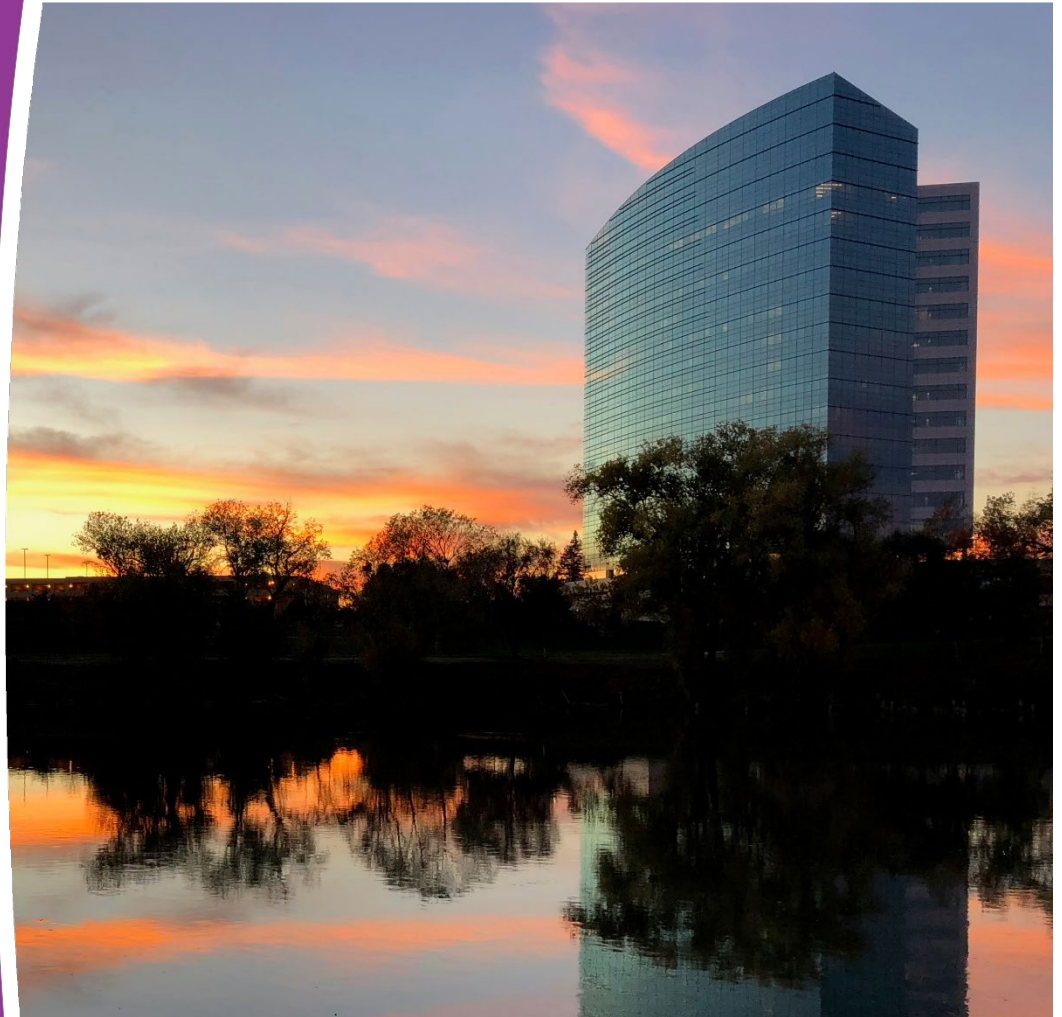




Enterprise Technology Projects

FISCAL YEAR
2024-25



FIRST QUARTER REPORT

Quarter Ending September 30, 2024

ENTERPRISE TECHNOLOGY PROJECTS

FISCAL YEAR 2024-25
FIRST QUARTER REPORT

At the end of the first quarter for fiscal year 2023-24, CalSTRS had eight reportable enterprise projects: seven major technology projects over \$1 million and one project 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

