Enterprise Technology Projects

FISCAL YEAR 2023-24
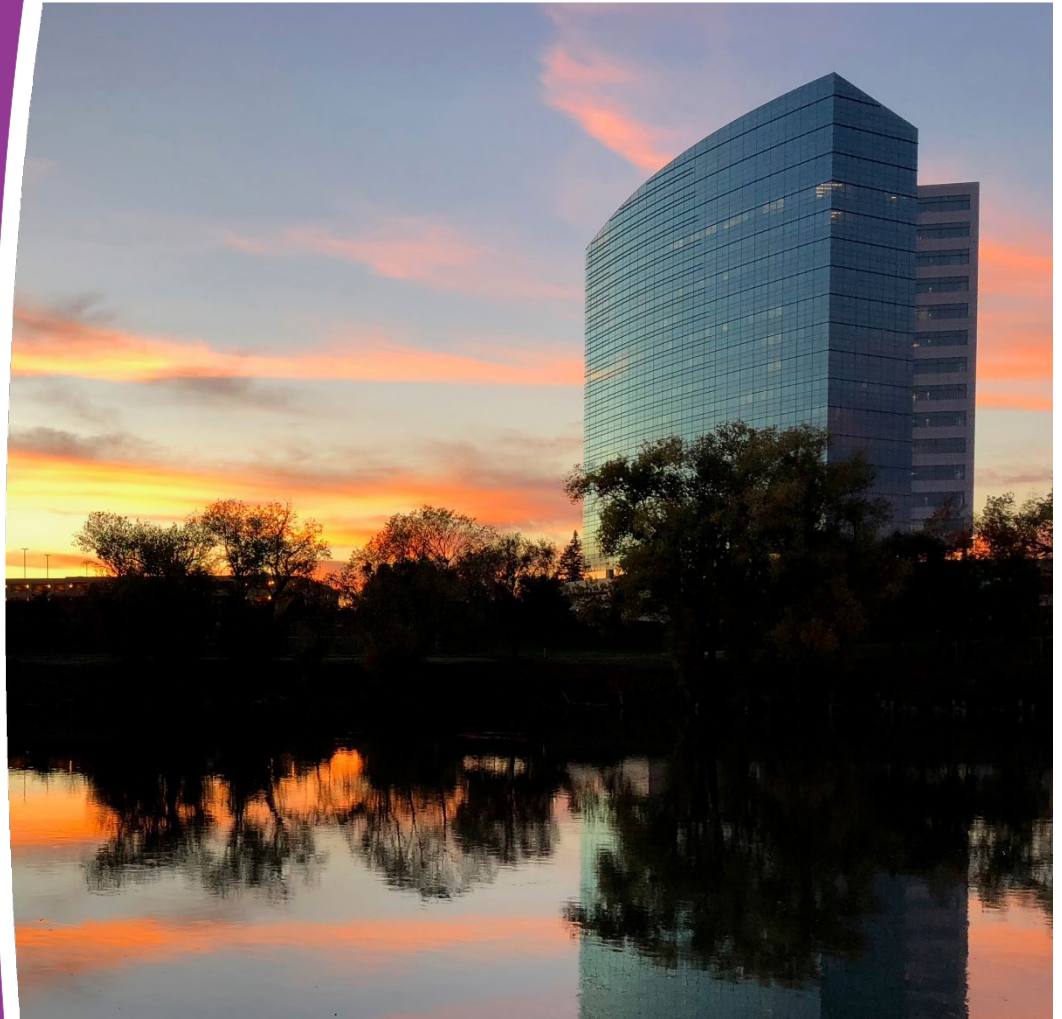
SECOND QUARTER REPORT

Quarter Ending December 31, 2023

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	**Lisa Blatnick**
Chief Executive Officer	Chief Operating Officer
Julie Underwood	**Melissa Norcia**
Chief Financial Officer	Chief Administrative Officer
Teresa Schilling	**Ashish Jain**
Chief Public Affairs Officer	Chief Technology Officer
Bill Perez	**Scott Chan**
Chief Benefits Officer	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[3]	$18,369,689	⊚
HR Link	Dec 2018 – Feb 2024	⊚	$2,445,398	$2,167,167	⊚
Pension Solution	Jul 2014[4] – Jun 2027[5]	⊚	$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*

