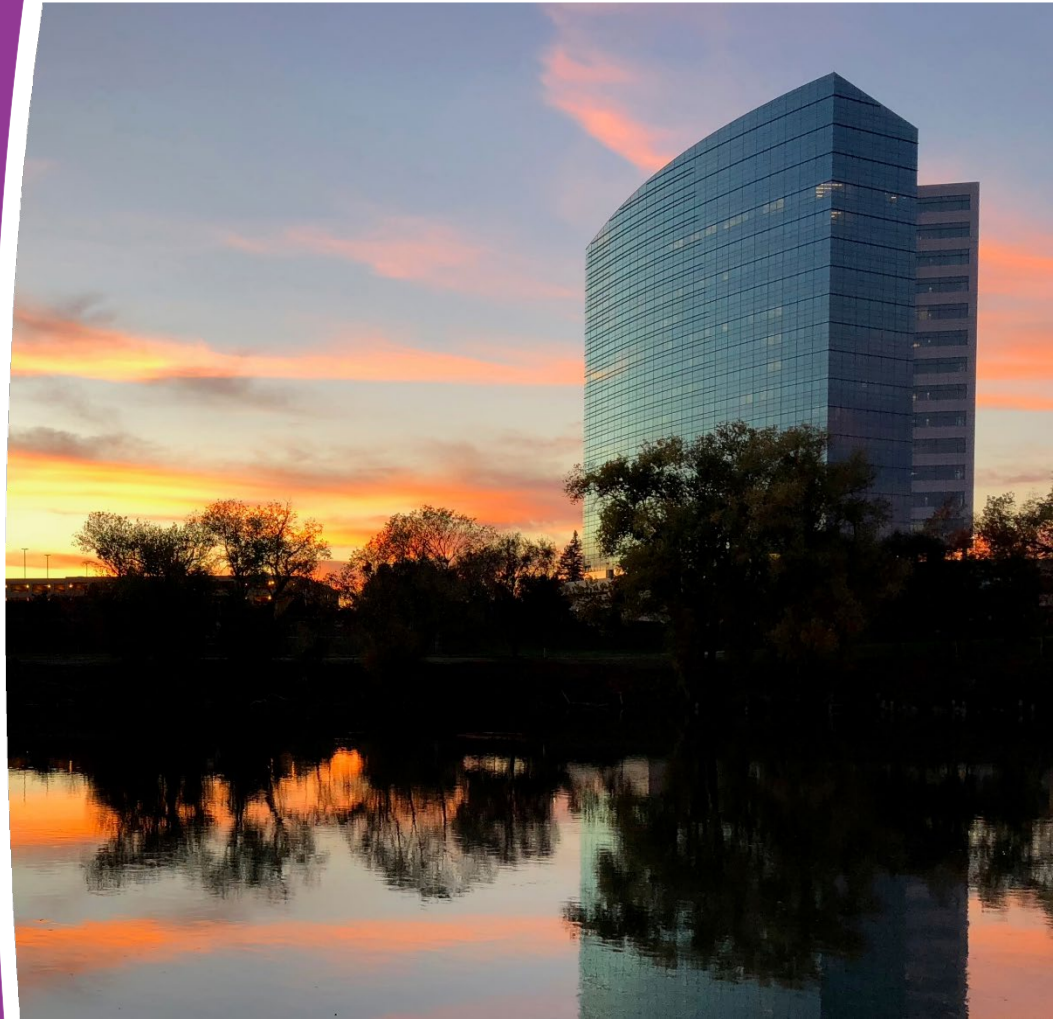




Enterprise Technology Projects

FISCAL YEAR

2021-22



FOURTH QUARTER REPORT

Quarter Ending June 30, 2022

ENTERPRISE TECHNOLOGY PROJECTS

FISCAL YEAR 2021-22
FOURTH QUARTER REPORT

At the end of the fourth quarter for fiscal year 2021-22, CalSTRS had eight enterprise projects: six major technology projects over \$1 million and two additional 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 fourth quarter.

