



**BETTY T. YEE**  
**California State Controller**

September 20, 2021

The Honorable Nancy Skinner, Chair  
Joint Legislative Budget Committee  
1020 N Street, Room 553  
Sacramento, CA 95814

**SUBJECT: 2020-21 Report to the Legislature on the California State Payroll System Project**

Dear Chairwoman Skinner:

The State Controller's Office (SCO) respectfully submits the 2020-21 Report to the Legislature on the California State Payroll System Project (Project).

The 2021 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report details the requested figures as well as final dollars expended on the Project in 2020-21 back to 2016-17 for historical reference. The SCO has completed Stage 2 Alternatives Analysis of the Department of Technology Project Approval Lifecycle and is working on Stage 3 Solution Development.

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", is written over a horizontal line.

RUSSELL FONG  
Chief Administrative Officer

Enclosures

cc: Senator Patricia C. Bates, Joint Legislative Budget Committee  
Senator Anna M. Caballero, Joint Legislative Budget Committee

Senator Maria Elena Durazo – Joint Legislative Budget Committee  
Senator John Laird – 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  
Assemblymember Phil Y. Ting, Vice-Chair, Joint Legislative Budget Committee  
Assemblymember Dr. Joaquin Arambula, Joint Legislative Budget Committee  
Assemblymember Richard Bloom, Joint Legislative Budget Committee  
Assemblymember Vince Fong, Joint Legislative Budget Committee  
Assemblymember Cristina Garcia, Joint Legislative Budget Committee  
Assemblymember Kevin Kiley, Joint Legislative Budget Committee  
Assemblymember Kevin McCarty, Joint Legislative Budget Committee  
Assembly Member Luz M. Rivas, Joint Legislative Budget Committee  
Assemblymember Wendy Carrillo, Chair, Assembly Budget 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  
Senator Sydney Kamlager, Senate Budget and Fiscal Review Subcommittee #4  
Joe Stephenshaw, Budget Director, Senate Budget Subcommittee #4  
Elisa Wynne, Deputy Budget Director, Senate Budget Subcommittee #4  
Yong Salas, 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, Principal Fiscal and Policy Analyst, Legislative Analyst's Office  
Ann Hollingshead, Principal 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, Staff Finance 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  
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 Accounting Bureau, State Controller's Office  
An-Vi Ching, Budget Officer, State Controller's Office

State Controller's Office  
California State Payroll System Project

	FY 2016-17					FY 2017-18														
	Authorized Via BCP		Adjustments <sup>1</sup>		Total Authorized	Actual Expenditures		Savings <sup>1</sup>	Authorized Via BCP		Adjustments <sup>6</sup>		Total Authorized	Actual Expenditures <sup>2</sup>		Savings <sup>3</sup>				
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts			
<b>CSPS One-Time Project Positions</b>																				
Actual/Authorized Positions	4.0		0.0		4.0		4.3			19.0		0.0		19.0		15.8				
<b>CSPS One-Time IT Project Costs</b>																				
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)
Hardware Purchase		0		0		0		0		0		0		0		0		0		0
Software Purchase/License		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
Contract Services		1,808,000		0		1,808,000		448,000		1,360,000		2,345,000		(356,000)		1,989,000		1,973,816		15,184
Legal		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		1,973,816		15,184
Data Center Services		0		(2,440)		(2,440)		0		(2,440)		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
Other OE&E		26,000		2,000		28,000		117,571		(89,571)		485,000		514,000		999,000		436,211		562,789
<b>Total One-time IT Costs</b>		<b>3,349,000</b>		<b>14,560</b>		<b>3,363,560</b>		<b>1,452,405</b>		<b>1,911,155</b>		<b>5,801,000</b>		<b>32,000</b>		<b>5,833,000</b>		<b>4,540,491</b>		<b>1,292,509</b>
<b>CSPS Continuing IT Project Costs</b>																				
Staff (Salaries & Benefits)		0		0		0		0		0		0		0		0		0		0
Hardware Lease/Maintenance		0		0		0		0		0		0		0		0		0		0
Software Maintenance/Licenses		0		0		0		0		0		0		0		0		0		0
Telecommunications		0		0		0		0		0		0		0		0		0		0
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		0		0		0		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0		0		0		0
<b>Total Continuing IT Costs</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Total CSPS Project Costs</b>		<b>3,349,000</b>		<b>14,560</b>		<b>3,363,560</b>		<b>1,452,405</b>		<b>1,911,155</b>		<b>5,801,000</b>		<b>32,000</b>		<b>5,833,000</b>		<b>4,540,491</b>		<b>1,292,509</b>
<b>Project Funding</b>																				
General Fund		1,355,000		14,000		1,369,000		834,822		534,178		2,753,000		50,000		2,803,000		2,621,624		181,376
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
Reimbursements		972,000		3,000		975,000		0		975,000		972,000		3,000		975,000		0		975,000
<b>Total Funding</b>		<b>3,349,000</b>		<b>14,560</b>		<b>3,363,560</b>		<b>1,452,405</b>		<b>1,911,155</b>		<b>5,801,000</b>		<b>32,000</b>		<b>5,833,000</b>		<b>4,540,491</b>		<b>1,292,509</b>