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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 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

13%

87%
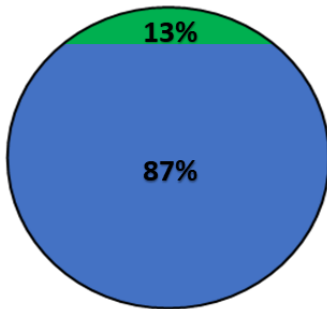
● % Expended ● % Remaining

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

93%

Apr 2017
Project Start

Jun 2024
End
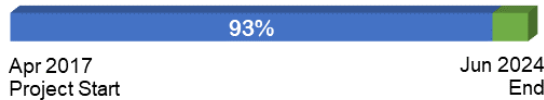
FISCAL YEAR 2023–24 MAJOR MILESTONES

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.

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
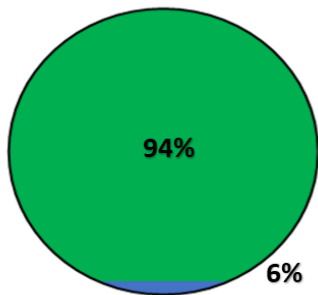
● % Expended ● % Remaining

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
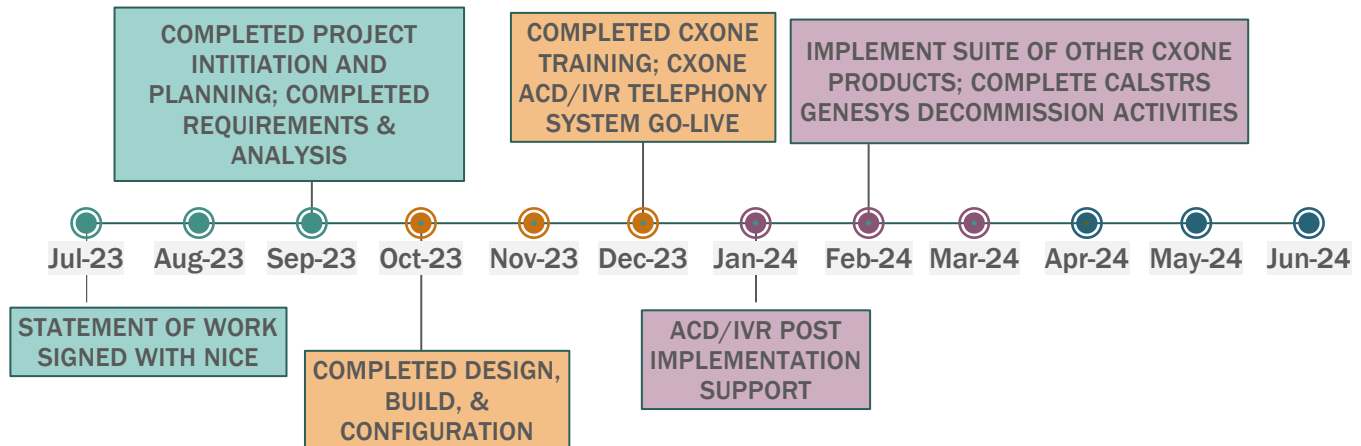
FISCAL YEAR 2023–24 MAJOR MILESTONES

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
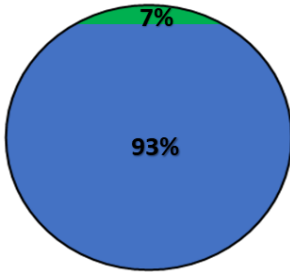
$34.4 Million

- % 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

96%

Nov 2011
Project Start

Jun 2024
End

FISCAL YEAR 2023–24 MAJOR MILESTONES[7]

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

COMPLETE ANNUAL MEMBER LIFECYCLE FIX B IMPLEMENTATION RERUN

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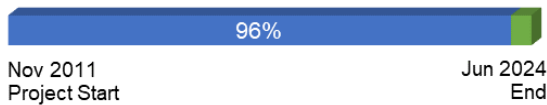
[7] As approved by Pension Solution Steering Committee.