Project Name	Project Duration	Schedule (Status)	Project Budget ¹	Budget Expended ²	Budget (Status)
BusinessDirect Retrofit	Apr 2017 – Jan 2023	 ³	\$9,769,238 ⁴	\$8,341,105	
Data Quality	Nov 2011 – Dec 2022		\$30,910,879	\$27,928,363	
Datacenter Hosting and Migration Services	Nov 2020 – Oct 2023		\$19,900,000	\$11,084,858	
HR Link	Dec 2018 – Jun 2022		\$2,469,315	\$1,048,481	
Pension Solution	Jul 2014 ⁵ – Jan 2023	 ⁶	\$304,833,040	\$274,250,650	
Transformation Readiness	Jul 2016 – Dec 2022		\$18,800,703	\$16,544,822	

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

¹ Project Budget – Amount represents the sum of the projects' prior years' actual expended, remaining encumbrances, and current and future years budgeted amounts.

² Budget Expended – Amount represents the total expended.

³ BusinessDirect Retrofit – The schedule is dependent on the implementation schedule for the Pension Solution Project.

⁴ BusinessDirect Retrofit – In addition to the amount reported above, the Pension Solution Project is providing \$5.4 Million funding for system enhancements to pension administration-related functionality.

⁵ Pension Solution – Project Start Date represents the effective date of the first comprehensive project budget approved by the Teachers' Retirement Board and when the Budget Change Proposal approved by the Department of Finance and included in the Governor's budget became available. Pre-implementation (Discovery, Requirements, and Procurement) began in 2010.

⁶ Pension Solution – The red indicator is due to the vendor and CalSTRS tasks experiencing significant delays. Agreement was reached with current vendor to transition most project work to a new vendor and allow progress to continue during an interim services period.

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

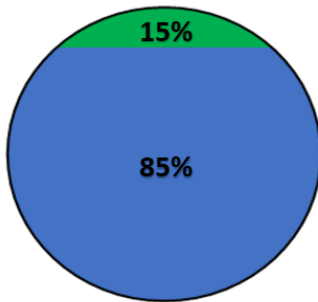
BUSINESSDIRECT RETROFIT

The BusinessDirect Retrofit project goals and objectives are to support CalSTRS in the implementation of a new pension administration system, BenefitConnect. 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 schedule for this project is dependent on the Pension Solution Project schedule. For this reason, it is unknown at this time what major activities and milestones (aside from those shown below) are expected to be completed during the next quarter. A Change Request was approved to release external project resources at the end of Q3 due to unknown scheduling of upstream activities and milestones.

PROJECT BUDGET

\$9.8 Million



● % Expended ● % Remaining

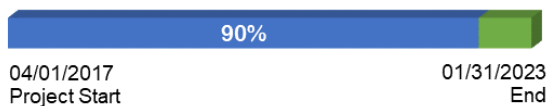
ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2022

- Passed 100% of test cases for Functional Rollout 2 Integration Testing.
- Identified work to complete the project in collaboration with implementation vendor before the vendor contract was closed.
- Closed vendor contract and released project resources.

PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2022

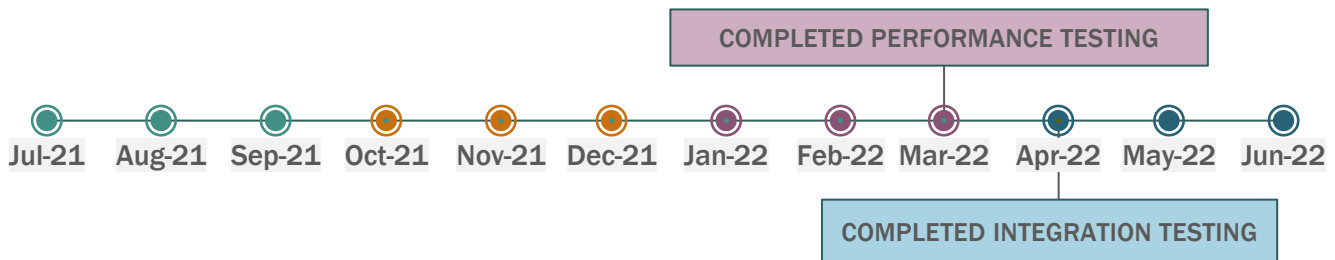
- Identify plan to complete FR2 Integration Test activities and related deliverables.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2021–22 MAJOR MILESTONES

Because the schedule for this project is dependent on the Pension Solution Project schedule, the expected milestone dates are not fully known until the schedule for the Pension Solution Project has been reforecast.