Notes:

- <sup>1</sup> 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).
- <sup>2</sup> 2017-18 Contract expenditure was adjusted to reflect new actual as all funds have now been expended.
- <sup>3</sup> 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.
- <sup>4</sup> 2018-19 Totals adjusted to reflect one-time costs vs continuing costs.
- <sup>5</sup> 2018-19 Savings is due to higher than expected vacancy rate with Change Control Management.
- <sup>6</sup> Adjustments include various budget adjustments due to salary increases, retirement adjustments, etc. 2018-19 and 2019-20 excludes ESS/CEC costs.
- <sup>7</sup> 2019-20 Savings is due to lower California Department of Technology consulting, lower training, and software expenditures. \$92,094 will be reverted to the General Fund in accordance with 2019 Budget Act SCO Provisional Language 15.
- <sup>8</sup> 2020-21 Savings is due to lower California Department of Technology consulting costs, software expenditures, and higher than anticipated vacancy rate, which will all be reverted to the General Fund.
- <sup>9</sup> Totals include full project costs to date (2016-17 through 2020-21).

State Controller's Office  
California State Payroll System Project

	FY 2018-19 <sup>4</sup>					FY 2019-20												
	Authorized Via BCP		Adjustments <sup>6</sup>		Total Authorized	Actual Expenditures		Savings <sup>5</sup>	Authorized Via BCP		Adjustments <sup>6</sup>		Total Authorized	Actual Expenditures		Savings <sup>7</sup>		
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	
<b>CSPS One-Time Project Positions</b>																		
Actual/Authorized Positions	24.0		-5.0		19.0		16.0			23.0		-5.0		18.0		16.6		
<b>CSPS One-Time IT Project Costs</b>																		
Staff (Salaries & Benefits)		1,648,000		(606,000)		1,042,000		452,938		589,062		(604,000)		95,000		106,638		(11,638)
Hardware Purchase		0		0		0		0		0		0		0		0		0
Software Purchase/License		0		0		0		0		75,000		0		75,000		58,315		16,685
Telecommunications		14,000		(5,000)		9,000		6,000		3,000		(6,000)		1,000		0		1,000
Contract Services		1,075,000		0		1,075,000		1,025,456		49,544		30,000		3,550,000		3,520,000		30,000
Legal		0		0		0		0		0		0		0		0		0
Non-Legal		1,075,000		0		1,075,000		1,025,456		49,544		30,000		3,550,000		3,520,000		30,000
Data Center Services		0		0		0		0		0		0		0		0		(0)
Agency Facilities		0		0		0		0		0		0		0		0		0
Other OE&E		122,000		(54,000)		68,000		682,182		(614,182)		(35,000)		188,000		99,127		88,873
<b>Total One-time IT Costs</b>		<b>2,859,000</b>		<b>(665,000)</b>		<b>2,194,000</b>		<b>2,166,576</b>		<b>27,425</b>		<b>(615,000)</b>		<b>3,909,000</b>		<b>3,784,080</b>		<b>124,920</b>
<b>CSPS Continuing IT Project Costs</b>																		
Staff (Salaries & Benefits)		1,446,000		0		1,446,000		1,470,900		(24,900)		(107,000)		2,230,000		2,022,865		207,135
Hardware Lease/Maintenance		0		0		0		0		0		0		0		0		0
Software Maintenance/Licenses		0		0		0		0		8,000		0		8,000		8,122		(122)
Telecommunications		10,000		0		10,000		3,035		6,965		(9,000)		8,000		7,560		440
Contract Services		0		0		0		0		0		0		0		0		0
Legal		0		0		0		0		0		0		0		0		0
Non-Legal		0		0		0		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0		0		0		0
Agency Facilities		245,000		0		245,000		149,337		95,663		(109,000)		136,000		142,867		(6,867)
Other		79,000		0		79,000		70,090		8,910		446,000		587,000		814,114		(227,114)
<b>Total Continuing IT Costs</b>		<b>1,780,000</b>		<b>0</b>		<b>1,780,000</b>		<b>1,693,362</b>		<b>86,638</b>		<b>221,000</b>		<b>2,969,000</b>		<b>2,995,528</b>		<b>(26,528)</b>
<b>Total CSPS Project Costs</b>		<b>4,639,000</b>		<b>(665,000)</b>		<b>3,974,000</b>		<b>3,859,938</b>		<b>114,063</b>		<b>(394,000)</b>		<b>6,878,000</b>		<b>6,779,608</b>		<b>98,392</b>
<b>Project Funding</b>																		
General Fund		4,639,000		(665,000)		3,974,000		3,859,938		114,062		(394,000)		5,807,950		5,855,178		(47,228)
Special Funds		0		0		0		0		0		0		1,070,050		924,430		145,620
Reimbursements		0		0		0		0		0		0		0		0		0
<b>Total Funding</b>		<b>4,639,000</b>		<b>(665,000)</b>		<b>3,974,000</b>		<b>3,859,938</b>		<b>114,062</b>		<b>(394,000)</b>		<b>6,878,000</b>		<b>6,779,608</b>		<b>98,392</b>