Julie Underwood

Chief Financial Officer

Teresa Schilling

Chief Public Affairs Officer

Vacant

Chief Benefits Officer

Lisa Blatnick

Chief Operating Officer

Melissa Norcia

Chief Administrative Officer

Ashish Jain















Chief Technology 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)
Business Intelligence and Data Warehousing ¹	Sep 2019 – Jul 2025		\$6,186,877	\$4,037,077	
Contact Center Modernization	Jun 2023 – Mar 2025		\$1,375,000	\$553,624	
Data Quality	Nov 2011 – Jun 2027		\$37,536,915	\$33,730,838	
Datacenter Hosting and Migration Services	Nov 2020 – Jun 2026		\$31,595,000	\$19,902,853	
Pension Solution	Jul 2014 ² – Jun 2027		\$627,843,818 ³	\$400,898,421	
SAP Ariba	Apr 2024 – Dec 2025		\$7,280,000	\$237,823	
Transformation Readiness	Jul 2016 – Jun 2027		\$25,374,441	\$22,254,420	

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

¹ Business Intelligence and Data Warehousing: The BI&DW project was not included in the quarterly Enterprise Technology Projects Report for the last two years to protect disclosure of budget estimated and ensure a competitive bid process during procurement activities. Prior to that, it was not included because it was not an active project. The project's start date represents when the readiness assessment and budget were approved by the Enterprise Program Investment Council

² 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.

³ Includes \$205.8M in additional funding via the Budget Change Proposal process, with funding available in July 2024.

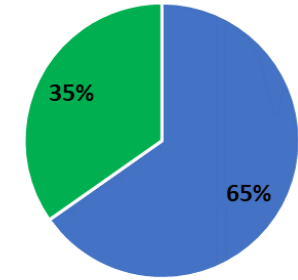
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

BUSINESS INTELLIGENCE AND DATA WAREHOUSING⁴

The objective of the Business Intelligence and Data Warehousing project is to develop use cases, create predictive models and advanced analytical dashboards and reports. Additionally, the CalSTRS data platform will be optimized through architectural enhancements and a data governance framework will be designed to elevate data integrity and security.

PROJECT BUDGET

\$6.2 Million



■ % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2024

- Established Year-2 Maintenance and Operation process.
- Year-3 kick-off and scope finalization.
- Business requirement gathering for three of five use cases.
- Business Requirement Document and ETL design for two of five use cases.
- Completed data governance charter, council, and roadmap.
- Completed CAP migration in Development and Systems Integration Testing environments.
- Completed ETL error handling framework for three critical ETL errors.

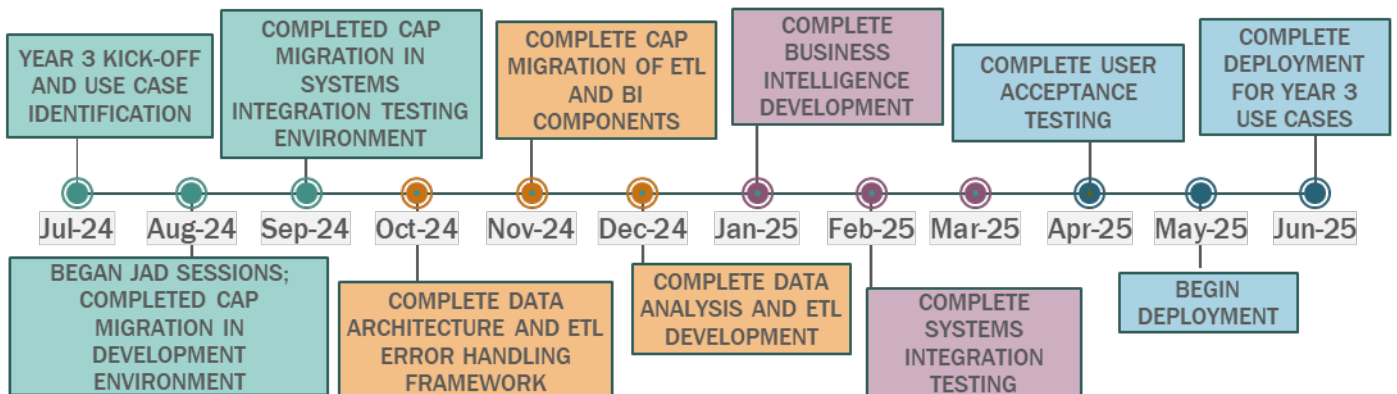
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2024

- Complete Requirement and Design phase for remaining two use cases.
- Complete ETL and BI development for two additional use cases.
- Complete testing strategy, test plans, test cases and test scripts for two of five business use cases.
- Complete training plans for business use cases.
- Complete data governance standards for data access, data usage, data retention, data security & data compliance.
- Complete ETL error handling framework.
- Complete Cloud migration in UAT and production environment.