MAJOR ENTERPRISE TECHNOLOGY PROJECTS

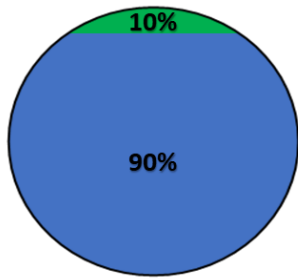
DATA QUALITY

The Data Quality project is in the second phase of data cleansing to include data clean-up and preparation for conversion to the new pension administration system.

NOTE: A change request to extend the project through December 31, 2022, has been approved to align with the current approval date of Pension Solution. During this extension period, Pension Solution will work on re-baselining its schedule, at which time a new change request will be submitted to align Data Quality with Pension Solution, to continue rerunning data fixes, triage and resolve conversion fallout, and support Data Validation.

PROJECT BUDGET

\$30.9 Million



● % Expended ● % Remaining

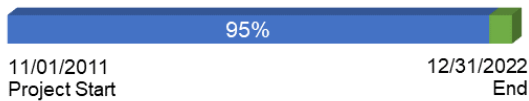
ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2022

- Reran Member Lifecycle, Fix A.
- Reran Member Lifecycle, Fix B.
- Completed change request to extend project through December 31, 2022.

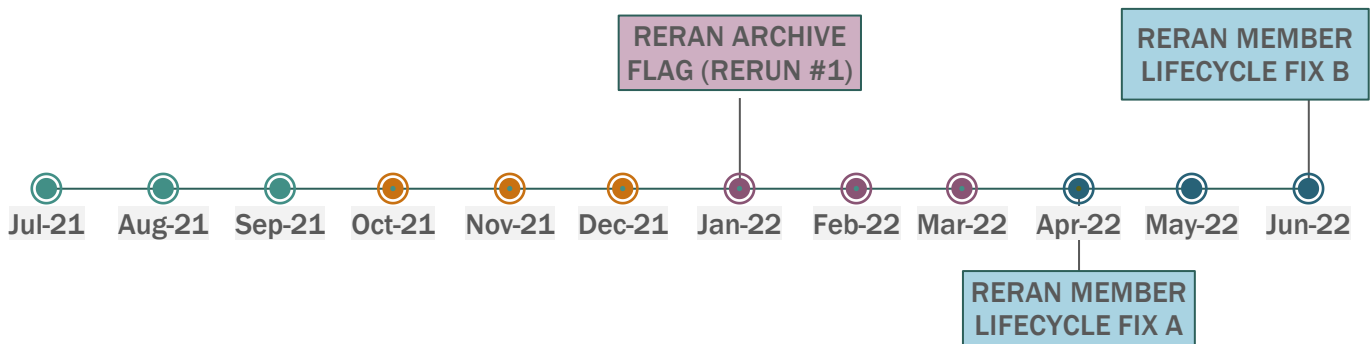
PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2022

- Rerun Member Life Cycle Fix D.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2021–22 MAJOR MILESTONES⁷



⁷ As approved by Pension Solution Steering Committee.

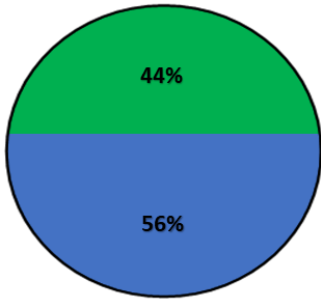
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

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

PROJECT BUDGET

\$19.9 Million



% Expended % Remaining

ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2022

- Completed the migration of the Electronic Content Management System and related Connectors, BusinessDirect and related Connectors, Investment CPEs, and Contact Center solutions.

