CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?

Enterprise Technology Projects

FISCAL YEAR
2023-24

FISCAL YEAR 2023-24
FIRST QUARTER REPORT

At the end of the first 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 first quarter.

Project Name	Project Duration	Schedule (Status)	Project Budget	Budget Expended	Budget (Status)
BusinessDirect Retrofit	Apr 2017 – Jun 2024	⚠ [1]	$9,769,238[2]	$8,399,215	🎯
Contact Center Modernization	Jun 2023 – Feb 2024	🎯	$1,375,000	$75,768	🎯
Data Quality	Nov 2011 – Jun 2024	⚠ [3]	$34,416,938	$31,544,212	🎯
Datacenter Hosting and Migration Services	Nov 2020 – Oct 2023	🎯	$31,595,000[4]	$18,041,782	🎯
HR Link	Dec 2018 – Feb 2024	🎯	$2,445,398	$2,112,561	🎯
Pension Solution	Jul 2014[5] – Jun 2024	⚠ [6]	$422,006,496	$328,227,359	🎯
Transformation Readiness	Jul 2016 – Jun 2024	⚠ [7]	$24,198,053	$19,696,384	🎯

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

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[1] BusinessDirect Retrofit – A new contract with Sagitec has been established and was approved by the Board in September. The team has baselined a new project schedule with a go-live date in Fall 2025 and the schedule is being monitored utilizing the rolling wave process which adheres to best practices for schedule management. The Pension Solution project plans on submitting, to the CalSTRS Enterprise Program Investment Council, a spend plan and schedule extension request in May 2024 for the Pension Solution project and all related projects.

[2] BusinessDirect Retrofit – This amount does not reflect $7.2 million in Pension Solution Project funding allocated for system enhancements to support pension administration-related functionality.

[3] Data Quality – A new contract with Sagitec has been established and was approved by the Board in September. The team has baselined a new project schedule with a go-live date in Fall 2025 and the schedule is being monitored utilizing the rolling wave process which adheres to best practices for schedule management. The Pension Solution project plans on submitting, to the CalSTRS Enterprise Program Investment Council, a spend plan and schedule extension request in May 2024 for the Pension Solution project and all related projects.

[4] 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.

[5] 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.

[6] Pension Solution – A new contract with Sagitec has been established and was approved by the Board in September. The team has baselined a new project schedule with a go-live date in Fall 2025 and the schedule is being monitored utilizing the rolling wave process which adheres to best practices for schedule management. The Pension Solution project plans on submitting, to the CalSTRS Enterprise Program Investment Council, a change request in Q2 to extend the Pension Solution project to 2027.

[7] Transformation Readiness – A new contract with Sagitec has been established and was approved by the Board in September. The team has baselined a new project schedule with a go-live date in Fall 2025 and the schedule is being monitored utilizing the rolling wave process which adheres to best practices for schedule management. The Pension Solution project plans on submitting, to the CalSTRS Enterprise Program Investment Council, a spend plan and schedule extension request in May 2024 for the Pension Solution project and all related 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

14%

86%
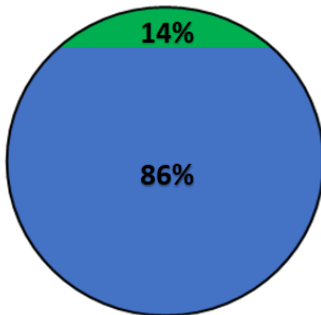
● % Expended   ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2023

- Validated open work items to complete the BDR project.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2023

- Continuous monitoring of Pension Solution Project activities and work with system support vendor for resolution of outstanding defects, as needed.
- Identify new and modified Pension Solution project requirements that impact the BDR Project.

PROJECT SCHEDULE STATUS TIMELINE

90%

Apr 2017
Project Start

Jun 2024
End
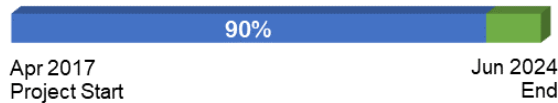
FISCAL YEAR 2023–24 MAJOR MILESTONES

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.
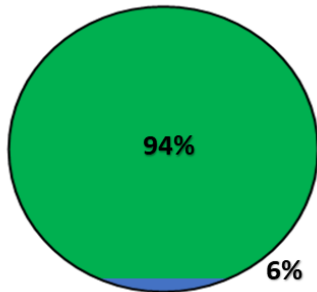- Maintain current member service levels (e.g., member satisfaction, member wait time, etc.).
- Decommission current Genesys system by February 2024 when contract expires.