PROJECT SCHEDULE PERCENT COMPLETE



FISCAL YEAR 2024–25 MAJOR MILESTONES



CAP = CALSTRS AWS PLATFORM; ETL = EXTRACT, TRANSFORM, AND LOAD

⁴ The BI&DW project was not included in the quarterly Enterprise Technology Projects Report for the last two years to protect disclosure of budget estimated and ensure a competitive bid process during procurement activities. Prior to that, it wasn't an active project. The start date represents when the readiness assessment and budget were approved by the Enterprise Program Investment Council.

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

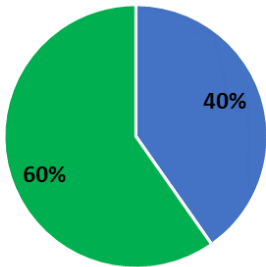
CONTACT CENTER MODERNIZATION

The Contact Center Modernization Project replaces the current Contact Center platform, Genesys, with the NICE CXone platform. Objectives include as noted below.

- Implement NICE CXone that maintains existing CalSTRS functionality in the Genesys platform.
- Maintain current member service levels (e.g., member satisfaction, member wait time, etc.).
- Go live with NICE CXone in January 2024.
- Decommission current Genesys system by February 2024 when contract expires.

PROJECT BUDGET

\$1.375 Million



■ % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2024

- Completed requirements gathering for Phase II workstreams.
- Feedback Management (Point-of-Service surveys) and Speech to Text Analytics have been implemented in CXone Production system.
- IEX's Workforce Management single sign-on has been implemented in CXone Production system.
- Automated Speech Recognition has been implemented in CXone Production system.
- Integration of Feedback Management with Performance Management module has been implemented in CXone Production system.

PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2024

- Complete Design & Development for Feedback Management Text Analytics
- Implement Text Analytics in CXone Production.
- Closeout Phase II project.

