



BETTY T. YEE
California State Controller

August 30, 2018

The Honorable Holly J. Mitchell, Chair
Joint Legislative Budget Committee
State Capitol, Room 5080
Sacramento, CA 95814

**SUBJECT: 2017-18 Report to the Legislature on the California State Payroll
System Project**

Dear Senator Mitchell:

The State Controller's Office (SCO) respectfully submits the 2017-18 Report to the Legislature on the California State Payroll System Project (Project).

The 2017-18 Budget Act required SCO provide the Legislature with an annual report on the Project specifying the dollars expended on the program in the previous fiscal year and over the life of the program and any known savings that have occurred in the prior fiscal year. This annual report details the requested figures as well as final dollars expended on the Project in 2017-18 and 2016-17 for historical reference. SCO has completed Stage 1 Business Analysis of the Department of Technology Project Approval Lifecycle and SCO is currently working on Stage 2 Alternatives Analysis.

If you have any questions regarding this information, please call our Project Director, Chris Maio, at (916) 322-3393.

Sincerely,

A handwritten signature in blue ink that reads "Tom Yowell". The signature is fluid and cursive.

TOM YOWELL
Chief Administrative Officer

Enclosure

The Honorable Holly J. Mitchell

August 30, 2018

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cc: Assemblymember Philip Y. Ting, Vice Chair, Joint Legislative Budget Committee
Senator Patricia C. Bates, Joint Legislative Budget Committee
Senator Jean Fuller, Joint Legislative Budget Committee
Senator Ricardo Lara, Joint Legislative Budget Committee
Senator William W. Monning, Joint Legislative Budget Committee
Senator Jim Nielsen, Joint Legislative Budget Committee
Senator Richard Pan, Joint Legislative Budget Committee
Senator Nancy Skinner, Joint Legislative Budget Committee
Assemblymember Dr. Joaquin Arambula, Joint Legislative Budget Committee
Assemblymember Richard Bloom, Joint Legislative Budget Committee
Assemblymember Rocky J. Chávez, Joint Legislative Budget Committee
Assemblymember Kevin McCarty, Joint Legislative Budget Committee
Assemblymember Melissa A. Melendez, Joint Legislative Budget Committee
Assemblymember Jay Obernolte, Joint Legislative Budget Committee
Senator Richard D. Roth, Chair, Senate Budget and Fiscal Review Subcommittee #4
Senator Steven M. Glazer, Senate Budget and Fiscal Review Subcommittee #4
Senator Scott Wilk, Senate Budget and Fiscal Review Subcommittee #4
Assemblymember Jim Cooper, Chair, Assembly Budget Subcommittee #4
Assemblymember William A. Brough, Assembly Budget Subcommittee #4
Assemblymember Anna Caballero, Assembly Budget Subcommittee #4
Assemblymember David Chiu, Assembly Budget Subcommittee #4
Assemblymember Steven S. Choi, Assembly Budget Subcommittee #4
Jennifer Troia, Principal Consultant, Joint Legislative Budget Committee
Joe Stephenshaw, Budget Director, Senate Budget Subcommittee #4
Renita Polk, Consultant, Senate Budget Subcommittee #4
Chantele Denny, Consultant, Senate Budget Subcommittee #4
Christian Griffith, Chief Consultant, Assembly Budget Subcommittee #4
Genevieve Morelos, Consultant, Assembly Budget Subcommittee #4
Carolyn Chu, Deputy Legislative Analyst, State and Local Finance,
Legislative Analyst's Office
Brian Metzker, Fiscal and Policy Analyst, Legislative Analyst's Office
Ann Hollingshead, Senior Fiscal & Policy Analyst, Legislative Analyst's Office
Keely Bosler, Director, Department of Finance
Thomas Todd, Program Budget Manager, Department of Finance
Carla Castaneda, Assistant Program Budget Manager, Department of Finance
Nathaniel Hart, Principal Program Budget Analyst, Department of Finance
Sarah Kerber, Budget Analyst, Department of Finance
Tamara Armstrong, Deputy Director, Information Technology Project Oversight,
Department of Technology

