

Enterprise Technology Projects

Fiscal Year 2025-26

First QUARTER REPORT

Quarter Ending September 30, 2025



CALSTRS

Contents

- 1
- Enterprise Technology Projects 1
 - Contents 2
 - About this Report..... 3
 - Major Enterprise Technology Projects 4
 - BenefitConnect**Error! Bookmark not defined.**
 - Business Intelligence and Data Warehouse 5
 - Contact Center Modernization..... 6
 - Data Quality 7
 - Datacenter Hosting and Migration Services 8
 - ServiceCenter Upgrade (ServiceNow).....**Error! Bookmark not defined.**
 - SAP Ariba 9
 - Transformation Readiness 10
 - Enterprise Projects Under \$1 Million 12

About this Report

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.

At the end of the first quarter for fiscal year 2025-26, CalSTRS had eight reportable enterprise projects: seven major technology projects over \$1 million and one project under \$1 million.

The CalSTRS executive team is identified below.

Name	Title
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
Jeff Zimmer	Chief Benefits Officer
Scott Chan	Deputy Chief Investment Officer

Major Enterprise Technology Projects

The following table summarizes the major enterprise technology projects over \$1 million for the reporting quarter.

Project Name	Project Schedule	Schedule (Status)	Project Budget	Budget Expended	Budget (Status)
Business Intelligence and Data Warehouse	Sep 2019 – Jul 2026	On Track	\$7,722,005	\$5,376,724	On Track
Contact Center Modernization	Jun 2023 – Mar 2026	On Track	\$1,375,000	\$678,017	On Track
Data Quality	Nov 2011 – Jun 2027	On Track	\$38,815,252	\$35,994,771	On Track
Datacenter Hosting and Migration Services	Nov 2020 – Jun 2026	On Track	\$31,595,000	\$24,671,614	On Track
Pension Solution	Jul 2014 ¹ – Jun 2027	On Track	\$627,843,818	\$478,938,529	On Track
SAP Ariba²	Apr 2024 – July 2026	On Track	\$12,425,365	\$3,429,537	On Track
Transformation Readiness	Jul 2016 – Jun 2027	On Track	\$30,972,842	\$24,930,297	On Track

¹ 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.

² SAP Ariba: A Change Request was approved by the Enterprise Program Investment Council in September 2025 to increase the project budget by \$750,000 to cover the renewal of the software licenses for SAP Ariba in October 2025, for a new total budget of \$12,425,365.

Business Intelligence and Data Warehouse

The objective of the Business Intelligence (BI) and Data Warehouse (DW) 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. AI will be incorporated to enhance the existing business use cases and build new intelligent data analytics and business use cases with generative BI (Gen BI) capability.

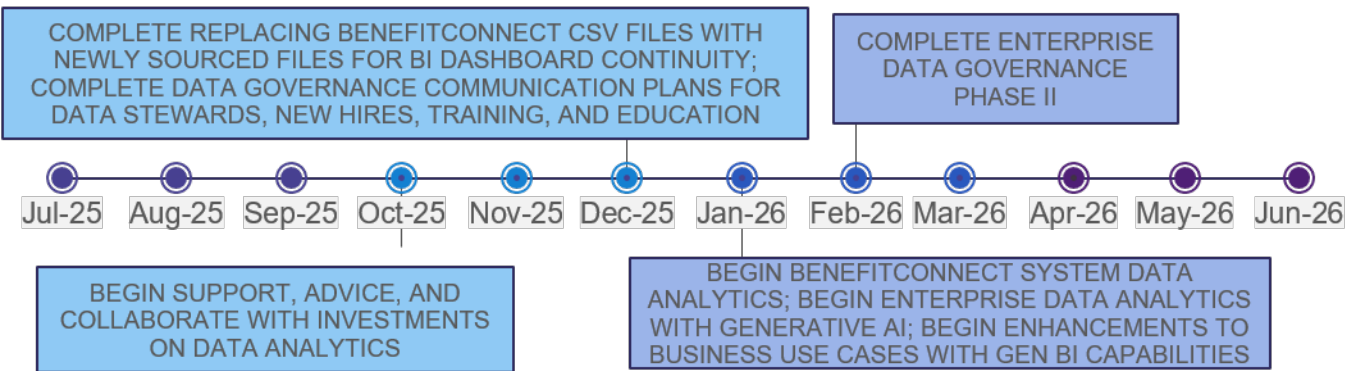
Accomplishments – Period Ending September 30, 2025

