



BETTY T. YEE
California State Controller

September 10, 2019

The Honorable Holly J. Mitchell, Chair
Joint Legislative Budget Committee
State Capitol, Room 5050
Sacramento, CA 95814

**SUBJECT: 2018-19 Report to the Legislature on the California State Payroll
System Project**

Dear Senator Mitchell:

The State Controller's Office (SCO) respectfully submits the 2018-19 Report to the Legislature on the California State Payroll System Project (Project).

The 2018-19 Budget Act required the 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details the requested figures as well as final dollars expended on the Project in 2018-19 and back to 2016-17 for historical reference. SCO has completed Stage 1 Business Analysis of the Department of Technology Project Approval Lifecycle and 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 "Jan Ross".

JAN ROSS
Chief Administrative Officer

Enclosure

The Honorable Holly J. Mitchell

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cc: Assemblymember Philip Y. Ting, Vice Chair, Joint Legislative Budget Committee
Senator Patricia C. Bates, 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 Anthony J. Portantino, Joint Legislative Budget Committee
Senator Nancy Skinner, Joint Legislative Budget Committee
Senator Jeff Stone, Joint Legislative Budget Committee
Assemblymember Dr. Joaquin Arambula, Joint Legislative Budget Committee
Assemblymember Richard Bloom, 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
Assembly Member Luz Rivas, Joint Legislative Budget Committee
Assembly Member Shirley N. Weber, Joint Legislative Budget Committee
Senator Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee #4
Senator Jim Nielsen, Senate Budget and Fiscal Review Subcommittee #4
Senator Thomas J. Umberg, Senate Budget and Fiscal Review Subcommittee #4
Assemblymember Jim Cooper, Chair, Assembly Budget Subcommittee #4
Assemblymember David Chiu, Assembly Budget Subcommittee #4
Assemblymember Tom Lackey, Assembly Budget Subcommittee #4
Assemblymember Adrin Nazarian, Assembly Budget Subcommittee #4
Assemblymember Buffy Wicks, 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
Genevieve Morelos, Consultant, Assembly Budget Subcommittee #4
Farra Bracht, 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
Susan Wekanda, Principal Program Budget Analyst, Department of Finance
Dominick Guidera, Budget Analyst, Department of Finance
Andrea Spears, State Chief Project Officer, Department of Technology
Evan Goldberg, Deputy Controller, Legislative Affairs, State Controller's Office
Marissa Revelino, Chief, Personnel and Payroll Services Division, State Controller's Office
Chris Maio, California State Payroll System Project Director, State Controller's Office
Jennifer Burkett, California State Payroll System Project Manager, State Controller's Office
Jennifer Chavez, Chief, Administration and Disbursements Division, State Controller's Office
Sierra Losh, Assistant Division Chief, Administration and Disbursements Division,
State Controller's Office
Jennifer Urban, Chief, Budgets and Contracts Bureau, State Controller's Office
An-Vi Ching, Budget Officer, State Controller's Office

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					FY 2018-19					TOTAL									
	Authorized Via BCP		Total Authorized	Actual Expenditures		Savings ²	Authorized Via BCP		Total Authorized	Actual Expenditures		Savings ³	Authorized Via BCP		Total Authorized	Actual Expenditures		Savings ⁴	Authorized Via BCP		Total Authorized	Actual Expenditures		Savings	
	PYs	Amts		PYs	Amts		PYs	Amts		PYs	Amts		PYs	Amts		PYs	Amts		PYs	Amts		PYs	Amts		PYs
CSPS One-Time Project Positions																									
Actual/Authorized Positions	4.0		4.0		4.3		19.0		19.0		15.8		24.0		19.0		16.0		47.0		42.0		36.1		
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)	3,094,000		(606,000)	2,488,000		1,923,838		564,162
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	24,000		(5,000)	19,000		9,035		9,965
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)	1,075,000		0	1,075,000		1,025,456		49,544
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)	1,075,000		0	1,075,000		1,025,456		49,544
Data Center Services		0		(2,440)	(2,440)		0		(2,440)	0		0	0		0		0	0		0	0		0		0
Agency Facilities		972,000		3,000	975,000		302,622		672,378	1,118,000		(69,000)	1,049,000		160,167		888,833	245,000		0	245,000		149,337		95,663
Other OE&E		26,000		2,000	28,000		117,571		(89,571)	485,000		514,000	999,000		436,211		562,789	201,000		(54,000)	147,000		752,272		(605,272)
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	4,639,000		(665,000)	3,974,000		3,859,938		114,063
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	4,639,000		(665,000)	3,974,000		3,859,938		114,063
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	4,639,000		(665,000)	3,974,000		3,859,938		114,062
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	0		0	0		0		0
Reimbursements		972,000		3,000	975,000		0		975,000	972,000		3,000	975,000		0		975,000	0		0	0		0		0
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	4,639,000		(665,000)	3,974,000		3,859,938		114,062

Notes:

- ¹ Adjustments may include various budget adjustments due to salary increases, retirement adjustments, etc. 2018-19 adjustments were to exclude ESS/CEC costs
- 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 is net of CDT War Room costs but does include savings utilized for ESS (approved by DOF).
- ³ 2017-18 Savings is due to Facilities savings related to relinquishment of subleased space and savings being used for ESS costs as communicated in the approved 2018-19 May Revise.
- ⁴ 2018-19 Savings is due to higher than expected vacancy rate with Change Control Management.