PROJECT BUDGET

$1.4 Million

94%

6%

● % Expended   ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2023

- Statement of Work (SOW) for NICE was signed.
- Completed Project Initiation & Planning activities including Project Kick-off, Assignment of vendor resources, Engagement with vendors, Development of Project Charter, and Initial Project Schedule.
- Business Requirements Gathering completed for Automatic Call Distribution (ACD) and Interactive Voice Response (IVR) system. Business Requirements Document signed-off.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2023

- Complete Build & Unit Testing activities for ACD/IVR.
- Develop UAT Plan and Perform UAT and Plan for Go-live activities.
- CXone ACD/IVR Go-live on 12/12/23

PROJECT SCHEDULE STATUS TIMELINE

45%

Jun 2023
Project Start

Feb 2024
End

FISCAL YEAR 2023–24 MAJOR MILESTONES

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

COMPLETED PROJECT INTITIATION AND PLANNING; COMPLETED REQUIREMENTS & ANALYSIS

COMPLETE CXONE TRAINING; CXONE ACD/IVR TELEPHONY SYSTEM GO-LIVE

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

STATEMENT OF WORK SIGNED WITH NICE

COMPLETE DESIGN, BUILD, & CONFIGURATION

ACD/IVR POST IMPLEMENTATION SUPPORT
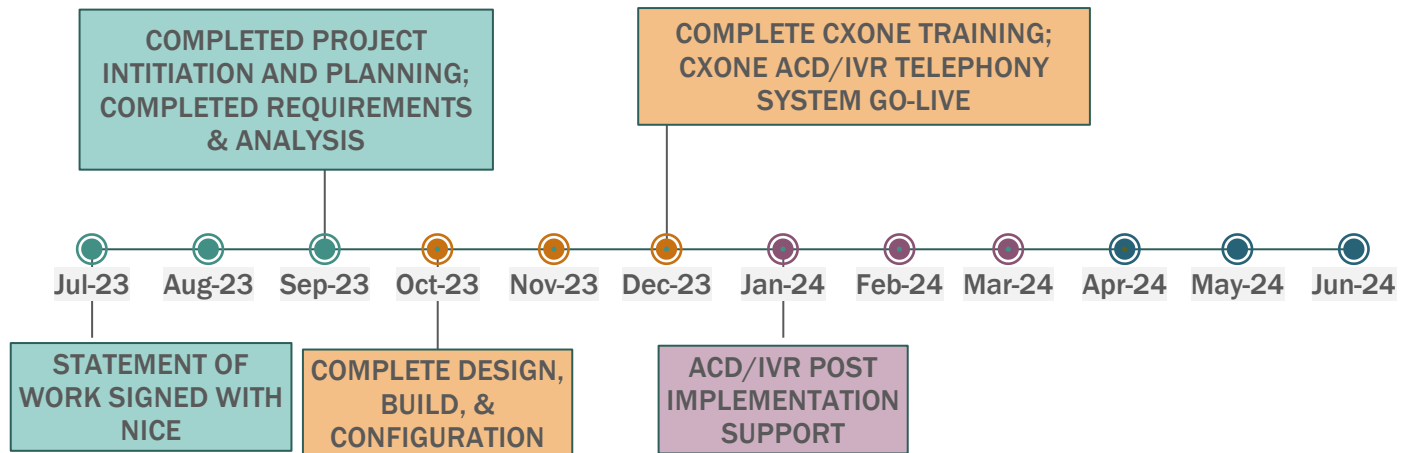
DATA QUALITY

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.
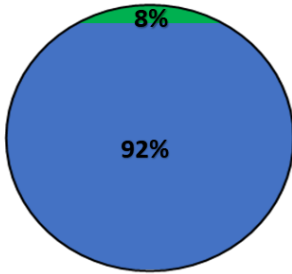
PROJECT BUDGET

$34.4 Million

- % Expended
- % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2023

- Completed annual Member Lifecycle Fix D Implementation Rerun.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2023

- Complete Archive Flag Rerun
- Complete annual Member Lifecycle Fix B Implementation Rerun.

