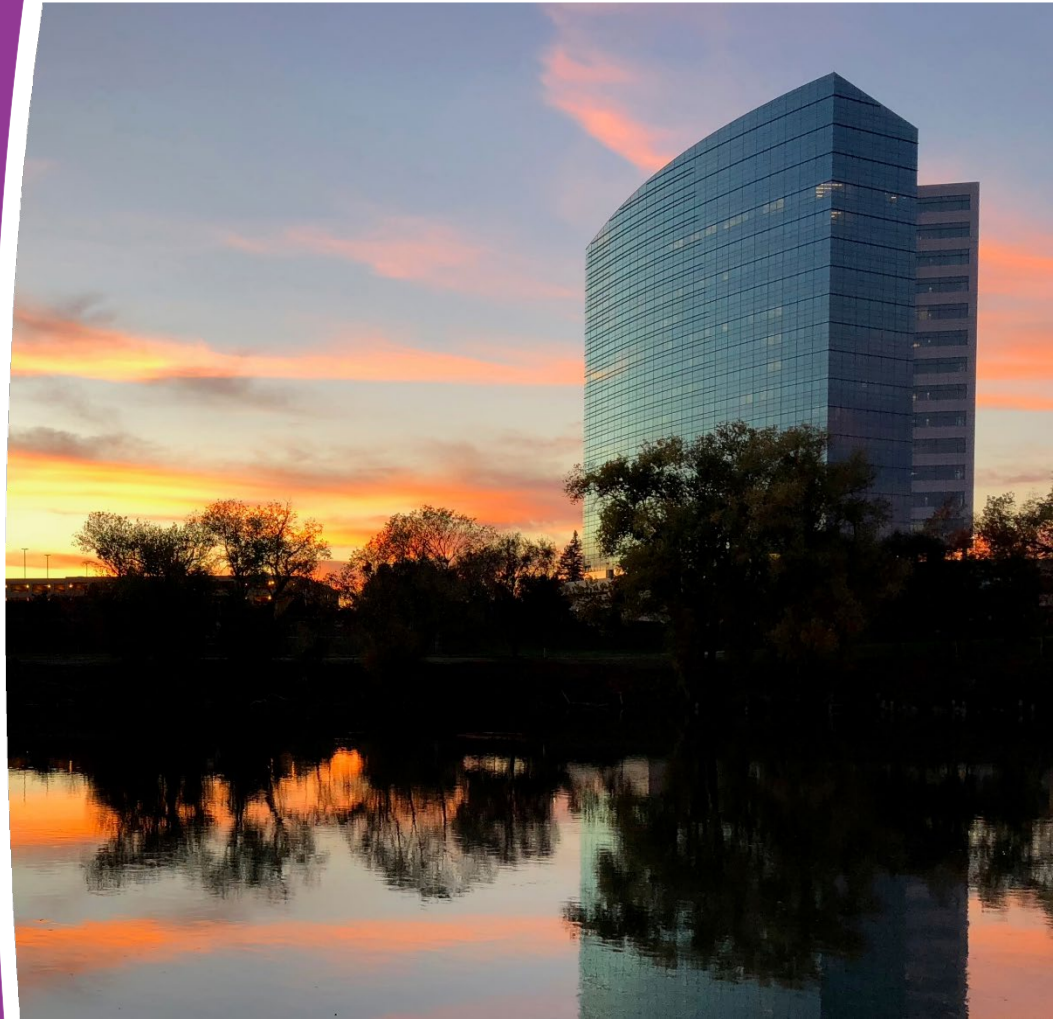




# Enterprise Technology Projects

FISCAL YEAR

2023-24



**SECOND QUARTER REPORT**

Quarter Ending December 31, 2023

## ENTERPRISE TECHNOLOGY PROJECTS

FISCAL YEAR 2023-24  
SECOND QUARTER REPORT

At the end of the second 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

**Cassandra Lichnock**  
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 second quarter.

Project Name	Project Duration	Schedule (Status)	Project Budget	Budget Expended	Budget (Status)
BusinessDirect Retrofit	Apr 2017 – Jun 2024	 1	\$9,769,238	\$8,486,185	
Contact Center Modernization	Jun 2023 – Mar 2025		\$1,375,000	\$75,768	
Data Quality	Nov 2011 – Jun 2024	 2	\$34,416,937	\$32,085,217	
Datacenter Hosting and Migration Services	Nov 2020 – Jun 2026		\$31,595,000 <sup>3</sup>	\$18,369,689	
HR Link	Dec 2018 – Feb 2024		\$2,445,398	\$2,167,167	
Pension Solution	Jul 2014 <sup>4</sup> – Jun 2027 <sup>5</sup>		\$422,006,496	\$345,153,829	
Transformation Readiness	Jul 2016 – Jun 2024	 6	\$24,198,053	\$20,220,745	

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

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

## MAJOR ENTERPRISE TECHNOLOGY PROJECTS

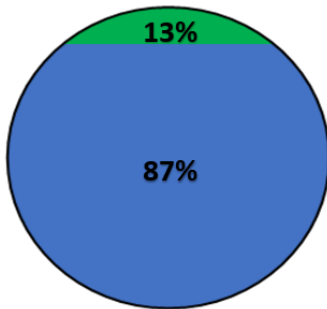
### BUSINESSDIRECT RETROFIT

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 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

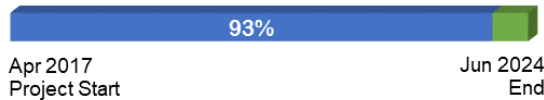
#### ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023

- Completed interviews for SAP M&O Support Services, which includes BDR activities.
- Validated open work items to complete the BDR project.
- Estimated BDR budget for fiscal year 2024/25.
- Completed various environments refresh to be in sync with BenefitConnect.

#### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2024

- 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.
- Identify vendor to support remaining project activities.
- Confirm BDR resources to complete BDR activities.
- Assess impact of AB1667 on BC/BD interfaces.
- Resume Parallel Testing with Pension Project.

#### PROJECT SCHEDULE STATUS TIMELINE



#### 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.



# MAJOR ENTERPRISE TECHNOLOGY PROJECTS

## CONTACT CENTER MODERNIZATION

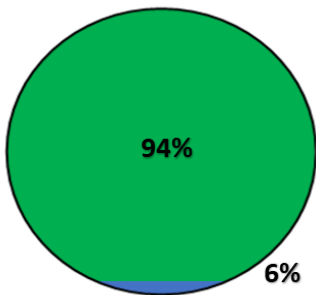
The Contact Center Modernization project will replace the current Contact Center platform, Genesys, with the NICE CXone platform. Objectives include:

- 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

\$1.4 Million



● % Expended ● % Remaining

### ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023

- Completed build and unit testing activities for Automatic Call Distribution/Interactive Voice Response (ACD/IVR) product.
- Developed user acceptance testing (UAT) Plan and completed UAT activities.
- Completed go-live planning activities.
- Completed training for CXone Studio and Onboarding.
- Completed CXone ACD/IVR go-live on 12/12/2023.

### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2024

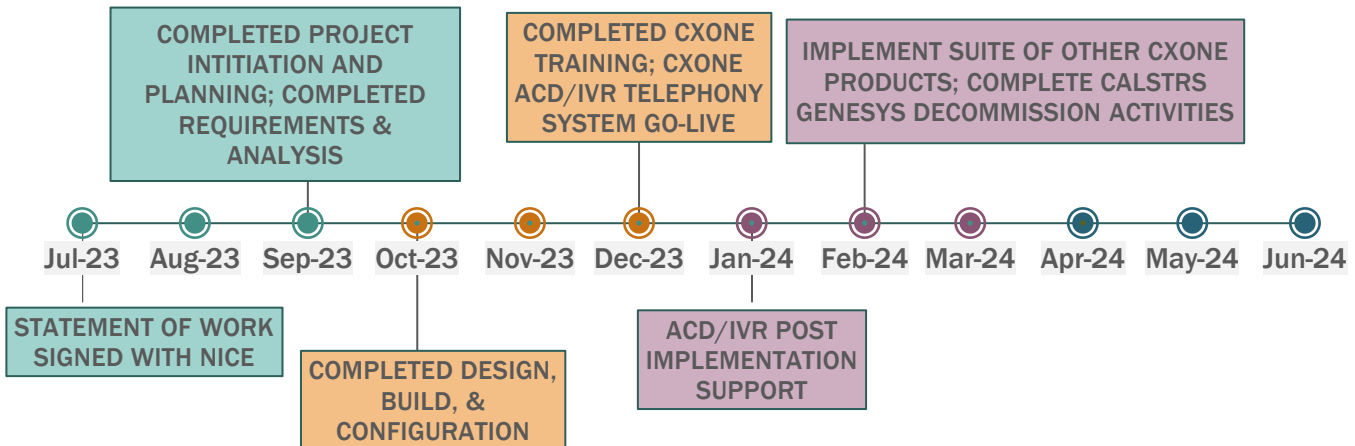
- Implement other CXone products including Quality Management, IEX Workforce Management, Feedback Management, Performance Management, and Interaction Analytics.
- Complete various training for above CXone products.
- Transition to post-implementation and technical account management (TAM) support model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

NOTE: ACD = Automatic Call Distribution; IVR = Interactive Voice Response

### PROJECT SCHEDULE STATUS TIMELINE



### FISCAL YEAR 2023–24 MAJOR MILESTONES



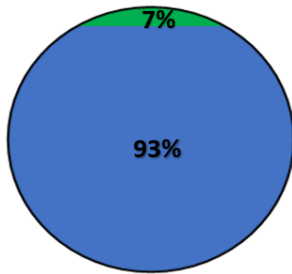
# MAJOR ENTERPRISE TECHNOLOGY PROJECTS

## 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

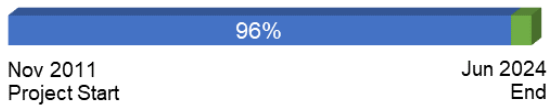
### ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023

- Continued ongoing basic issue and conversion fallout issue analysis.

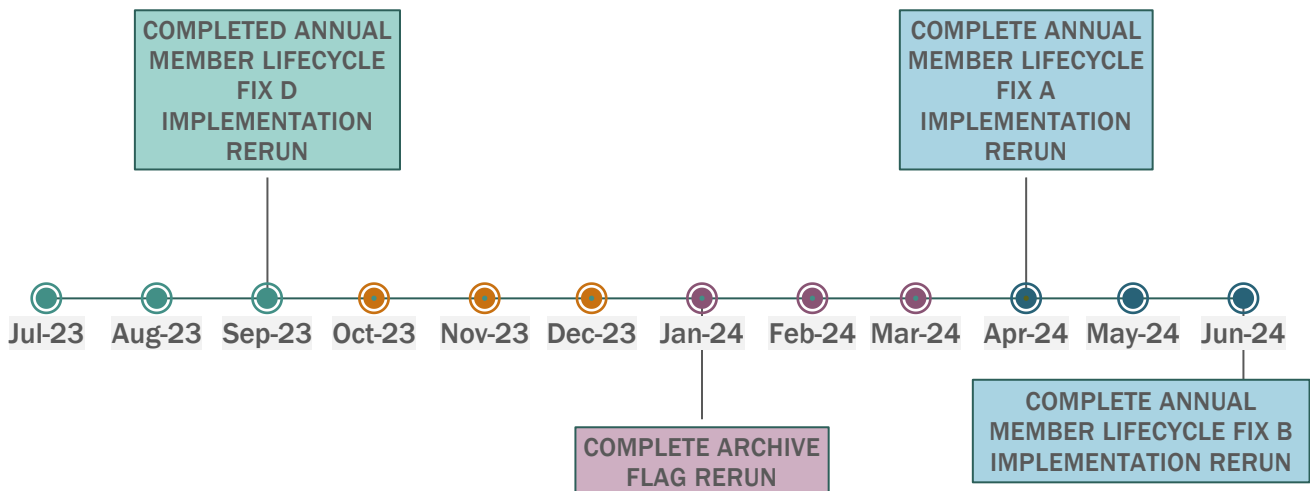
### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2024

- Complete Data Quality changes required for AB 1667.
- Complete Archive Flag Rerun.

