



BETTY T. YEE
California State Controller

September 17, 2020

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

SUBJECT: 2019-20 Report to the Legislature on the California State Payroll System Project

Dear Senator Mitchell:

The State Controller's Office (SCO) respectfully submits the 2019-20 Report to the Legislature on the California State Payroll System Project (Project).

The 2020-21 Budget Act requires 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report details the requested figures as well as final dollars expended on the Project in 2019-20 back to 2016-17 for historical reference. SCO has received approval from the Department of Technology for the Project Approval Lifecycle Stage 1 Business Analysis and has submitted the Stage 2 Alternatives Analysis.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Russell Fong", with a long, sweeping underline.

RUSSELL FONG
Chief Administrative Officer

Enclosure

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
Assemblymember Dr. Joaquin Arambula, Joint Legislative Budget Committee
Assemblymember Richard Bloom, Joint Legislative Budget Committee
Assemblymember Kevin McCarty, 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 Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee #4
Senator Jim Nielsen, Senate Budget and Fiscal Review Subcommittee #4
Senator Maria Elena Durazo 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 Adrian Nazarian, Assembly Budget Subcommittee #4
Assemblymember Buffy Wicks, Assembly Budget Subcommittee #4
Joe Stephenshaw, Budget Director, Senate Budget and Fiscal Review Subcommittee #4
Elisa Wynne, Deputy Staff Director, Senate Budget and Fiscal Review Subcommittee #4
Renita Polk, Consultant, Senate Budget and Fiscal Review Subcommittee #4
James Hacker, Consultant, Senate Budget and Fiscal Review Subcommittee #4
Christian Griffith, Chief Consultant, Assembly Budget Subcommittee #4
Genevieve Morelos, Consultant, Assembly Budget Subcommittee #4
Farrah 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
Lisa Mierczynski, 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
Indira McDonald, Deputy Controller, Legislative Affairs, State Controller's Office
Jil Barraza, 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

The Honorable Holly J. Mitchell

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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 ⁴																	
	Authorized Via BCP		Adjustments		Total Authorized		Actual Expenditures		Savings ¹		Authorized Via BCP		Adjustments		Total Authorized		Actual Expenditures ²		Savings ³		Authorized Via BCP		Adjustments		Total Authorized		Actual Expenditures		Savings ⁵	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	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				24.0		-5.0		19.0		16.0			
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)		1,648,000		(606,000)		1,042,000		452,938		589,062
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		14,000		(5,000)		9,000		6,000		3,000
Contract Services		1,808,000		0		1,808,000		448,000		1,360,000		2,345,000		(356,000)		1,989,000		1,974,736		14,264		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		1,974,736		14,264		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		0		0		0		0		0
Other OE&E		26,000		2,000		28,000		117,571		(89,571)		485,000		514,000		999,000		436,211		562,789		122,000		(54,000)		68,000		682,182		(614,182)
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		4,541,411		1,291,589		2,859,000		(665,000)		2,194,000		2,166,576		27,425
CSPS Continuing IT Project Costs																														
Staff (Salaries & Benefits)		0		0		0		0		0		0		0		0		0		0		1,446,000		0		1,446,000		1,470,900		(24,900)
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		10,000		0		10,000		3,035		6,965
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		245,000		0		245,000		149,337		95,663
Other		0		0		0		0		0		0		0		0		0		0		79,000		0		79,000		70,090		8,910
Total Continuing IT Costs		0		0		0		0		0		0		0		0		0		0		1,780,000		0		1,780,000		1,693,362		86,638
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		4,541,411		1,291,589		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		2,622,544		180,456		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		1,918,867		136,133		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		4,541,411		1,291,589		4,639,000		(665,000)		3,974,000		3,859,938		114,062

Notes:

¹ 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).

² 2017-18 Actual expenditures have been adjusted by \$14,589 to reflect new actual as all funds have now been expended.

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 Totals adjusted to reflect one-time costs vs continuing costs.

⁵ 2018-19 Savings is due to higher than expected vacancy rate with Change Control Management.

