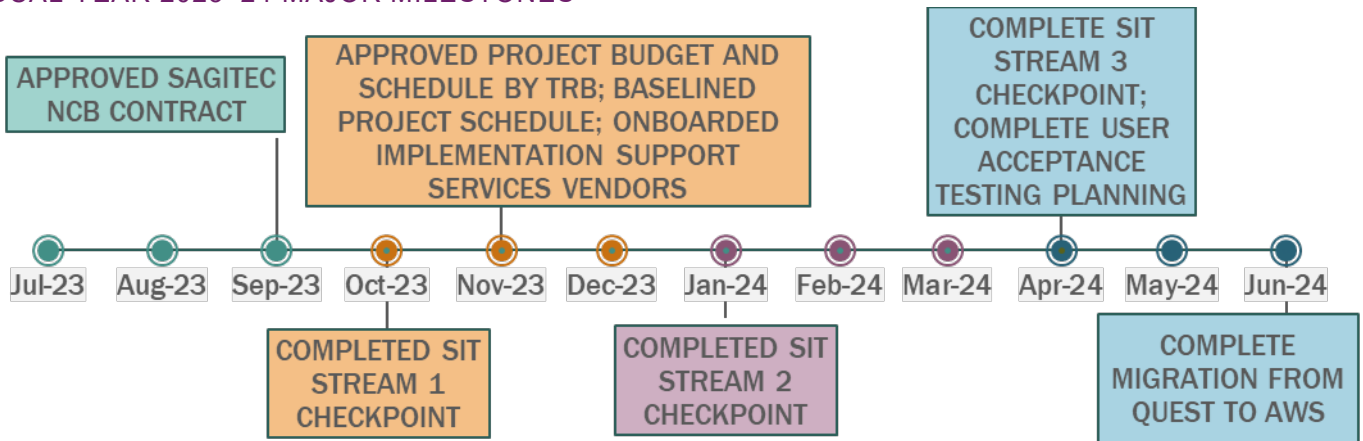
NOTE: NCB = Non-Competitive Bid; AWS = Amazon Web Service; SIT = System Integration Testing

TRANSFORMATION READINESS

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

PROJECT BUDGET

$24.2 Million


■ % Expended ■ % Remaining
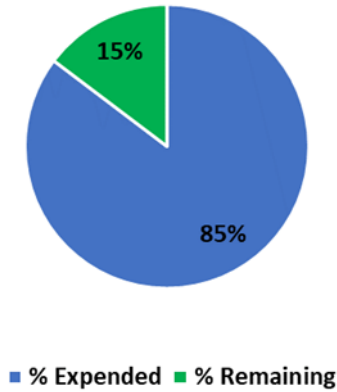
ACCOMPLISHMENTS – PERIOD ENDING MARCH 31, 2024

- Hired and onboarded Change Communications Lead and Communication Specialist.
- Conducted the training design kickoff meeting for business area trainers and training management.
- Completed stakeholder review and finalization of Del 8.1 the Training Plan.
- Completed stakeholder review and finalization of the PS Training Data and Environment Management Plan.
- Finalized and published the BenefitConnect Fundamentals computer-based training program.
- Conducted Spring Quarterly Change Champion Meeting.

PLANNED MAJOR ACTIVITIES & MILESTONES BY JUNE 30, 2024

- Conduct the Training Development kick-off for business area trainers and training management.
- Finalize and publish Del 8.2 Train the Trainer Model
- Complete design of 48 Pension Solution training courses
- Draft Stakeholder Management Plan.
- Refresh Change Champion roster with directors.

PROJECT SCHEDULE STATUS TIMELINE

Jul 2016
Project Start

97%

Jun 2024
End

FISCAL YEAR 2023–24 MAJOR MILESTONES
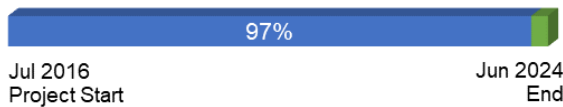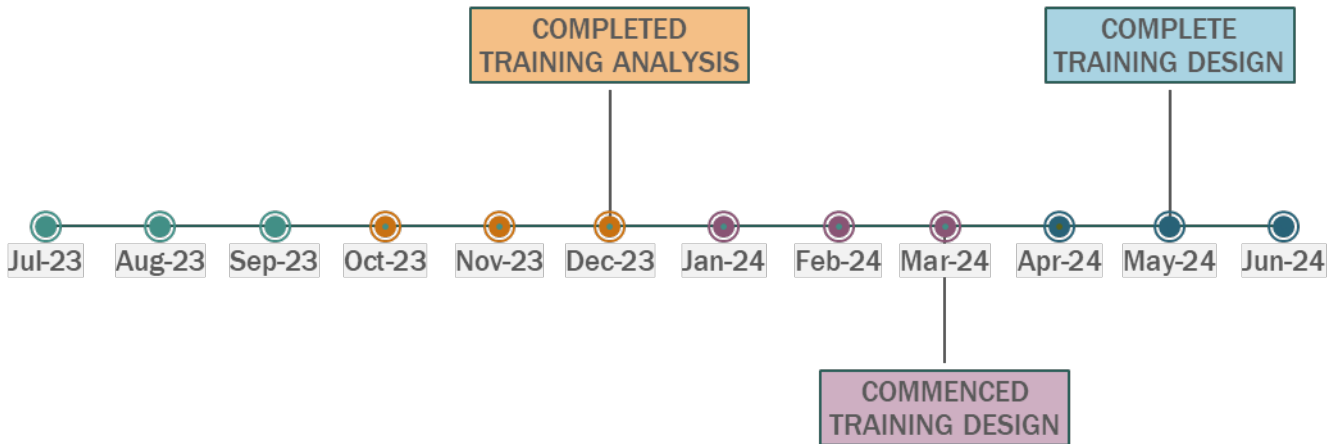
The following table summarizes other reportable enterprise projects under $1 million during the third quarter.

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 2024	◎[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 – Apr 2024	◎	$476,824	$194,888	◎

Schedule & Budget Indicators ◎ *On Track*   ⚠ *Warning*   ⛔ *Critical*   ✔ *Complete*   ⏸ *On Hold*   ⊗ *Cancelled*   ⏱ *Not Started*

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[8] Print to Mail: The schedule shown for this project will change based on the revised schedule for the Pension Solution project. The status for this project is shown as "On Track" based on a revised project schedule that is expected to be formally approved in Quarter 4.