## PROJECT SCHEDULE STATUS TIMELINE



## FISCAL YEAR 2023–24 MAJOR MILESTONES<sup>7</sup>



<sup>7</sup> As approved by Pension Solution Steering Committee.

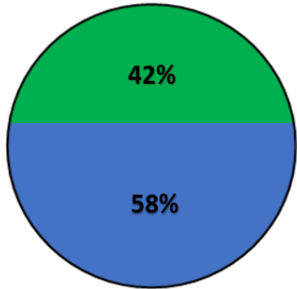
# MAJOR ENTERPRISE TECHNOLOGY PROJECTS

## 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 DECEMBER 31, 2023

- Continued maintenance and operations for the infrastructure.
- Completed migration from Horizon VDI environment at CalSTRS HQ to Horizon VDI environment in DHMS AWS.
- Completed Amendment 3 to transfer Equinix ownership to CalSTRS & CalSTRS took over ownership of the two Equinix datacenters from Peraton.
- Established own AWS environment, referred to as CalSTRS AWS Platform (CAP)

### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2024

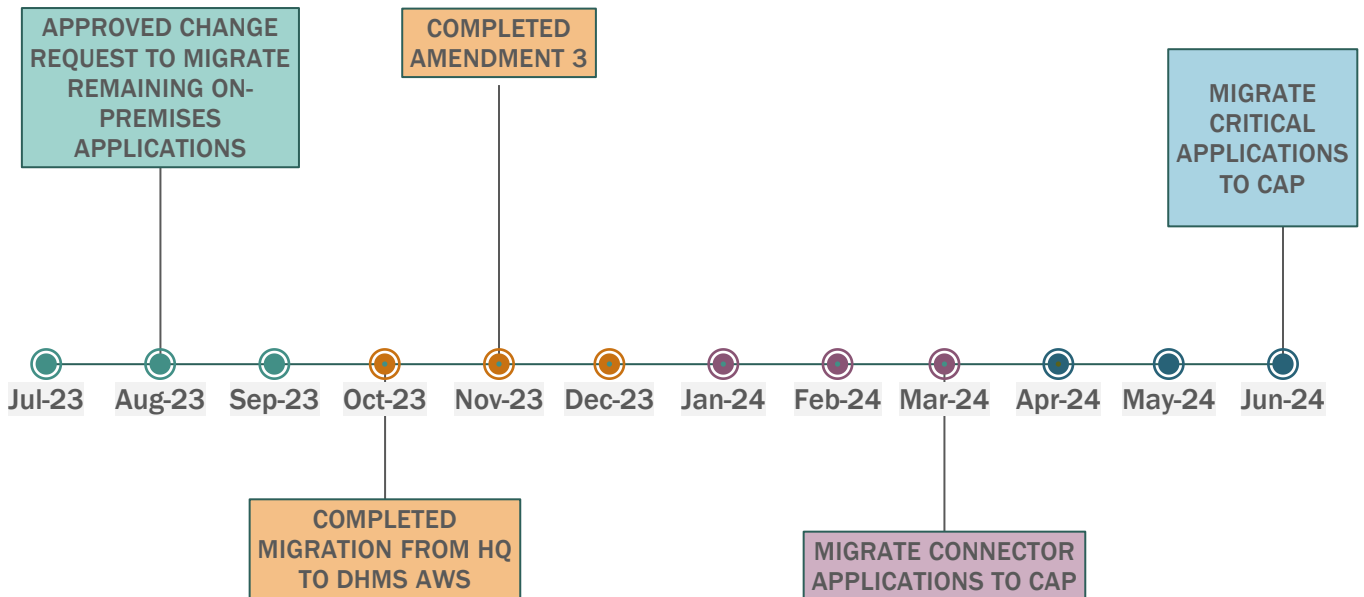
- Complete migration of CalSTRS Connector applications from DHMS AWS to CAP.