**State Controller's Office -
California State Payroll System
Project**

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

	FY 2019-20					FULL PROJECT TOTAL ⁸														
	Authorized Via BCP		Adjustments ⁶		Total Authorized	Actual Expenditures		Savings ⁷	Authorized Via BCP		Adjustments ⁶		Total Authorized	Actual Expenditures		Savings				
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts				
CSPS One-Time Project Positions																				
Actual/Authorized Positions	23.0		-5.0		18.0		16.6			70.0		-10.0		60.0		52.7				
CSPS One-Time IT Project Costs																				
Staff (Salaries & Benefits)		699,000		(604,000)		95,000		106,638		(11,638)		4,722,000		(1,252,000)		3,470,000		3,100,576		369,424
Hardware Purchase		0		0		0		0		0		0		0		0		0		0
Software Purchase/License		75,000		0		75,000		58,315		16,685		75,000		0		75,000		58,315		16,685
Telecommunications		7,000		(6,000)		1,000		0		1,000		42,000		(14,000)		28,000		19,508		8,492
Contract Services		3,520,000		30,000		3,550,000		3,520,000		30,000		8,748,000		(326,000)		8,422,000		6,968,192		1,453,808
Legal		0		0		0		0		0		0		0		0		0		0
Non-Legal		3,520,000		30,000		3,550,000		3,520,000		30,000		8,748,000		(326,000)		8,422,000		6,968,192		1,453,808
Data Center Services		0		0		0		0		(0)		1		(2,440)		(2,439)		1		(2,440)
Agency Facilities		0		0		0		0		0		2,090,000		(66,000)		2,024,000		462,789		1,561,211
Other OE&E		223,000		(35,000)		188,000		99,127		88,873		856,000		427,000		1,283,000		1,335,090		(52,090)
Total One-time IT Costs		4,524,000		(615,000)		3,909,000		3,784,080		124,920		16,533,001		(1,233,440)		15,299,561		11,944,473		3,355,089
CSPS Continuing IT Project Costs																				
Staff (Salaries & Benefits)		2,337,000		(107,000)		2,230,000		2,022,865		207,135		3,783,000		(107,000)		3,676,000		3,493,765		182,235
Hardware Lease/Maintenance		0		0		0		0		0		0		0		0		0		0
Software Maintenance/Licenses		8,000		0		8,000		8,122		(122)		8,000		0		8,000		8,122		(122)
Telecommunications		17,000		(9,000)		8,000		7,560		440		27,000		(9,000)		18,000		10,595		7,405
Contract Services		0		0		0		0		0		0		0		0		0		0
Legal		0		0		0		0		0		0		0		0		0		0
Non-Legal		0		0		0		0		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0		0		0		0		0
Agency Facilities		245,000		(109,000)		136,000		142,867		(6,867)		490,000		(109,000)		381,000		292,204		88,796
Other		141,000		446,000		587,000		814,114		(227,114)		220,000		446,000		666,000		884,204		(218,204)
Total Continuing IT Costs		2,748,000		221,000		2,969,000		2,995,528		(26,528)		4,528,000		221,000		4,749,000		4,688,890		60,110
Total CSPS Project Costs		7,272,000		(394,000)		6,878,000		6,779,608		98,392		21,061,001		(1,012,440)		20,048,561		16,633,363		3,415,199
Project Funding																				
General Fund		6,201,950		(394,000)		5,807,950		5,855,178		(47,228)		14,948,950		(995,000)		13,953,950		13,172,482		781,468
Special Funds		1,070,050		0		1,070,050		924,430		145,620		4,168,050		(23,440)		4,144,610		3,460,880		683,730
Reimbursements		0		0		0		0		0		1,944,000		6,000		1,950,000		0		1,950,000
Total Funding		7,272,000		(394,000)		6,878,000		6,779,608		98,392		21,061,000		(1,012,440)		20,048,560		16,633,362		3,415,198

Notes:

⁶ Adjustments include various budget adjustments due to salary increases, retirement adjustments, etc. 2018-19 and 2019-20 excludes ESS/CEC costs.

⁷ 2019-20 Savings is due to lower California Department of Technology consulting, training, and software expenditures. Savings will be reverted to the General Fund in accordance with 2019 Budget Act SCO Provisional Language 15 and 16.

⁸ Totals include full project costs to date (2016-17 through 2019-20).