- Identified one use-case for Year 4 (Use Case and Enhancements).
- Completed business requirement gathering for enhancements to one existing use case.
- Completed Analysis and Design phases of START (old pension system) Decommission project.
- Identified and analyzed Data Governance Frameworks used by Investments Branch as part of creating an Enterprise-Wide Data Governance Framework.
- Began developing Enterprise-wide Data Governance Framework.
- Developed outline for assessing existing Use Cases against Data Governance Framework.
- Created Communication Plan for Data Governance Updates and Overviews for Sponsors, Stakeholders and Data Owners.

Planned Major Activities & Milestones by December 31, 2025

- Plan business requirement gathering for one new use case.
- Plan business value assessment of use-cases delivered from Years 1–3.
- Replace old pension system-sourced csv files with BenefitConnect for BI Dashboard continuity (i.e. Extract-Transform-Load pipelines, System Integration Testing through Prod testing, Business signoffs).
- Create a Communication Plan for Data Governance Updates and Overview for Data Stewards, New Hires, Training and Education.
- Sync Investments and other Data Governance frameworks with EDAP Data Governance Framework.
- Ongoing assessment of existing Use Cases against Data Governance Framework.

Fiscal Year 2025-26 Major Milestones



ETL = Extract, Transform, And Load; EDAP = Enterprise Data & Analytics Platform

Contact Center Modernization

The Contact Center Modernization project replaced the prior Contact Center platform, Genesys, with the NICE CXone platform. In addition, three additional surveys, automated speech recognition and interaction analytics to enhance services to CalSTRS members and employers were implemented. Phase 3 is to implement a NICE CXone AI-powered Knowledge Management System (KMS) and AutoSummary to allow staff to optimize the services CalSTRS provides to our members and employers.

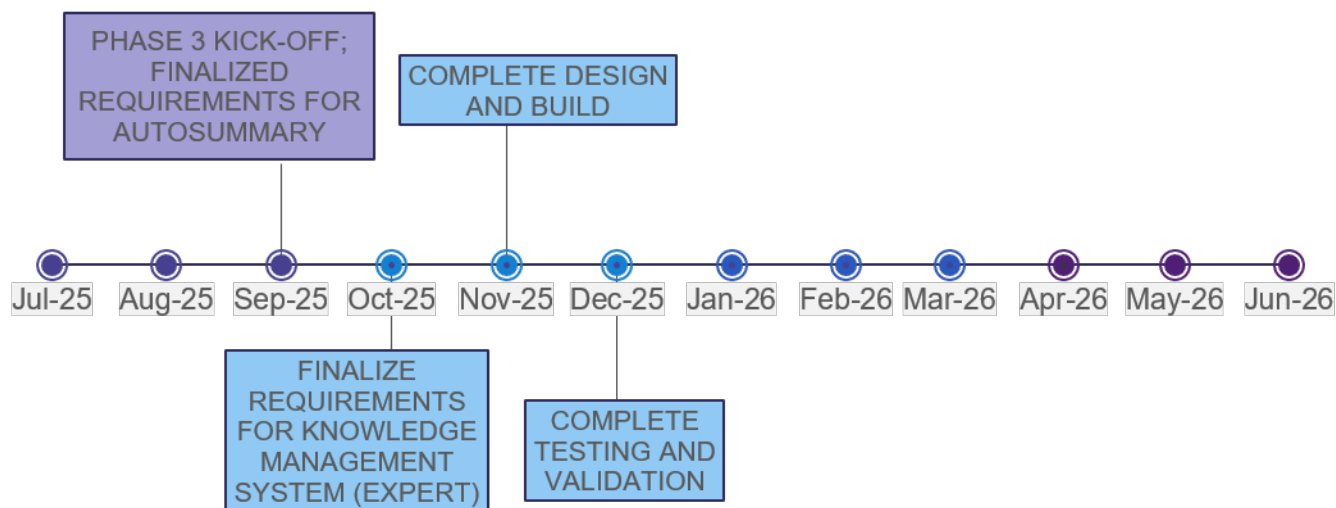
Accomplishments – Period Ending September 30, 2025

- Initiated implementation of NICE CXone AI-powered Knowledge Management System and AutoSummary.
- Conducted requirements analysis and finalization of AutoSummary.
- Initiated design and build configuration of AutoSummary.