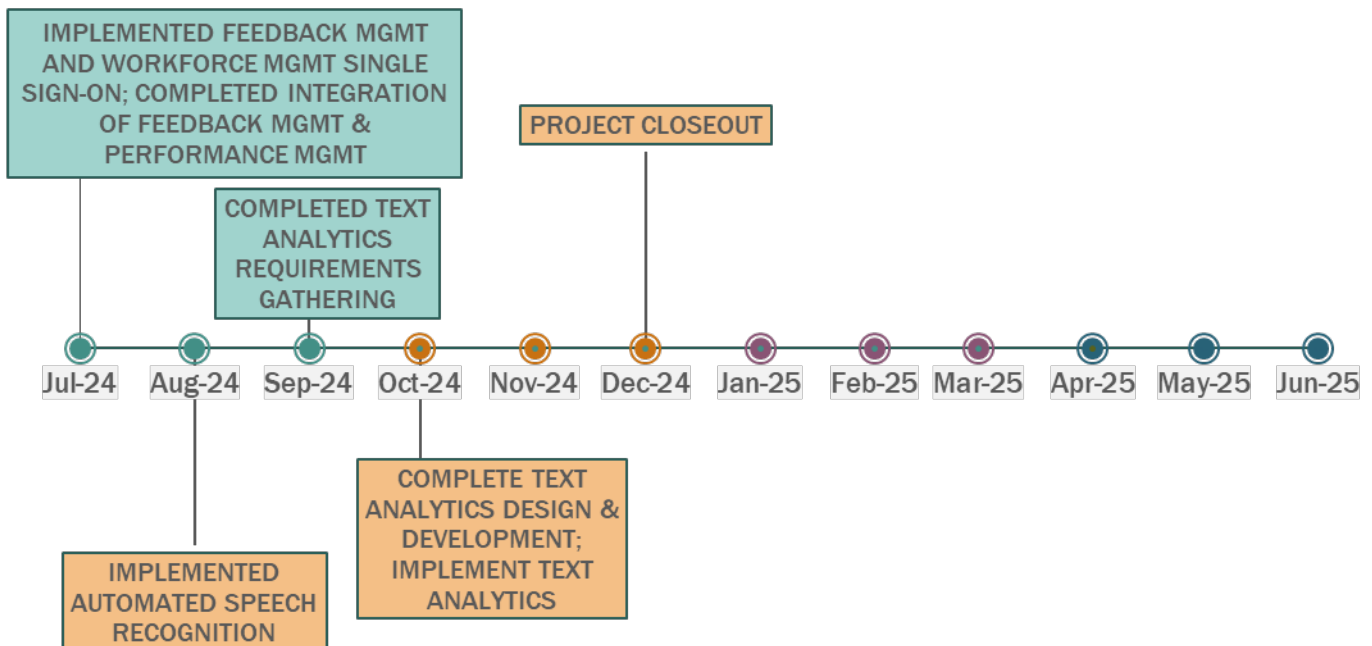
PROJECT SCHEDULE PERCENT COMPLETE



Jun 2023
Project Start

Mar 2025
End

FISCAL YEAR 2024–25 MAJOR MILESTONES



MAJOR ENTERPRISE TECHNOLOGY PROJECTS

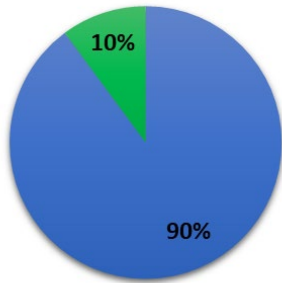
DATA QUALITY

The Data Quality Project will prepare the legacy pension administration data for conversion to BenefitConnect (BC), 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.

NOTE: A change request was approved by the Enterprise Program Investment Council in May 2024 to increase the budget to cover project costs through June 30, 2025, and extend the schedule through June 2027 to coincide with the Pension Solution Project end date.

PROJECT BUDGET

\$37.5 Million



■ % Expended ■ % Remaining

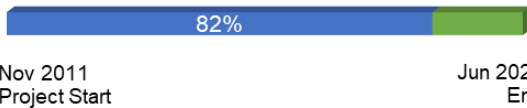
ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2024

- Completed Annual Member Lifecycle Fix D. Similar to Fix B, this fix reversed and re-reported 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 BC business rules and functional requirements.

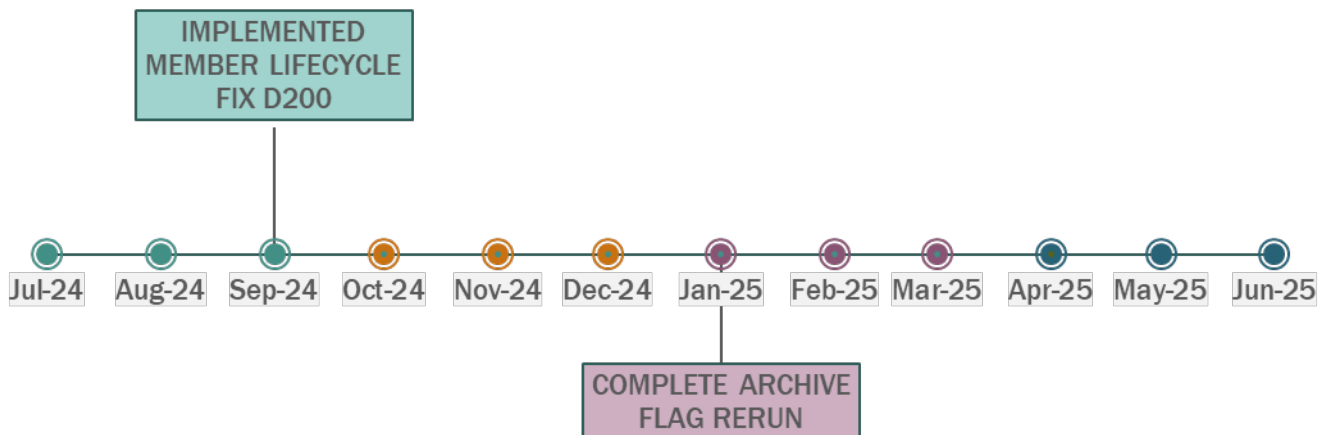
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2024

- None planned. (Next milestone to be implemented in January 2025).