State Controller's Office, California State Payroll System Project

Department: State Controller's Office
Project: California State Payroll System

	FY 2016-17					FY 2017-18					TOTAL																			
	Authorized Via BCP		Adjustments ¹		Total Authorized	Authorized Via BCP		Adjustments ¹		Total Authorized	Authorized Via BCP		Adjustments ¹		Total Authorized	Actual Expenditures		Savings												
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts												
CSPS One-Time Project Positions																														
Actual/Authorized Positions	4.0		0.0		4.0		4.3			19.0		0.0		19.0		15.8		23.0		0.0		23.0		20.1						
CSPS One-Time IT Project Costs																														
Staff (Salaries & Benefits)		538,000		12,000		550,000		582,548		(32,548)		1,837,000		(54,000)		1,783,000		1,958,452		(175,452)		2,375,000		(42,000)		2,333,000		2,541,000		(208,000)
Hardware Purchase		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Software Purchase/License		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Telecommunications		5,000		0		5,000		1,663		3,337		16,000		(3,000)		13,000		11,845		1,155		21,000		(3,000)		18,000		13,508		4,492
Contract Services		1,808,000		0		1,808,000		448,000		1,360,000		2,345,000		(356,000)		1,989,000		1,989,325		(325)		4,153,000		(356,000)		3,797,000		2,437,325		1,359,675
Legal		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Non-Legal		1,808,000		0		1,808,000		448,000		1,360,000		2,345,000		(356,000)		1,989,000		1,989,325		(325)		4,153,000		(356,000)		3,797,000		2,437,325		1,359,675
Data Center Services		0		(2,440)		(2,440)		0		(2,440)		0		0		0		0		0		1		(2,440)		(2,439)		1		(2,440)
Agency Facilities		972,000		3,000		975,000		302,622		672,378		1,118,000		(69,000)		1,049,000		160,167		888,833		2,090,000		(66,000)		2,024,000		462,789		1,561,211
Other OE&E		26,000		2,000		28,000		117,571		(89,571)		485,000		514,000		999,000		436,211		562,789		511,000		516,000		1,027,000		553,782		473,218
Total One-time IT Costs		3,349,000		14,560		3,363,560		1,452,405		1,911,155		5,801,000		32,000		5,833,000		4,556,000		1,277,000		9,150,001		46,560		9,196,561		6,008,406		3,188,155
CSPS Continuing IT Project Costs																														
Staff (Salaries & Benefits)		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Hardware Lease/Maintenance		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Software Maintenance/Licenses		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Telecommunications		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Legal		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Non-Legal		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Total Continuing IT Costs		0		0		0		0		0		0		0		0		0		0		0		0		0		0		0
Total CSPS Project Costs		3,349,000		14,560		3,363,560		1,452,405		1,911,155		5,801,000		32,000		5,833,000		4,556,000		1,277,000		9,150,001		46,560		9,196,561		6,008,406		3,188,155
Project Funding																														
General Fund		1,355,000		14,000		1,369,000		834,822		534,178		2,753,000		50,000		2,803,000		2,630,860		172,140		4,108,000		64,000		4,172,000		3,465,682		706,318
Special Funds		1,022,000		(2,440)		1,019,560		617,583		401,977		2,076,000		(21,000)		2,055,000		1,925,140		129,860		3,098,000		(23,440)		3,074,560		2,542,723		531,837
Reimbursements		972,000		3,000		975,000		0		975,000		972,000		3,000		975,000		0		975,000		1,944,000		6,000		1,950,000		0		1,950,000
Total Funding		3,349,000		14,560		3,363,560		1,452,405		1,911,155		5,801,000		32,000		5,833,000		4,556,000		1,277,000		9,150,000		46,560		9,196,560		6,008,405		3,188,155

Notes:

¹ Adjustments may include various budget adjustments due to salary increases, retirement adjustments, etc.

² 2016-17 Savings is due to Interdepartmental and External Contract Services needs being lower than approved as well as Facilities savings due to the relinquishment of subleased space. Savings amounts shown include funding for the Employee Self Service Portal (approved by DOF) as well as dollars reverted (\$513,000 General Fund, \$386,000 Special Funds). Savings amounts shown are net of costs for the utilization of the CDT War Room (approved by DOF).

³ 2017-18 Savings is due to Facilities savings related to relinquishment of subleased space. Savings amounts shown include funding for the Employee Self Service Portal as communicated in the approved 2018-19 May Revise.