Planned Major Activities & Milestones by December 31, 2025

- Conduct requirements analysis and finalization of Knowledge Management System.
- Complete Design and build configuration of AutoSummary and Knowledge Management System.
- Conduct testing and validation of Knowledge Management System and AutoSummary.

Fiscal Year 2025-26 Major Milestones



Data Quality

The Data Quality project will prepare the legacy pension administration data for conversion to BenefitConnect (BC), the new pension administration system. The Data Quality Business Team has finalized data cleansing in the legacy system (START).

NOTE: Conversion went live in September 2025. Remaining data quality activities are considered post-conversion.

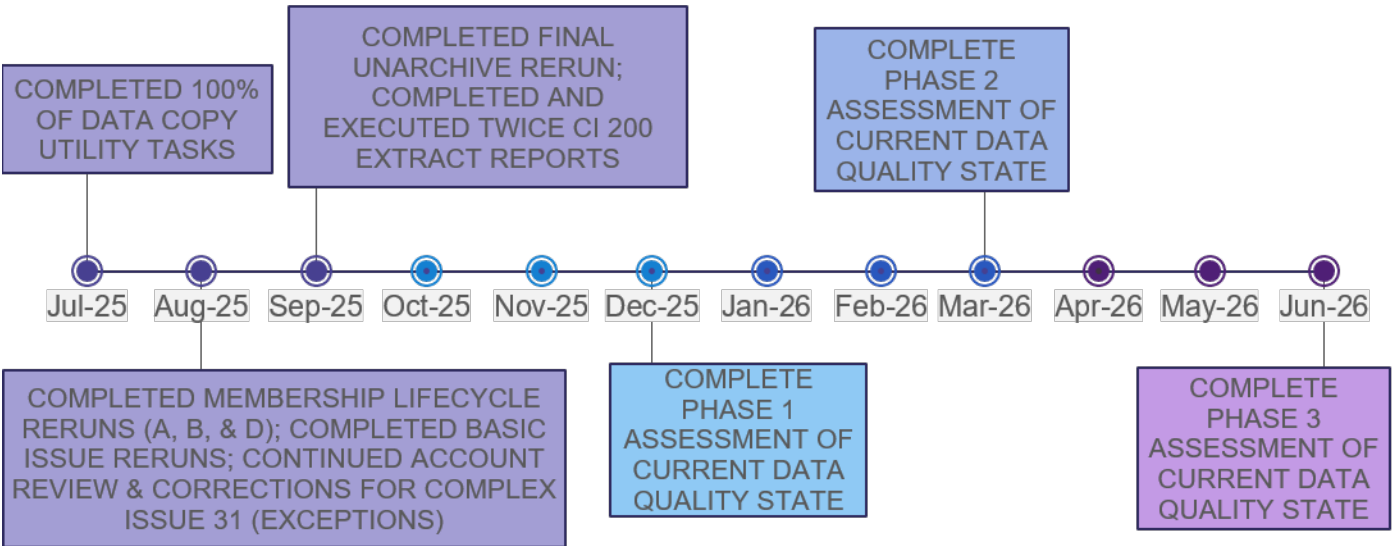
Accomplishments – Period Ending September 30, 2025

- Pre-conversion: data cleansing activities at START mainframe in preparation for conversion.
 - Completed Membership Lifecycle Reruns (A, B & D).
 - Completed 16 Basic Issue Reruns.
 - Continued Account Review & Corrections for Complex Issue 31 (Exceptions).
 - Completed procurement of an AI-enabled Data Quality Assessment and Documentation Tool Set.
- Completed Final Archive Flag Rerun.

Planned Major Activities & Milestones by December 31, 2025

- Complete the Phase 1 Assessment of current data quality state to catalogue all commonly used tables for data harvesting and reporting.