PROJECT SCHEDULE PERCENT COMPLETE



FISCAL YEAR 2024–25 MAJOR MILESTONES⁵



⁵ As approved by Pension Solution Steering Committee.

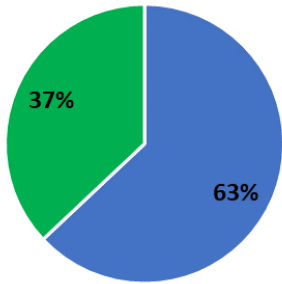
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

DATACENTER HOSTING AND MIGRATION SERVICES

The Datacenter Hosting and Migration Services (DHMS) Project will enable CalSTRS to mitigate the business continuity risks, support CalSTRS enterprise strategic goals, and establish 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, 2024

- Completed Proof of Concept of a Desktop-as-a-Service (DaaS) solution to replace Horizon VDI.

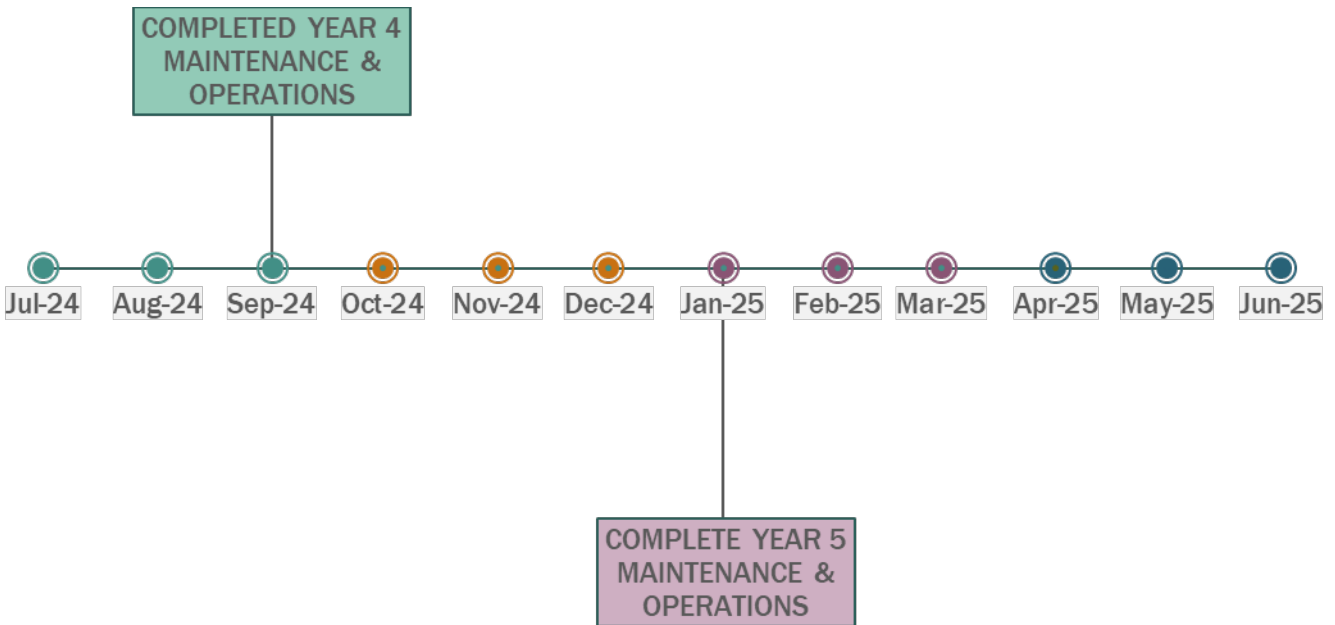
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2024

- Complete Amendment 4 to extend the vendor’s service agreement for 4 months (October 2, 2024 – January 31, 2025) to continue to manage the maintenance and operations activities for the remaining DHMS AWS environment supporting Horizon Virtual Desktop Infrastructure (VDI).
- Migration of Horizon VDI users to AWS Workspaces (new DaaS solution) to be completed by December 2024 so decommission of DHMS AWS environment can be completed by January 2025.

