CALSTRS®

Regular Meeting
Item number 9 – Open session

Subject: Pension Solution Project update

Presenter(s): Ashish Jain, Anthony Suine, and Chriss Cabodi, Guidehouse

Item type: Information

Date and time: November 7, 2024 – 15 minutes

Attachment(s): Independent Project Oversight report

PowerPoint presentation(s):

PowerPoint 1 – Pension Solution Project update
PowerPoint 2 – Independent Project Oversight Consultants presentation

---

Item purpose

The purpose of this item is to provide a Pension Solution Project update.

Given the Board last met in late September, this update focuses on recent developments and progress since the previous meeting. While the time frame has limited the number of new updates, we continue to make steady progress on key areas of the project.

Testing update

System integration testing (SIT)

The project team successfully completed stream five of six SIT streams on October 7, 2024. SIT stream 5 contained 265 test cases and met all the exit criteria to move into SIT stream 6. SIT stream 6 began on October 8 and contains 247 test cases and closes on January 13, 2025. To date, the planned, executed and passed test cases continue to remain on track.

User acceptance testing (UAT)

The UAT team completed preparation and planning to officially kick off UAT on October 1, 2024. Our UAT team consist of 50 test writers representing 18 business areas across the organization. Currently, 440 test scripts have been identified to execute during the 9-month testing window. The UAT team has made great progress executing and passing text scripts during the first few weeks of testing.

Transformation Readiness update

Planning continues in preparing the organization for implementation. The Learning and Development team is halfway through developing the materials needed to prepare end users for training on the new system. Initial training is scheduled to begin in March 2025, with full-scale training sessions continuing through the months leading up to implementation. The Change Management and Communication team is meeting with each business area to assess readiness to move to the new system, provide pertinent information regarding what will happen over the course of this next year and gather feedback and concerns from them to address along the way. And our Business Transition team is assessing and providing recommendations for business activities that will occur before, during and after cutover, which is the period of time right before we go live.

Budget

The table below identifies the project budget through go live of fall 2025 and breaks down the encumbrances and expenditures by three major categories of expenses, the CalSTRS project team, technology administrative costs, and the implementation solution vendor, as of August 31, 2024. Budget projections remain on target for FY 2024/25 and the project overall.

Pension Solution budget (Amounts in millions)	Go live budget[1]	Expenditures as of 08/31/2024	Remaining budget available
CalSTRS Project Team[2]	$225.3	$160.0	$65.3
Technology admin costs	$16.0	$6.7	$9.3
Solution implementation vendor costs	$281.8	$227.0	$54.8
Total Pension Solution budget for go live	**$523.1**	**$393.7**	**$129.4**

[1] An additional $104.7 million is approved for post implementation activities including maintenance and operations, and stabilization.

[2] CalSTRS Project Team includes project staff, subject matter experts and CalSTRS contractors.

Strategic Plan linkage: Goal 2, Objective A of the Strategic Plan - *Implement and integrate a highly adaptive pension administration system to modernize transactional capabilities.*