Fiscal Year 2025-26 Major Milestones



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.

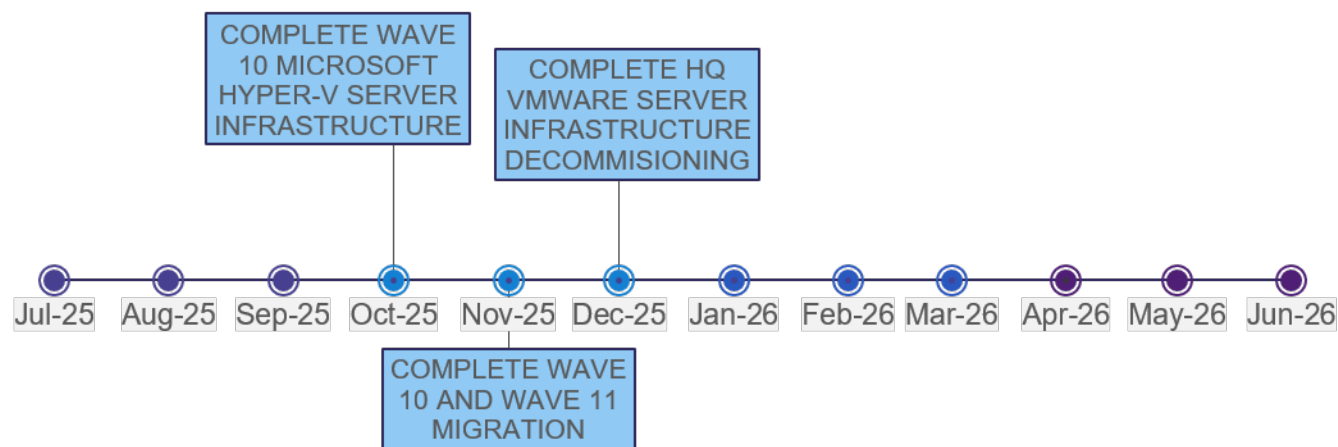
Accomplishments – Period Ending September 30, 2025

- Completed WAVE 9 (completes migration for all pre-BenefitConnect Go-Live to CAP, including remaining network infrastructure and information security solutions/apps).
- Prepared for Maintenance and Operations transition.
- Prepared for Microsoft Hyper-V Solution at CalSTRS HQ to support the remaining required on-premises infrastructure (WAVE 10).
- Planned for shared service servers needed in CAP after BenefitConnect Go-Live (WAVE 11).

Planned Major Activities & Milestones by December 31, 2025

- Complete the WAVE 10 migration of required on-premise solutions to the Microsoft Hyper-V Solution to be maintained in the CalSTRS HQ Main Distribution Frame.
- Complete the WAVE 11 migration of the shared services solutions to CAP.
- Complete the decommission of CalSTRS HQ VMware server infrastructure.

Fiscal Year 2025-26 Major Milestones



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.

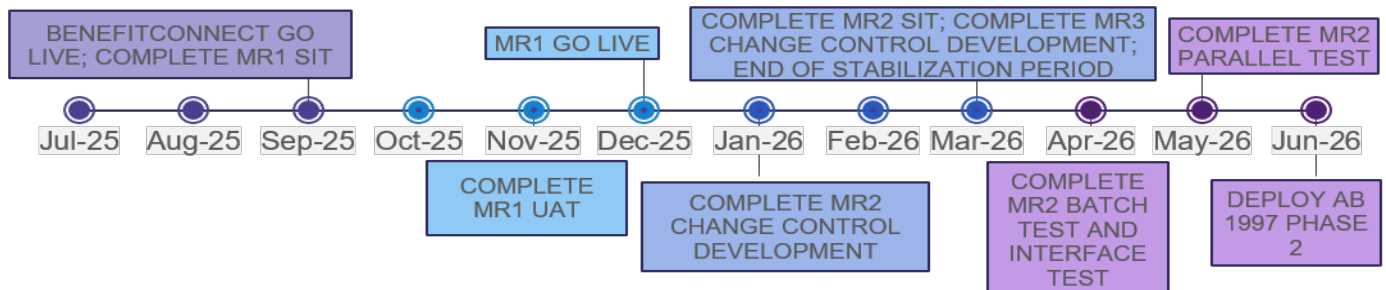
Accomplishments – Period Ending September 30, 2025