PROJECT SCHEDULE STATUS TIMELINE

Nov 2011
Project Start

94%

Jun 2024
End

FISCAL YEAR 2023–24 MAJOR MILESTONES[8]

COMPLETED ANNUAL MEMBER LIFECYCLE FIX D IMPLEMENTATION RERUN

COMPLETE ANNUAL MEMBER LIFECYCLE FIX A IMPLEMENTATION RERUN

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 ARCHIVE FLAG RERUN

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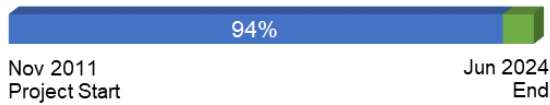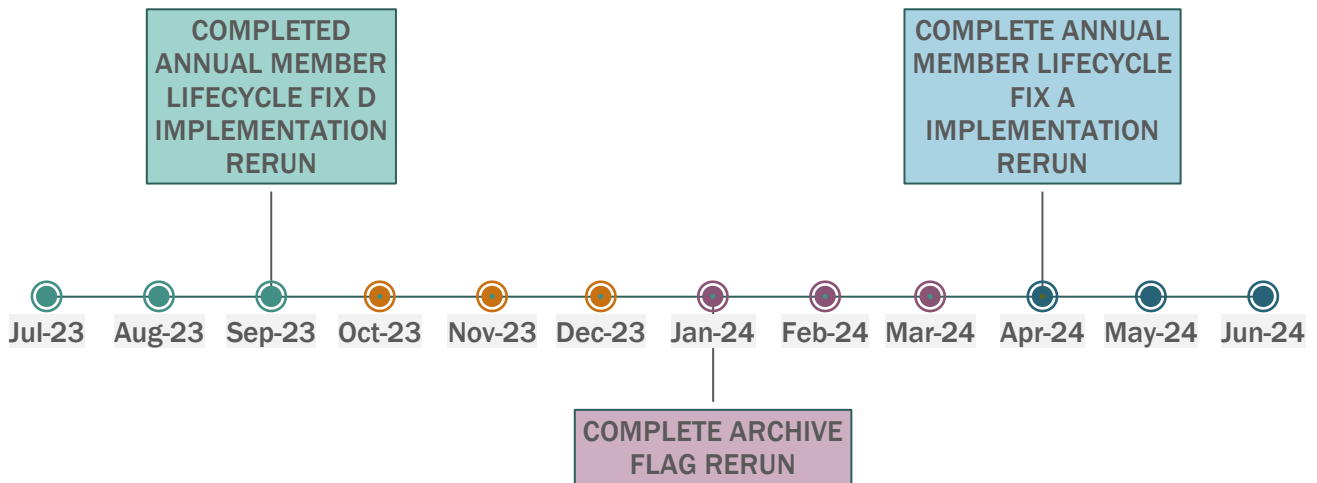
[8] As approved by Pension Solution Steering Committee.

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-premises critical systems/equipment onto a multi-modal data center solution.

PROJECT BUDGET

$31.6 Million

- % Expended
- % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2023
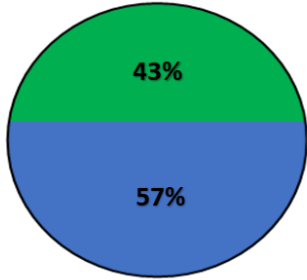
- Continued maintenance and operations for the infrastructure.
- Change request approved to expand project scope and schedule to include migration of remaining on-premises applications and increased funding to cover costs for Equinix datacenter transfer and to build a new CalSTRS AWS environment.