PROJECT SCHEDULE PERCENT COMPLETE



FISCAL YEAR 2024-25 MAJOR MILESTONES



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

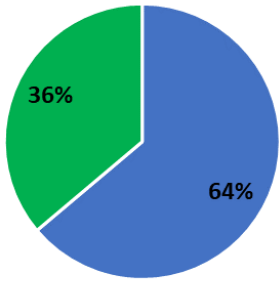
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

PENSION SOLUTION

The Pension Solution Project will replace CalSTRS legacy pension administration system with a new solution, 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.

PROJECT BUDGET

\$627.9 Million⁶



■ % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2024

- Completed delivery of User Acceptance Testing execution training.
- Conducted Test Readiness Review meeting to confirm UAT commencement.
- Commenced System Integration Testing Stream 5.
- Commenced End-to-End and Usability testing.
- Commenced Security Roles matrix testing.
- Completed Exploratory Testing.
- Completed Migration of On-Prem Pension environments to Amazon Web Service.
- Completed Initial Artificial Intelligence Chatbot Proof of Concept.
- Approved Deliverable 1.11 Project Schedule Rolling Wave 3.
- Approved DEL 2.6 Requirements Traceability Matrix.
- Approved DEL 7.3b Detailed Test Plan – Usability Destination Go Live.
- Approved DEL 9.4 Implementation Plan.
- Approved DEL Change Management Plan.

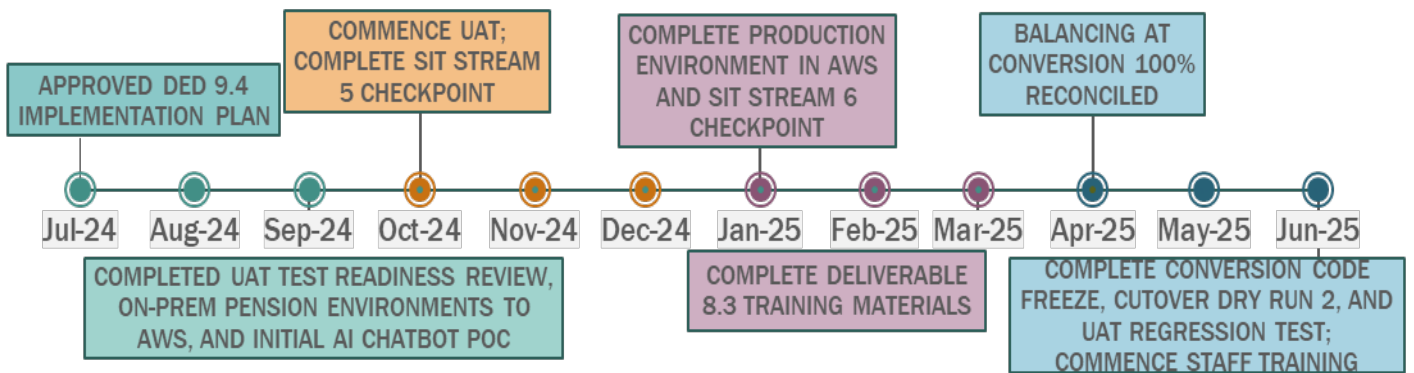
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2024

- Complete Quest Decommissioning.
- Closeout AI POC.
- Complete SIT Stream 5 Checkpoint.
- Commence SIT Stream 6.
- Complete SIT Set 3.
- Completed SIT regression testing.
- Complete Development for Mandated Design Requests/Change Control.
- Complete E2E Testing.
- Complete UAT Test Case Development.
- Commence User Acceptance Test Execution.
- Complete Preparation for UAT Phase 2.
- Complete Training Development Sprint 3.

PROJECT SCHEDULE PERCENT COMPLETE



FISCAL YEAR 2024–25 MAJOR MILESTONES



⁶ Includes \$205.8M in additional funding via the Budget Change Proposal process, with funding available in July 2024.