- Completed BenefitConnect (new pension system) Go Live.
- Completed BusinessDirect Retrofit Go Live.
- Completed Balancing at Conversion.
- Completed Readiness Checkpoint #4: Go/No-Go Decision to enter Cutover.
- Completed Major Release (MR) 1 System Integration Testing.
- Completed MR2 Configuration Testing
- Completed Cutover Activities.
- Completed Go Live Communications.
- Complete Change Controls for Go Live.
- Complete Interface Testing.
- Complete Operational Reports for Go Live.
- Complete Disaster Recovery Testing.
- Complete UAT Regression Testing.
- Complete Application Code Freeze.
- Complete Readiness Checkpoint #3.
- Complete Soft Launch.
- Complete Final Regression Test.

Planned Major Activities & Milestones by December 31, 2025

- Commence Maintenance & Operations Phase.
- Complete Parallel Test of First Production Payroll.
- Support Procedure Development and High Priority Batch Coordination.
- Complete MR1 User Acceptance Testing.
- MR1 Go Live.
- Obtain approval for MR2 Change Controls.
- Start MR2 System Integration Testing.
- Complete Design for Actuarial Extract Changes.
- Complete Design for MR2 AB1997 Phase 2.
- Complete Disaster Recovery Failback Tabletop Exercise.

Fiscal Year 2025-26 Major Milestones



MR = Major Release

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.

NOTE: A Change Request was approved by the Enterprise Program Investment Council in September 2025 to increase the project budget by \$750,000 to cover the renewal of the software licenses for SAP Ariba in October 2025, for a new total budget of \$12,425,365.

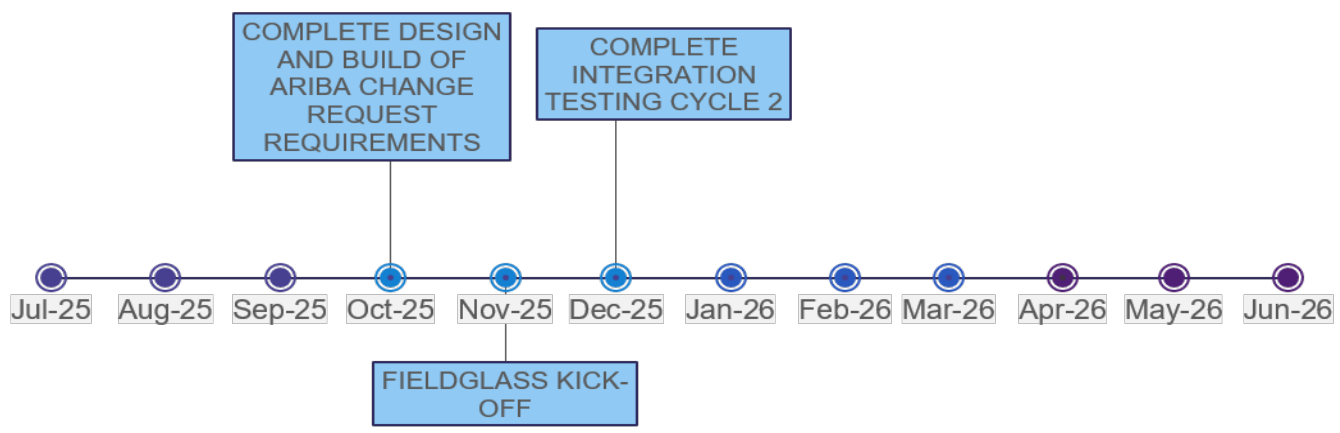
Accomplishments – Period Ending September 30, 2025

- Completed and signed off on all configuration documents, functional specifications, and technical specifications.
- Completed Integration Test Cycle 1 and began Integration Test Cycle 2.
- Completed Mock Data Conversion Cycle 1 and began Mock Conversion Cycle 2.
- Began Single Sign-On and Mobile testing.
- Obtained approval for Deloitte change request to fund the SAP Ariba project through June 30, 2026, from the Teacher’s Retirement Board.