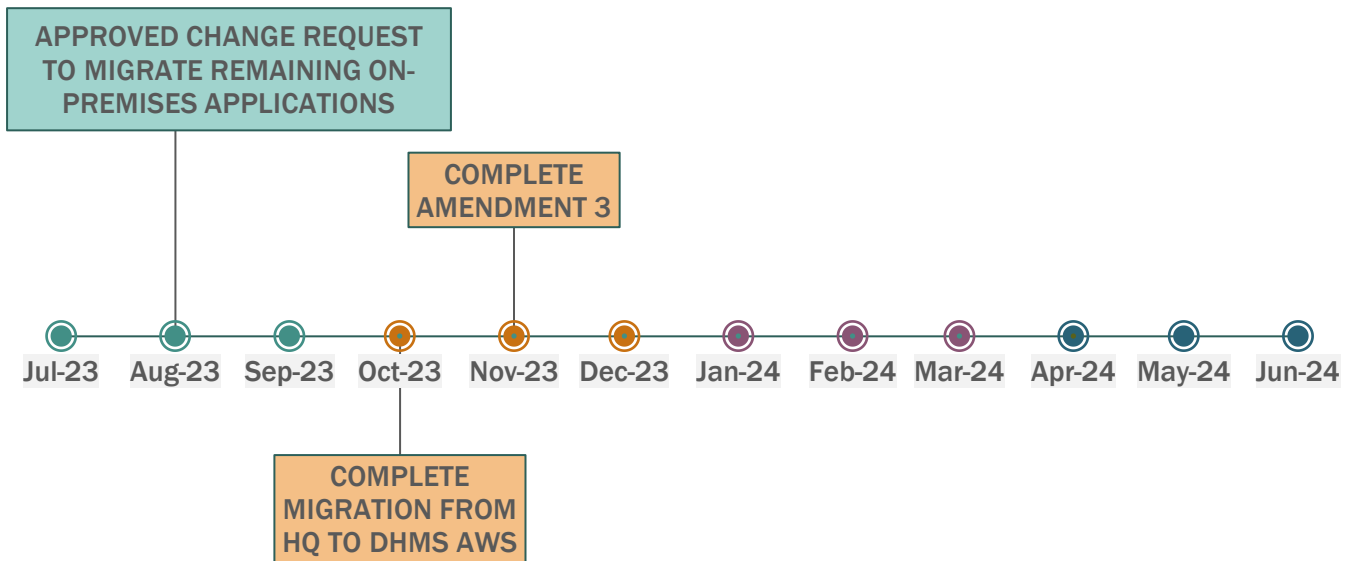### PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2023

- Complete migration from Horizon VDI environment at CalSTRS HQ to Horizon VDI environment in DHMS AWS.
- Complete Amendment 3 to transfer Equinix ownership to CalSTRS which will result in a modification of the Statement of Work and a decrease of funding and a modification to the Service Level Agreement for the ongoing Maintenance &Operations.

PROJECT SCHEDULE STATUS TIMELINE

51%

Nov 2020
Project Start

Jun 2026
End

FISCAL YEAR 2023–24 MAJOR MILESTONES

NOTE: AWS = Amazon Web Service

APPROVED CHANGE REQUEST TO MIGRATE REMAINING ON-PREMISES APPLICATIONS

COMPLETE AMENDMENT 3

COMPLETE MIGRATION FROM HQ TO DHMS AWS

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

## 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


14%

86%
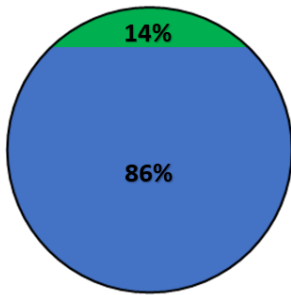
● % Expended   ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2023

- Signoff for ONB/CSB Iteration 2 configuration and validation.
- Completed ONB/CSB user acceptance testing, configuration, and validation.
- Moved ONB/CSB module configuration to Production.
- Completed Facilitator Guides for ONB/CSB and PMGM training.
- Developed and approved User Guides, Quick Reference Guides, Micro Learning Videos, and Train the Trainer materials for all configured modules.
- Developed and approved training plan & schedule.
- Completed Train the Trainer Sessions.
- Prepared to implement SAP's "Reimagined Homepage" and new "Employee Portal".
- Change Request approved to add funding for six months of support services.
- Onboarded six Deloitte resources for system stabilization and support services.

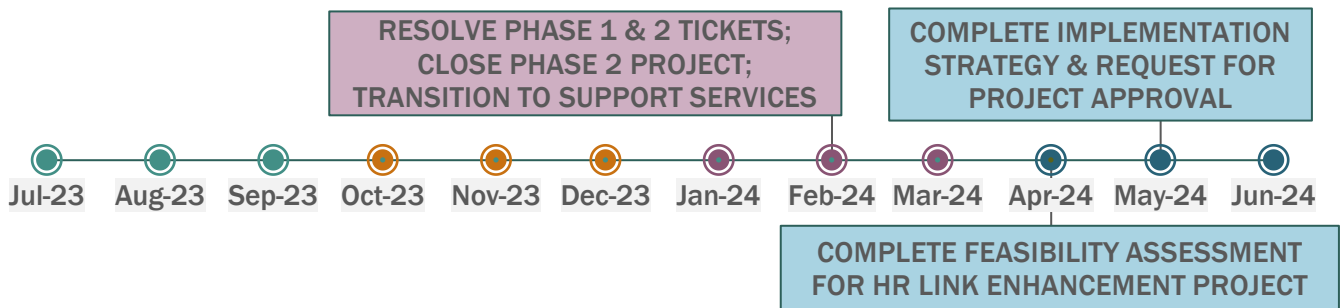### PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 30, 2023