State Controller's Office  
California State Payroll System Project

	FY 2020-21					FULL PROJECT TOTAL <sup>9</sup>												
	Authorized Via BCP		Adjustments <sup>6</sup>		Total Authorized		Actual Expenditures		Savings <sup>8</sup>	Authorized Via BCP		Adjustments <sup>6</sup>		Total Authorized		Actual Expenditures		Savings
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts
<b>CSPS One-Time Project Positions</b>																		
Actual/Authorized Positions	25.0		0.0		25.0		20.4			95.0		-10.0		85.0		73.1		
<b>CSPS One-Time IT Project Costs</b>																		
Staff (Salaries & Benefits)		129,000		0		129,000		115,777	13,223		4,851,000		(1,252,000)		3,599,000		3,216,353	382,647
Hardware Purchase		0		0		0		34,390	(34,390)		0		0		0		34,390	(34,390)
Software Purchase/License		135,000		0		135,000		73,997	61,003		210,000		0		210,000		132,312	77,688
Telecommunications		1,000		0		1,000		0	1,000		43,000		(14,000)		29,000		19,508	9,492
Contract Services		4,386,000		0		4,386,000		4,386,000	0		13,134,000		(326,000)		12,808,000		11,353,272	1,454,728
Legal		0		0		0		0	0		0		0		0		0	0
Non-Legal		4,386,000		0		4,386,000		4,386,000	0		13,134,000		(326,000)		12,808,000		11,353,272	1,454,728
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		677,000		0		677,000		451,039	225,961		1,533,000		427,000		1,960,000		1,786,129	173,871
<b>Total One-time IT Costs</b>		<b>5,328,000</b>		<b>0</b>		<b>5,328,000</b>		<b>5,061,203</b>	<b>266,797</b>		<b>21,861,001</b>		<b>(1,233,440)</b>		<b>20,627,561</b>		<b>17,004,756</b>	<b>3,622,806</b>
<b>CSPS Continuing IT Project Costs</b>																		
Staff (Salaries & Benefits)		2,451,000		175,000		2,626,000		2,282,081	343,919		6,234,000		68,000		6,302,000		5,775,846	526,154
Hardware Lease/Maintenance		0		0		0		0	0		0		0		0		0	0
Software Maintenance/Licenses		9,000		0		9,000		7,970	1,030		17,000		0		17,000		16,092	908
Telecommunications		18,000		0		18,000		9,198	8,802		45,000		(9,000)		36,000		19,793	16,207
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		266,000		0		266,000		266,000	0		756,000		(109,000)		647,000		558,204	88,796
Other		1,149,000		62,000		1,211,000		895,248	315,753		1,369,000		508,000		1,877,000		1,779,452	97,549
<b>Total Continuing IT Costs</b>		<b>3,893,000</b>		<b>237,000</b>		<b>4,130,000</b>		<b>3,460,497</b>	<b>669,504</b>		<b>8,421,000</b>		<b>458,000</b>		<b>8,879,000</b>		<b>8,149,387</b>	<b>729,614</b>
<b>Total CSPS Project Costs</b>		<b>9,221,000</b>		<b>237,000</b>		<b>9,458,000</b>		<b>8,521,700</b>	<b>936,301</b>		<b>30,282,001</b>		<b>(775,440)</b>		<b>29,506,561</b>		<b>25,154,142</b>	<b>4,352,419</b>
<b>Project Funding</b>																		
General Fund		5,257,000		135,090		5,392,090		4,465,185	926,905		20,205,950		(859,910)		19,346,040		17,636,747	1,709,293
Special Funds		3,964,000		101,910		4,065,910		4,056,515	9,395		8,132,050		78,470		8,210,520		7,517,395	693,125
Reimbursements		0		0		0		0	0		1,944,000		6,000		1,950,000		0	1,950,000
<b>Total Funding</b>		<b>9,221,000</b>		<b>237,000</b>		<b>9,458,000</b>		<b>8,521,700</b>	<b>936,300</b>		<b>30,282,000</b>		<b>(775,440)</b>		<b>29,506,560</b>		<b>25,154,142</b>	<b>4,352,418</b>