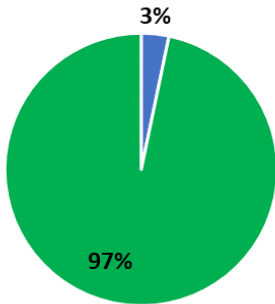
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

SAP ARIBA

The SAP Ariba Project will procure and implement the next-generation cloud-based SAP procurement solution, SAP Ariba, to replace CalSTRS current source-to-pay solutions, SAP Supplier Relationship Management (SRM) and Supplier Self Service (SUS) Portal (Invoicing) before they reach end-of-life and end-of-support in December 2027. SAP Ariba will enhance CalSTRS supply chain and procurement processes and source-to-contract and procure-to-pay workflows to streamline the purchasing lifecycle, improve supplier collaboration, and optimize procurement operations.

PROJECT BUDGET

\$7.3 Million



■ % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2024

- Onboarded Deloitte Implementation team.
- Conducted Project Kickoff.
- Completed 80% of blueprint/Joint Application Development sessions.
- Completed multiple deliverables for the prep phase of the project.
- SAP Ariba software negotiations were finalized by both SAP and CalSTRS.

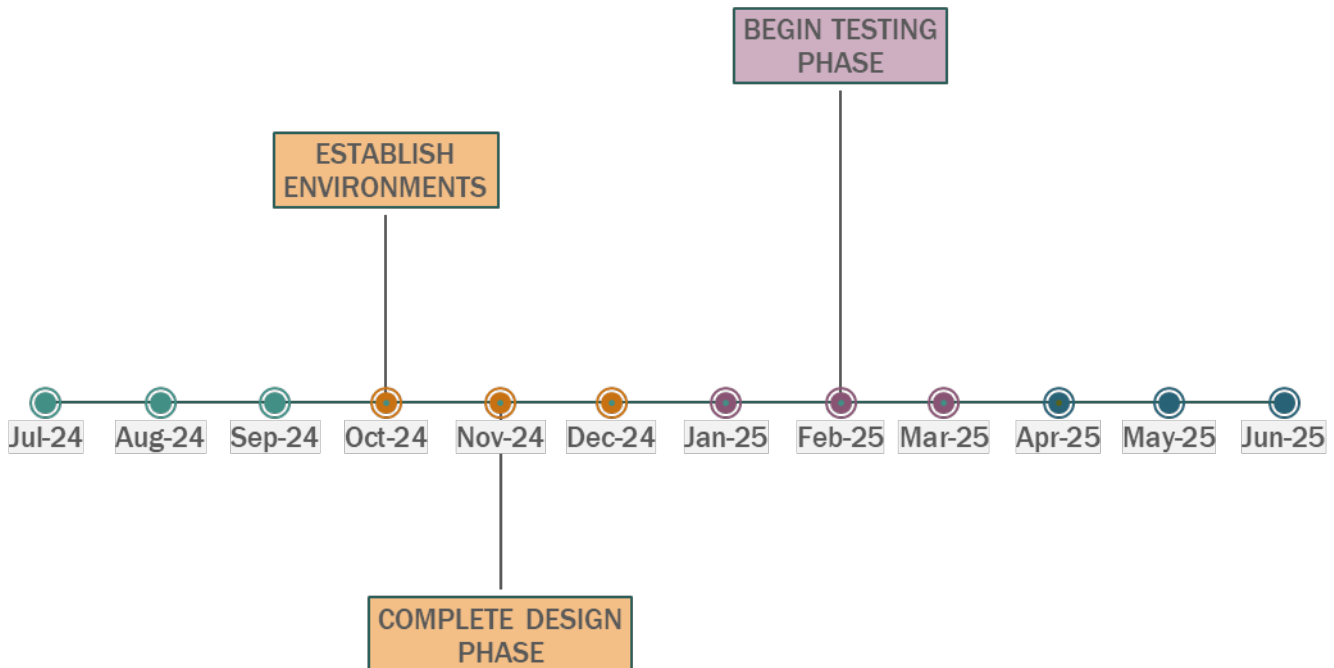
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2024

- Complete design workshops and begin reviewing fit gap analysis deliverable.
- Deloitte to submit the Project Communications Strategy and Plan to CalSTRS for review.
- SAP to provision test environments and turn over to CalSTRS and Deloitte to begin configuration efforts.