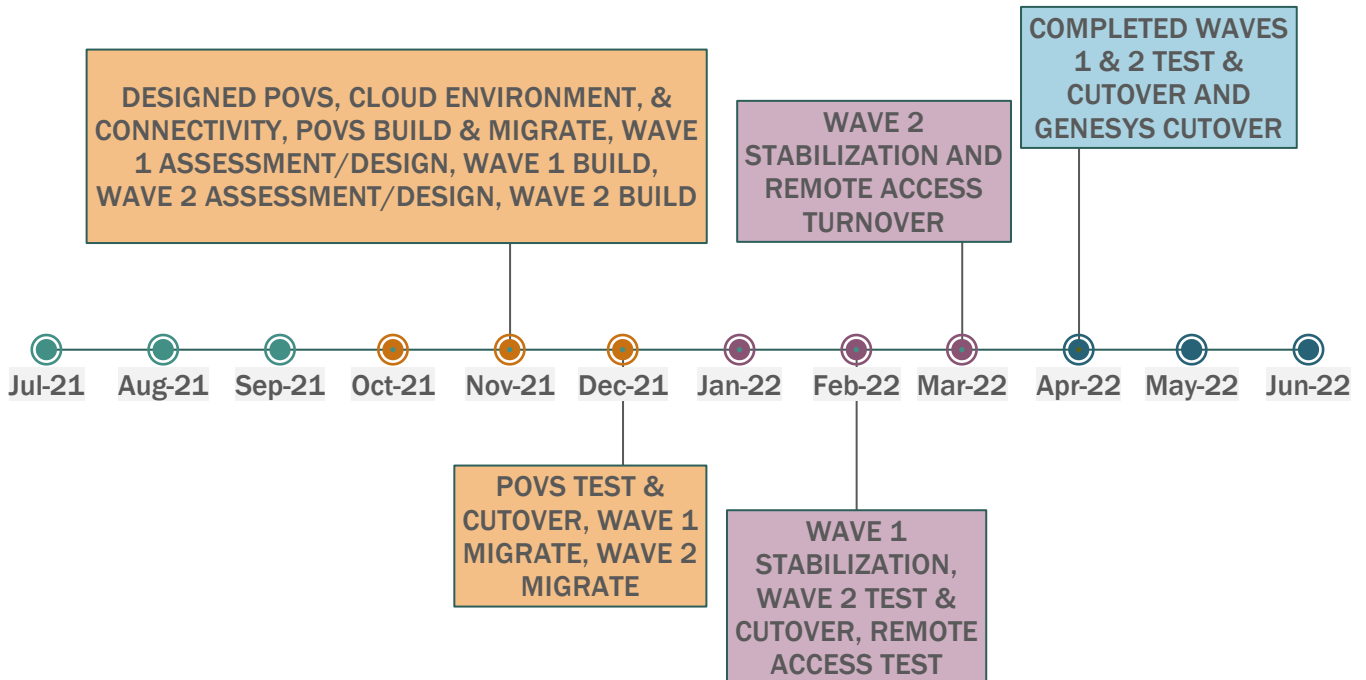
PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2022

- Complete the implementation & testing of the AppGate ZTNA remote access solution to meet CalSTRS Disaster Recovery requirements.
- Redesign & Build of the VMware Horizon/VDI remote access solution to meet CalSTRS Disaster Recovery requirements.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2021–22 MAJOR MILESTONES



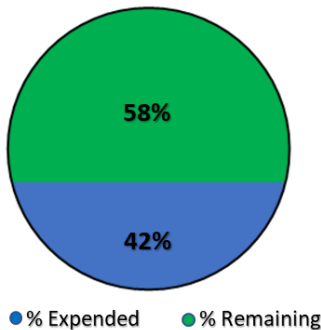
MAJOR ENTERPRISE TECHNOLOGY PROJECTS

HR LINK

The HR Link project will improve efficiencies by automating Human Resource processes, delivering real-time data and a self-service platform for all CalSTRS staff. The solution includes a core HR platform, learning and development, performance and goals, succession planning, onboarding, workforce analytics. This is a multi-year project that will be implemented in phases. Employee Central and Learning and Development are the first modules and include a core HR platform and a learning management system. The second phase includes the Onboarding, Workforce Analytics, Performance and Goals, and Succession and Development modules.

PROJECT BUDGET

\$2.5 Million



ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2022

- Phase 1 Modules Go-Live (Employee Central and Learning Management System).
- Completed training delivery.