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

42%

58%

ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023
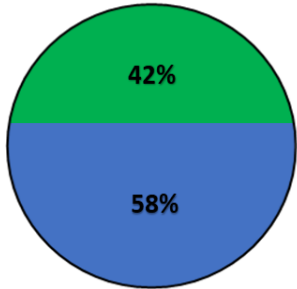
- Continued maintenance and operations for the infrastructure.
- Completed migration from Horizon VDI environment at CalSTRS HQ to Horizon VDI environment in DHMS AWS.
- Completed Amendment 3 to transfer Equinix ownership to CalSTRS & CalSTRS took over ownership of the two Equinix datacenters from Peraton.
- 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

56%

Nov 2020
Project Start

Jun 2026
End

FISCAL YEAR 2023–24 MAJOR MILESTONES

APPROVED CHANGE REQUEST TO MIGRATE REMAINING ON-PREMISES APPLICATIONS

COMPLETED AMENDMENT 3

MIGRATE CRITICAL APPLICATIONS TO CAP

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

COMPLETED MIGRATION FROM HQ TO DHMS AWS

MIGRATE CONNECTOR APPLICATIONS TO CAP
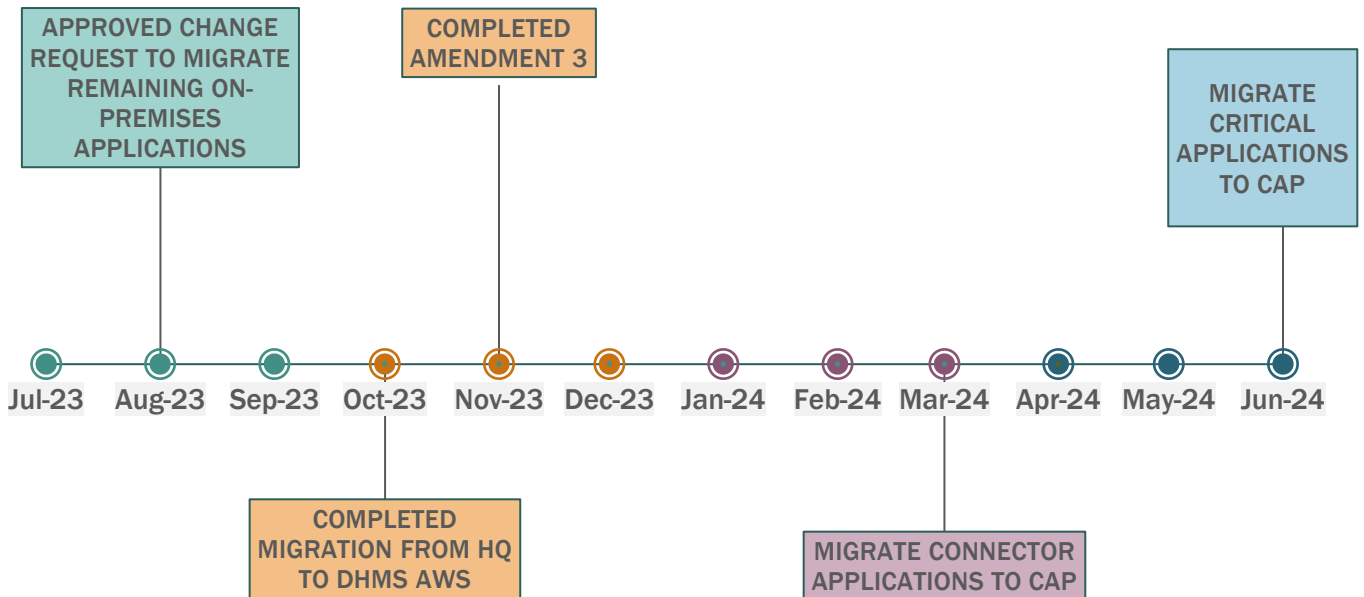
HR LINK

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


- % Expended
- % Remaining
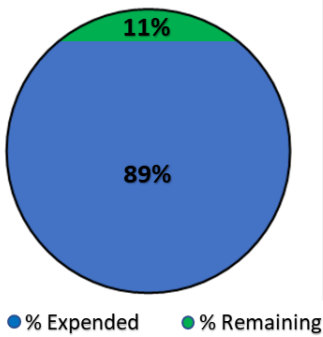
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023