PROJECT SCHEDULE PERCENT COMPLETE



FISCAL YEAR 2024–25 MAJOR MILESTONES



MAJOR ENTERPRISE TECHNOLOGY PROJECTS

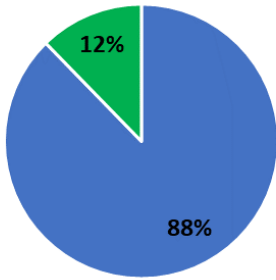
TRANSFORMATION READINESS

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.

NOTE: A change request was approved by the Enterprise Program Investment Council in May 2024 to increase the budget to cover project costs through June 30, 2025, and extend the schedule through June 2027 to coincide with the Pension Solution Project end date.

PROJECT BUDGET

\$25.4 Million



■ % Expended ■ % Remaining

ACCOMPLISHMENTS – PERIOD ENDING SEPTEMBER 30, 2024

- Drafted training material for 10 of 37 courses supporting the Pension Solution Project.
- Completed the stakeholder kick-off for first phase of training development.
- Using the ADKAR metric, Change Management surveyed various project stakeholders to assess understanding of project timelines, objective, and responsibilities, which reflects stakeholder optimism for project completion and readiness for training.
- Completed Change Management assessments of all impacted stakeholders and conducted out briefs with respective directors/leaders.
- Conducted Summer Change Champion meeting.
- Conducted internal Pension Solution survey to allow Change Management and senior leadership in understanding possible gaps and blockers, improving communications, and solidifying support going forward.

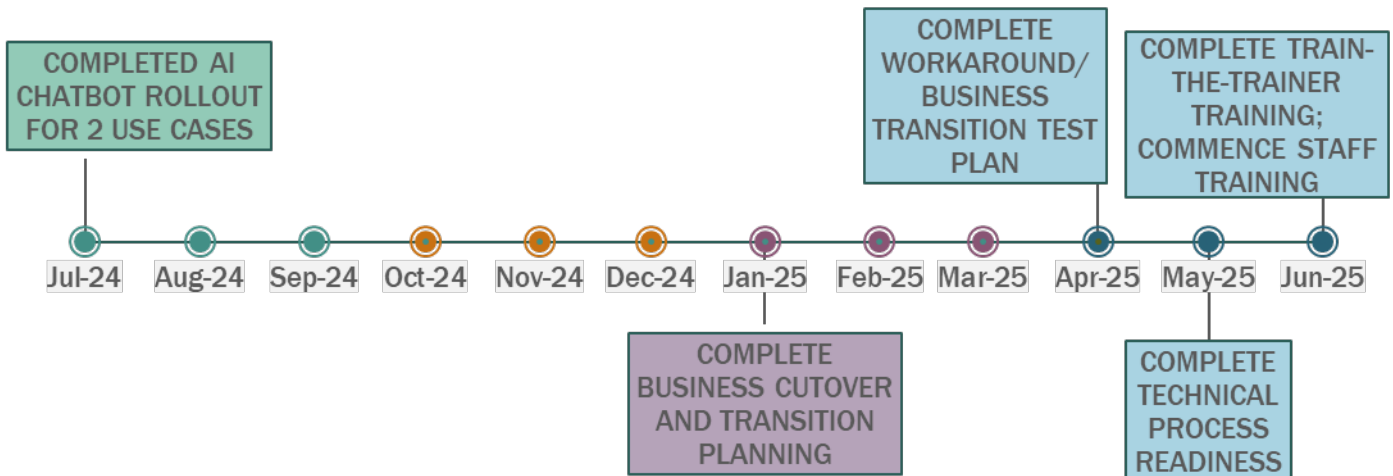
PLANNED MAJOR ACTIVITIES & MILESTONES BY DECEMBER 31, 2024

- Continue customizing change management plans and communications for several internal stakeholders.
- Conduct Fall Change Champion meeting.
- Continue change management assessments on internal stakeholders.
- Complete training material development for 14 of 37 courses supporting the Pension Solution Project.
- Publish the Training Implementation Plan and draft training schedules by business area.

PROJECT SCHEDULE PERCENT COMPLETE





FISCAL YEAR 2024–25 MAJOR MILESTONES



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)
<p>Print to Mail Software</p> <p>Install and integrate Pitney Bowes print-to-mail software, Planet Press, between the new pension administration system, BenefitConnect, and CalSTRS 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 – Jun 2027		\$559,283	\$149,158	

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