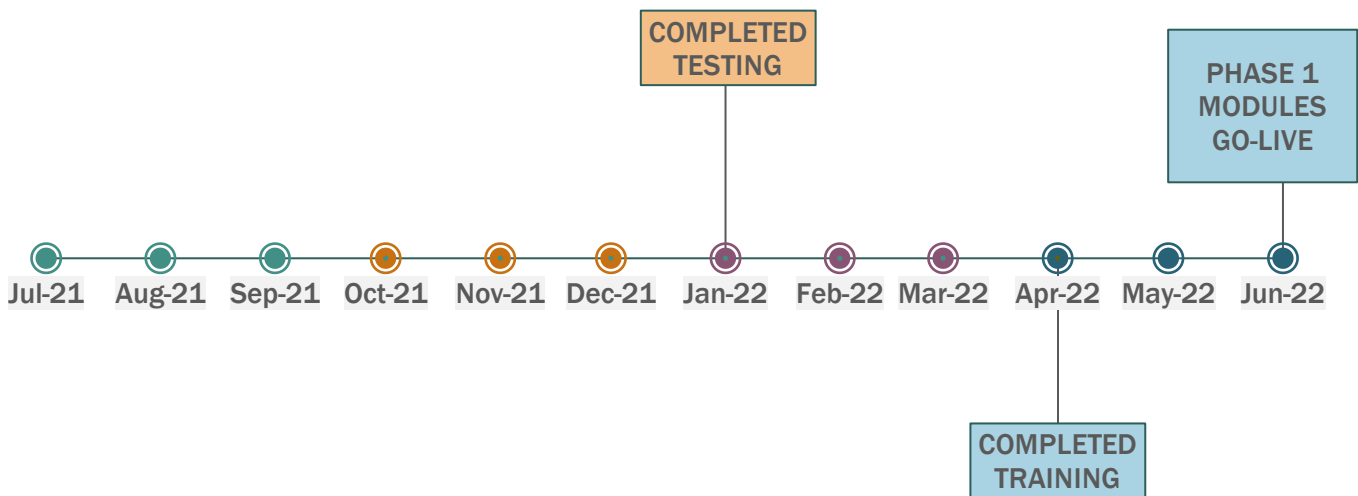
PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2022

- Complete Business Direct integration.
- Phase 2 kickoff.
- Complete Phase 2 Change Request.

PROJECT SCHEDULE STATUS TIMELINE⁸



FISCAL YEAR 2021–22 MAJOR MILESTONES



⁸ The project was approved for all phases of the project. The schedule, though, is currently only through the end of Phase 1. A Change Request for Phase 2 is in process which will include the schedule for Phase 2.

MAJOR ENTERPRISE TECHNOLOGY PROJECTS

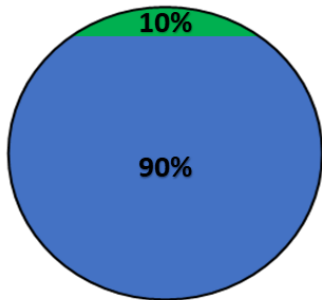
PENSION SOLUTION

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: On June 28, 2022, CalSTRS and technology vendor, CGI, mutually agreed that CGI will transition the remaining portion of the project work to another technology vendor. However, in an effort to ensure progress continues on the project during the transition, CGI will provide knowledge transfer to an interim vendor and will continue to provide some essential services, including support infrastructure, database administration, and other key areas, to CalSTRS through the end of their contract on June 30, 2023. A new procurement will be developed to bring in a new system integrator to complete the remainder of the project, targeted for July 1, 2023.

PROJECT BUDGET

\$304.8 Million



● % Expended ● % Remaining

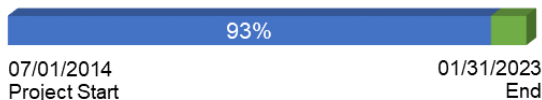
ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2022

- Passed 3,612 of 7,101 executed test runs for Functional Rollout 2 User Acceptance Testing.
- CalSTRS and CGI reached an agreement for CGI to exit the project following knowledge transfer and transition activities.
- Transition planning began as CalSTRS finalized negotiation with CGI to exit the project.

PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2022

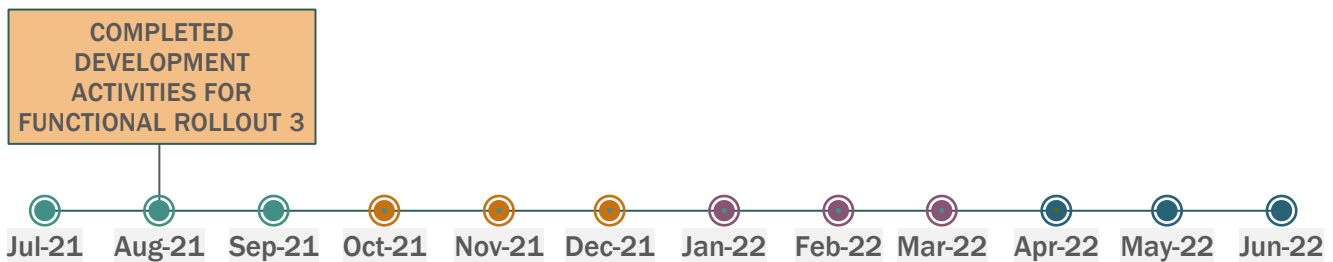
- Complete knowledge transfer and transition activities from CGI to interim services vendor.
- Kick off project improvement effort to apply lessons learned to future activities.
- Complete Non-Competitive Bid contract with interim services vendor to continue core activities.
- Continue progress and align project assessment activities to be incorporated into the procurement for the new system integrator.
- Begin work on new procurement to replace CGI as system integrator.