- 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

Dec 2018 Project Start	Feb 2024 End
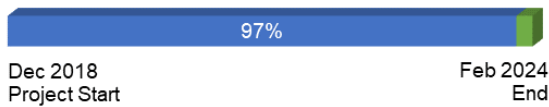
FISCAL YEAR 2023–24 MAJOR MILESTONES

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.
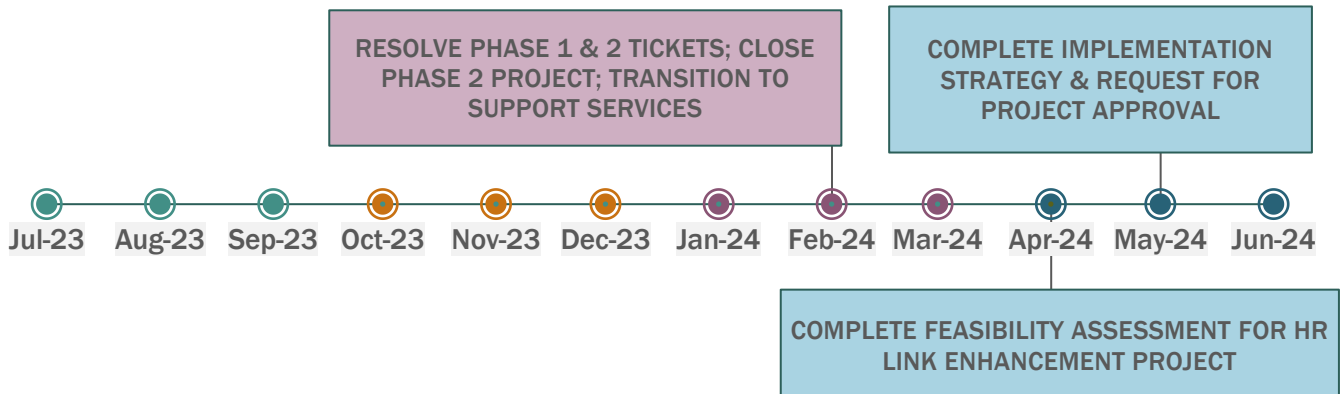
PENSION SOLUTION

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

18%

82%
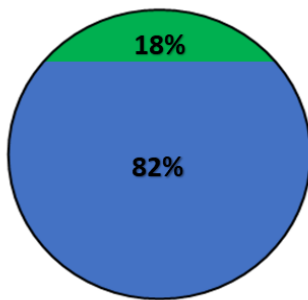
● % Expended ● % Remaining

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.

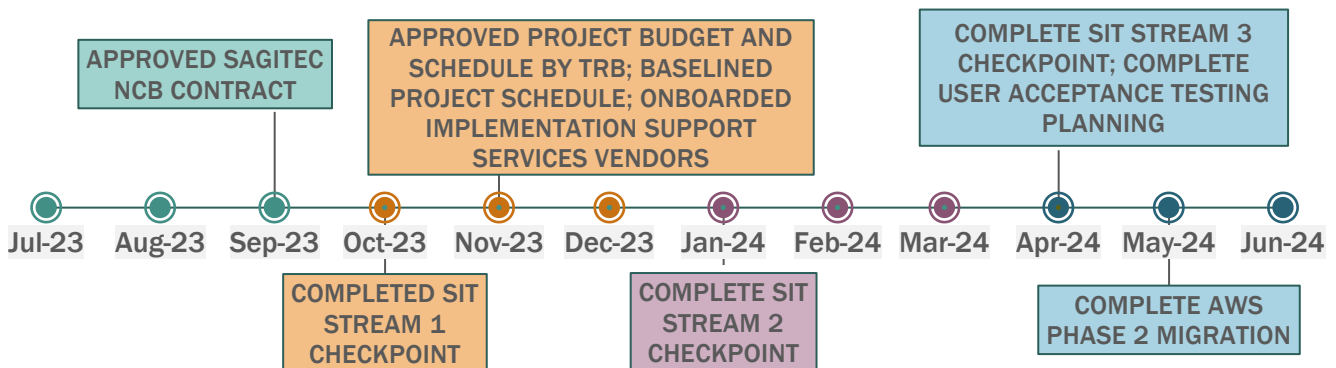### PLANNED MAJOR ACTIVITIES & MILESTONES BY MARCH 31, 2024