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

### PROJECT SCHEDULE STATUS TIMELINE



### FISCAL YEAR 2023–24 MAJOR MILESTONES



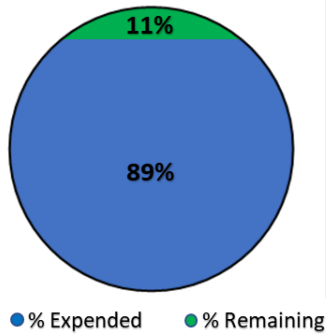
# MAJOR ENTERPRISE TECHNOLOGY PROJECTS

## 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 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



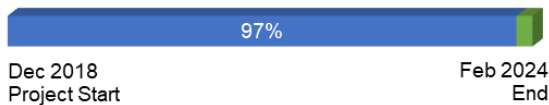
### ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023

- Stabilized performance of modules already in production.
- Moved configuration of the Performance Management module to production.
- Prepared for transition to Maintenance & Operations (M&O) for ongoing support services.
- Implemented SAP system upgrades, including a “Reimagined Homepage” and a new “Employee Portal”.
- Developed a Business Roadmap for HR Link and related activities.
- Commenced Phase 2 Lessons Learned review sessions.

### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2024

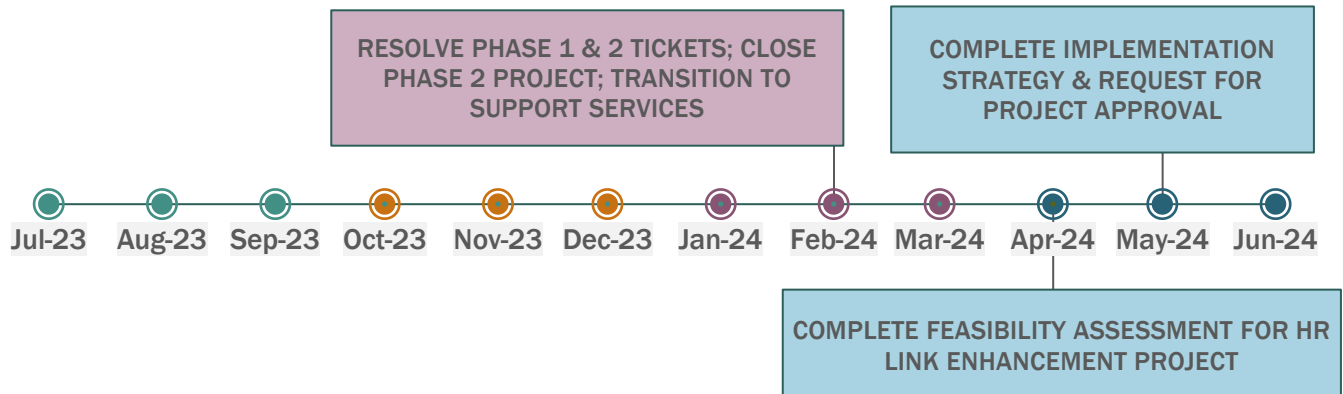
- Triage and resolve remaining open tickets from Phases 1 & 2.
- Continue preparations for required SAP system upgrades.
- Transition to M&O for ongoing support services.
- Transition further development of the HR Link Roadmap to the system support vendor and the System Owner.
- Complete Phase 2 Lessons Learned review sessions.
- Complete a project close-out report.

### PROJECT SCHEDULE STATUS TIMELINE



### FISCAL YEAR 2023–24 MAJOR MILESTONES

NOTE: Milestones April 2024 and beyond are 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.