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2021-22 MAJOR MILESTONES

NOTE: Milestones will be added after the schedule replanning efforts are finalized.



MAJOR ENTERPRISE TECHNOLOGY PROJECTS

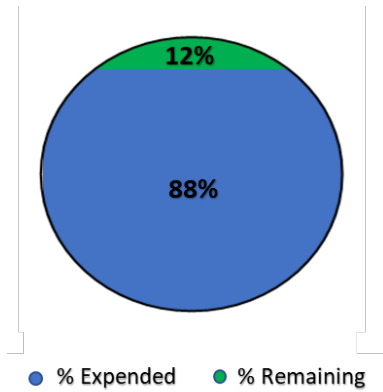
TRANSFORMATION READINESS

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

NOTE: On June 28, 2022, CalSTRS and technology vendor, CGI, mutually agreed that CGI will transition the remaining portion of the project work to another technology vendor. A new procurement will be developed to bring in a new system integrator to complete the remainder of the project, targeted for July 1, 2023. Transformation Readiness will work closely with Project Leadership, to ensure that change management and learning activities, including knowledge transfer, are completed consistent with the project schedule throughout the Interim Services Period.

PROJECT BUDGET

\$18.8 Million



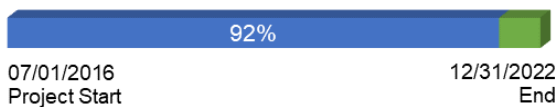
ACCOMPLISHMENTS – PERIOD ENDING JUNE 30, 2022

- Launched MS Teams channel for change champions to enhance collaboration
- Finalized Pension Solution overview materials shared at new employee onboarding.
- Delivered Functional Rollout 3 training analysis for business area review.
- Started to roll out the Pension Solution Change Leadership Toolkit to business area leadership teams.
- Resolved several cross functional decisions related to shifting processes and workloads across multiple business areas.
- Conducted activities to increase organizational awareness of project.

PLANNED MAJOR ACTIVITIES & MILESTONES BY SEPTEMBER 30, 2022

- Continue to collaborate with project leadership to develop frequent and transparent communication about the current project status and ongoing potential adjustments.
- Complete FR2/FR3 training analysis lessons learned session and create high level summary.
- Start to roll out the Pension Solution Change Leadership Toolkit to business area leadership teams.
- Continue efforts to resolve cross functional decisions by facilitating discussions with multiple business areas.
- Complete knowledge transfer and transition activities from CGI to interim services vendor

PROJECT SCHEDULE STATUS TIMELINE



FISCAL YEAR 2021-22 MAJOR MILESTONES

Because the schedule for this project is dependent on the Pension Solution Project schedule, the expected milestone dates will be adjusted to coincide with the needs of the Pension Solution Project throughout the Interim Services Period.



OTHER ENTERPRISE PROJECTS UNDER \$1 MILLION

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

Project and Description	Project Duration	Schedule (Status)	Project Budget ⁹	Budget Expended ¹⁰	Budget (Status)
CalSTRS.com Modernization Provides CalSTRS with a modern public-facing website that meets the latest web architecture standards and caters to members, investors, and all other CalSTRS business partners' needs.	Sep 2020 – Apr 2022	✓	\$678,123	\$242,077	✓
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	⊖ ¹¹	\$559,283	\$136,310	🎯

Schedule & Budget Indicators 🎯 On Track ⚠ Warning ⊖ Critical ✓ Complete ✕ Cancelled 🕒 Not Started

⁹ Project Budget – Amount represents the sum of the projects' prior years' actual expended, remaining encumbrances, and current and future years budgeted amounts.

¹⁰ Budget Expended – Amount represents the total expended.

¹¹ Print to Mail Software Schedule – The schedule is dependent on the implementation schedule for the Pension Solution Project.