- 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

73%

Jul 2014
Project Start

Jun 2027
End

FISCAL YEAR 2023–24 MAJOR MILESTONES

APPROVED SAGITEC NCB CONTRACT

APPROVED PROJECT BUDGET AND SCHEDULE BY TRB; BASELINED PROJECT SCHEDULE; ONBOARDED IMPLEMENTATION SUPPORT SERVICES VENDORS

COMPLETE SIT STREAM 3 CHECKPOINT; COMPLETE USER ACCEPTANCE TESTING PLANNING

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

COMPLETED SIT STREAM 1 CHECKPOINT

COMPLETE SIT STREAM 2 CHECKPOINT

COMPLETE AWS PHASE 2 MIGRATION

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
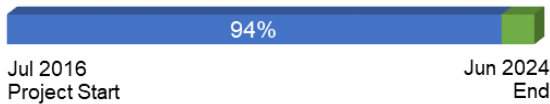
16%

84%

● % Expended   ● % Remaining
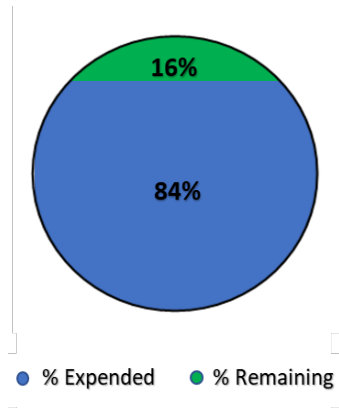
ACCOMPLISHMENTS – PERIOD ENDING DECEMBER 31, 2023

- 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.
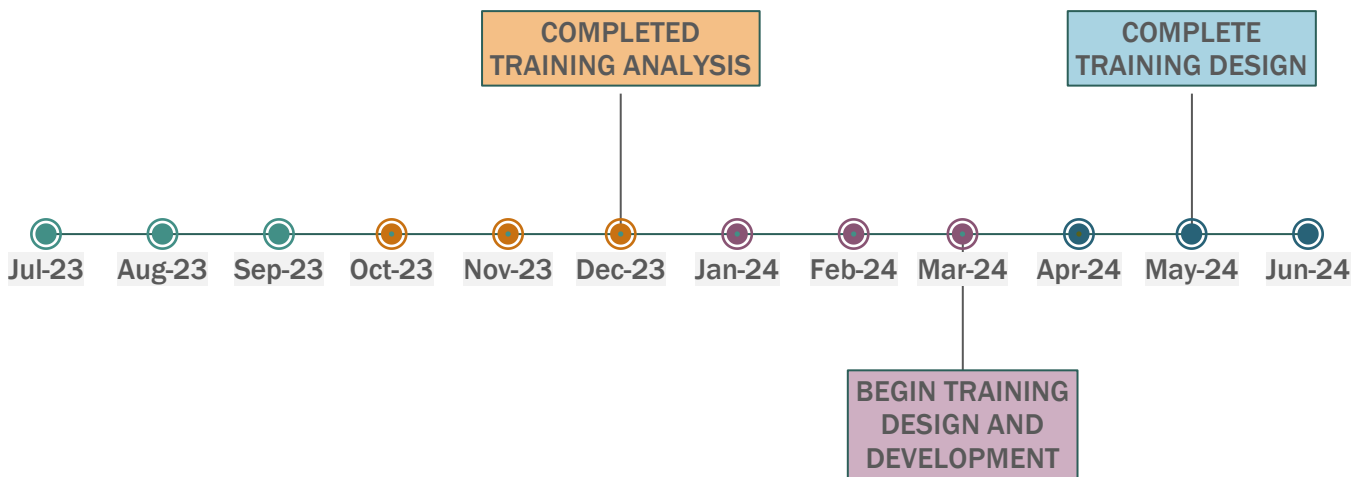- Conducted training analysis supporting BenefitConnect new functionality.

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

94%

Jul 2016
Project Start

Jun 2024
End

FISCAL YEAR 2023–24 MAJOR MILESTONES

COMPLETED 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 second 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	$167,869	🎯

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

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[8] 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.