# MAJOR ENTERPRISE TECHNOLOGY PROJECTS

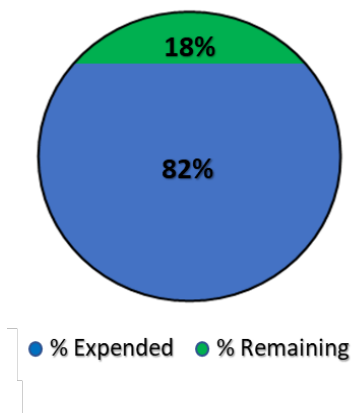
## PENSION SOLUTION

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



### ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023

- Hired State Project Manager.
- Baselined Project Schedule.
- Received approval of CalSTRS Support Services Vendor contracts from TRB.
- Received approval of the remainder of the project Budget Change Proposal from TRB.
- Onboarded five Implementation Support Services Vendor teams to support critical project workstreams.
- 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.

### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2024

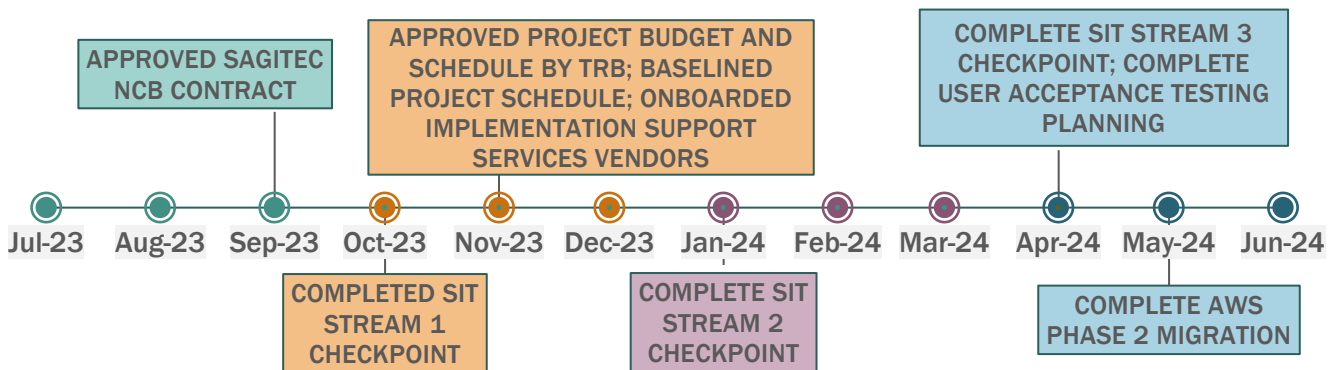
- Complete system integration testing (SIT) Stream 2 Checkpoint.
- Approve Amazon Web Services (AWS) migration plan.
- Draft plan for Artificial Intelligence (AI) Use Case development.

NOTE: NCB = Non-Competitive Bid; AWS = Amazon Web Service; SIT = System Integration Testing

### PROJECT SCHEDULE STATUS TIMELINE



### FISCAL YEAR 2023–24 MAJOR MILESTONES



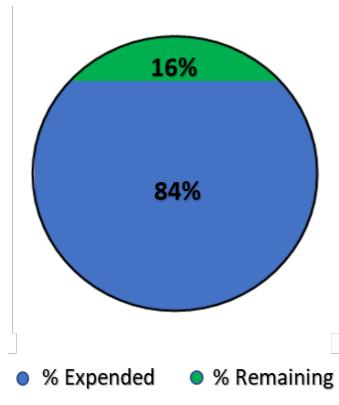
# MAJOR ENTERPRISE TECHNOLOGY PROJECTS

## TRANSFORMATION READINESS

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



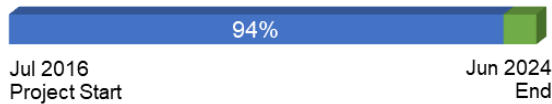
### ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023

- Drafted the Change Management activities for Destination Go Live.
- Conducted Quarterly Change Champion meeting for October.
- Distributed the Risk Management, Microsoft Teams, and Member Lifecycle Computer Based Training.
- Completed the Introduction to Project Risk and Issue Management and Using Microsoft Teams on the Pension Solution Project courses by all Pension Solution Project employees and contractors.
- Conducted training analysis supporting BenefitConnect new functionality.