- Move Performance Management configuration to Production.
- Commence End User Training Sessions for Performance Management.
- Triage and resolve open tickets from Phases 1 & 2.
- Stabilize configured modules in Production.
- Prepare for required SAP system upgrades.
- Identify the "system owner" for ongoing support services.
- Transition to Maintenance & Operations for ongoing support services.
- Implement the "Reimagined Homepage" and "Employee Portal".
- Develop HR Link Roadmap and related activities.
- Complete Phase 2 Lessons Learned review sessions.

PROJECT SCHEDULE STATUS TIMELINE

92%

Dec 2018
Project Start

Feb 2024
End
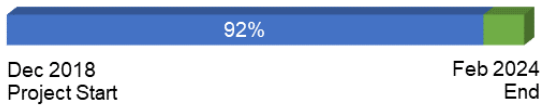
FISCAL YEAR 2023–24 MAJOR MILESTONES

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.

RESOLVE PHASE 1 & 2 TICKETS; CLOSE PHASE 2 PROJECT; TRANSITION 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

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.

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 is expected to approve those contracts in November 2023.

PROJECT BUDGET

$422 Million

22%

78%
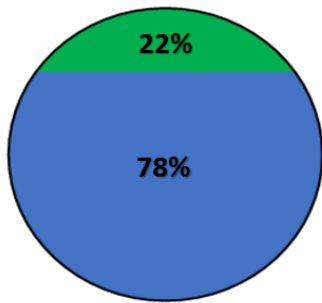
● % Expended   ● % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2023

- Received approval of new Sagitec contract from Teachers' Retirement Board.
- Commenced work on new project schedule with a go live date in Fall 2025.
- Interviewed the qualified candidates for the CalSTRS Support Services Vendors in response to the RFP.

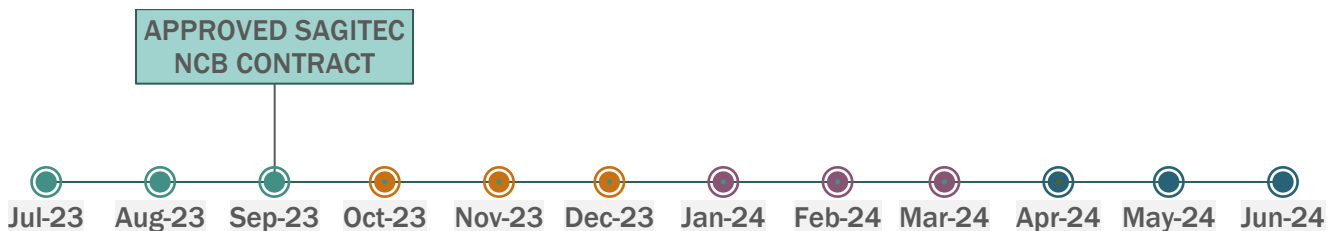### PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2023

- Hire State Project Manager.
- Baseline Project Schedule.
- Receive approval of CalSTRS Support Services Vendor contracts from TRB.
- Receive approval of the remainder of the project BCP from TRB.
- Onboard five Implementation Support Services Vendor teams to support critical project workstreams.

PROJECT SCHEDULE STATUS TIMELINE

92%

Jul 2014
Project Start

Jun 2024
End
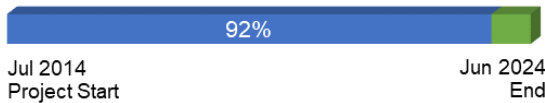
FISCAL YEAR 2023–24 MAJOR MILESTONES

NOTE: The project is revising the schedule and remaining project activities. Additional milestones will be added after the schedule replanning efforts are finalized.