Planned Major Activities & Milestones by December 31, 2025

- Complete Design and Build for all Ariba change request related requirements.
- Sign Change Request with Deloitte and kicked off projects for SAP Fieldglass SAP and Supplier Risk.
- Purchase software for WalkMe, SAP Fieldglass, and SAP Supplier Risk.
- Complete Integration Test Cycle 1 and Integration Test Cycle 2 testing.
- Complete Mock Conversion cycle 2 for Business Partners, Contracts, and Purchase Orders.
- Develop Training Materials.

Fiscal Year 2025-26 Major Milestones



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.

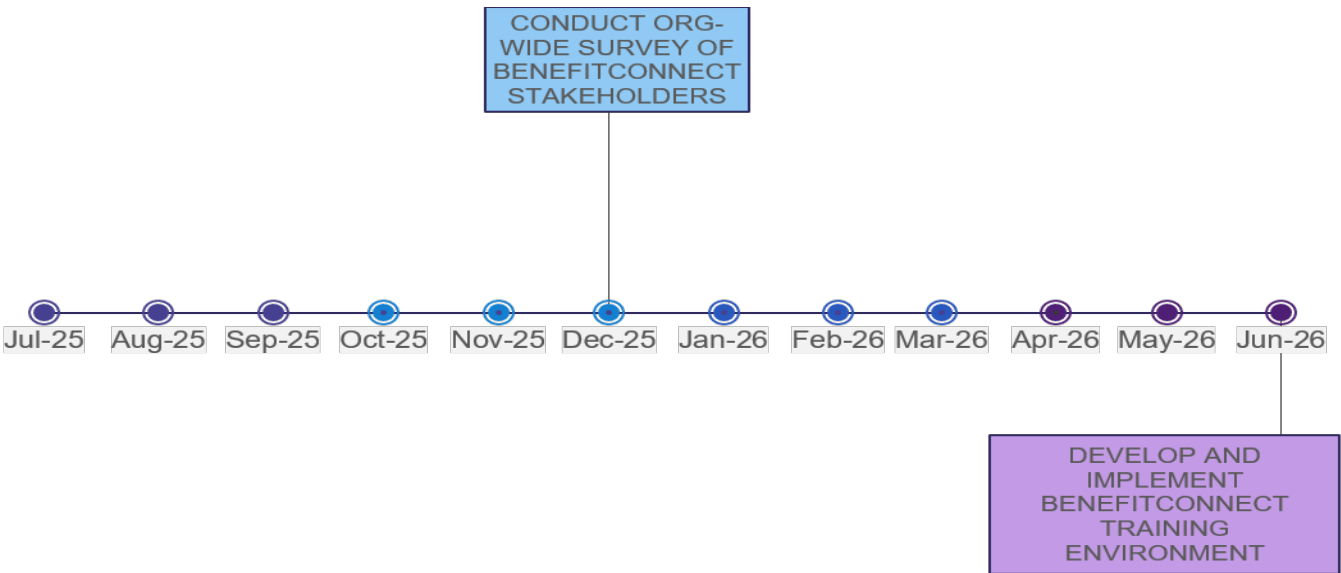
Accomplishments – Period Ending September 30, 2025

- Completed Pension Solution staff training program.
- Completed Cross Functional Decision Log items.
- Developed and implemented the Change Support Plan for impacted leaders.
- Completed the Change Management ADKAR Knowledge and Ability Assessments.
- Completed update of critical/high priority procedures for impacted business areas.
- Conducted quarterly Change Champions meeting.

Planned Major Activities & Milestones by December 31, 2025

- Approve and implement the Training Transition Plan.
- Conduct ADKAR assessment for Change reinforcement and retention.
- Conduct org-wide survey of BenefitConnect stakeholders.
- Collaborate on efforts for a future Training Environment.

Fiscal Year 2025-26 Major Milestones



Enterprise Projects Under \$1 Million

The following table summarizes the major enterprise technology projects over \$1 million for the reporting 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, 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.	Dec 2020 – Jun 2027	On Track	\$559,283	\$149,185	On Track