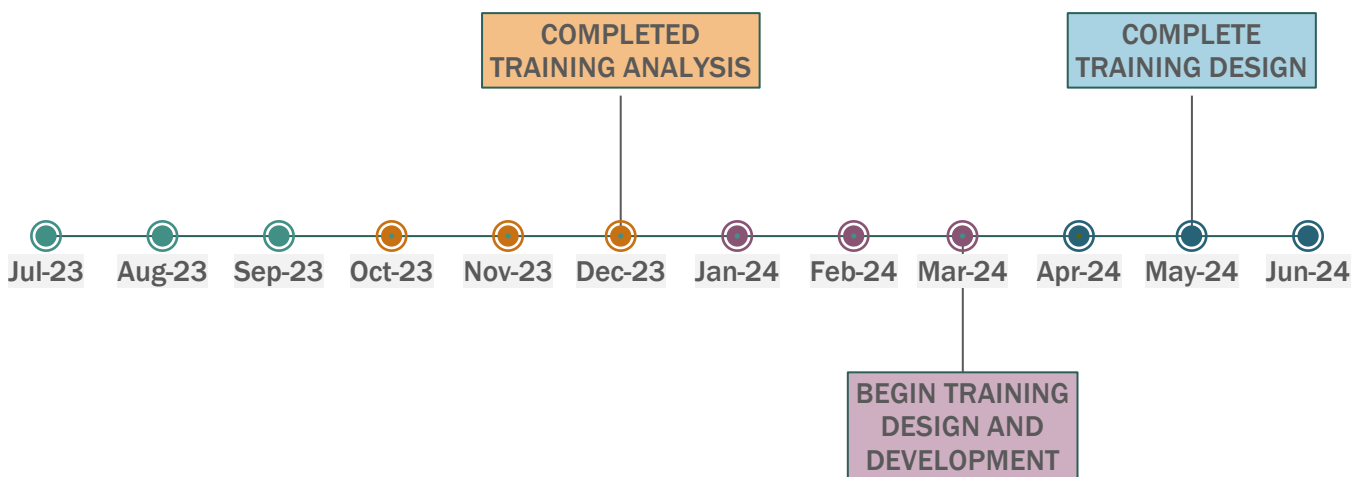
### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2024

- Hire and onboard Change Communications Lead and Communication Specialist.
- Draft Stakeholder Management Plan.
- Finalize, socialize, and publish the BenefitConnect Fundamentals computer-based training program.
- Conduct the Training Design Back kick-off for business area trainers and training management.
- Refresh Change Champion roster with directors.
- Finalize and publish Del 8.1 Training Plan.

### PROJECT SCHEDULE STATUS TIMELINE







### FISCAL YEAR 2023–24 MAJOR MILESTONES



**OTHER ENTERPRISE PROJECTS UNDER \$1 MILLION**

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

Project and Description	Project Duration	Schedule (Status)	Project Budget	Budget Expended	Budget (Status)
<p><b>Print to Mail Software</b></p> <p>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.</p>	Dec 2020 – Oct 2024	 <sup>8</sup>	\$559,283	\$136,310	
<p><b>Customer Relationship Management Solution Readiness Assessment</b></p> <p>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.</p>	Feb 2023 – Apr 2024		\$476,824	\$167,869	

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

<sup>8</sup> Print to Mail: At inception of Print to Mail, the project was managed as an independent effort due to additional requirements outside of Pension Solution scope. Most of the remaining tasks within the Print to Mail effort require integration with the Pension Solution schedule and support from vendor resources in alignment with Pension Solution implementation tasks. It is now necessary for integrated oversight from Pension Solution PMO. This project is in “Warning” status due to some of those tasks being behind in the Print to Mail schedule.