APPROVED SAGITEC NCB CONTRACT

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

TRANSFORMATION READINESS

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

NOTE: Onboarding of three Implementation Support Services Vendors (ISSV) will be completed in Q2. 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

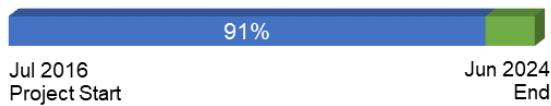$24.2 Million

- % Expended
- % Remaining
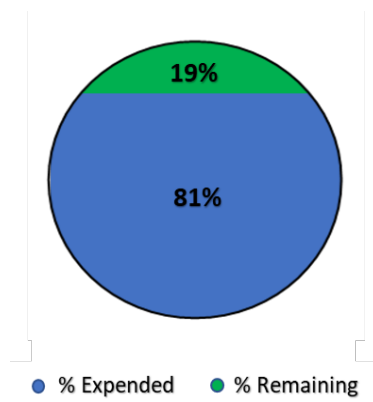
ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2023

- Finalized and released three new courses for the Pension Solution Onboarding Program: Introduction to Project Risk and Issue Management, Using Microsoft Teams on the Pension Solution Project and BenefitConnect and the Member Lifecycle.
- Designed and Developed Change Management Assessment and Feedback channel
- Designed and Developed Project Engagement and Satisfaction Survey.
- Designed Change Management modules to be piloted at Retirement Readiness Change Management summit, then shared with other areas.
- Delivered Resistance Management education session to Pension Solution leaders from CalSTRS and Sagitec.
- Completed and published the final version of the Pension Solution HR Link User Manual.
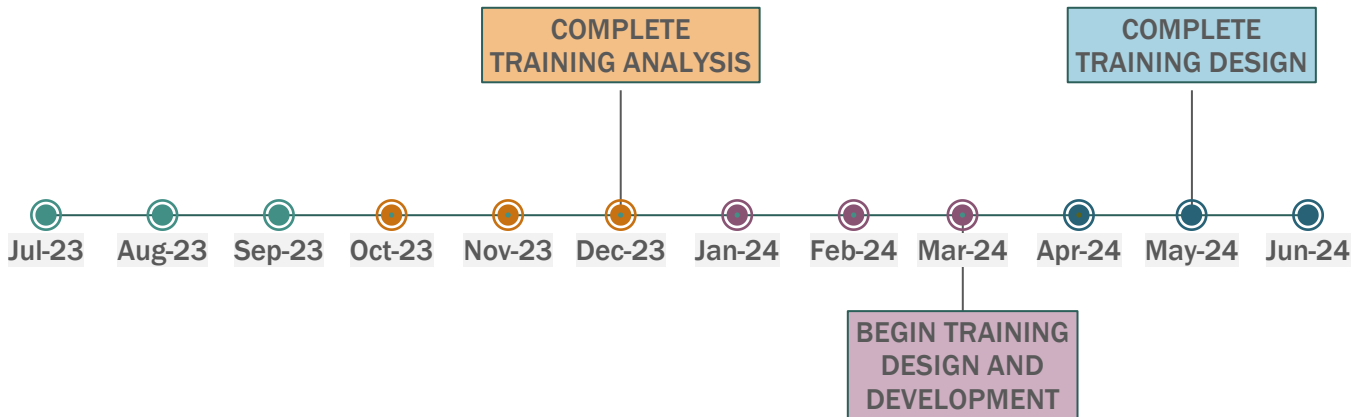
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2023

- Draft the Change Management activities for Destination Go Live.
- Plan Quarterly Change Champion meeting for October.
- Distribute the Risk Management, Microsoft Teams, and Member Lifecycle Computer Based Training.
- Promote completion of 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.
- Complete the training analysis supporting BenefitConnect new functionality.

PROJECT SCHEDULE STATUS TIMELINE

91%

Jul 2016
Project Start

Jun 2024
End

FISCAL YEAR 2023–24 MAJOR MILESTONES

COMPLETE TRAINING ANALYSIS		COMPLETE TRAINING DESIGN

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

BEGIN TRAINING DESIGN AND DEVELOPMENT

OTHER ENTERPRISE PROJECTS UNDER $1 MILLION

The following table summarizes other reportable enterprise projects under $1 million during the first 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 2021	⏸ [9]	$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	$167,869	🎯

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

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[9] Print to Mail Software Schedule – The schedule indicator is in hold status because the project is dependent on the Pension Solution Project implementation schedule.