



BETTY T. YEE
California State Controller

September 30, 2022

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

SUBJECT: 2021-22 Report to the Legislature on the California State Payroll System Project - Revised

Dear Senator Skinner:

The State Controller's Office (SCO) respectfully submits the revised 2021-22 Report to the Legislature on the California State Payroll System Project (Project) in place of the previously submitted Project Report on September 20, 2022 due to year-end accrual corrections.

The 2022 Budget Act requires the SCO provide the Legislature with an annual report on the Project specifying the dollars expended in the previous fiscal year and over the life of the project and any known savings that have occurred in the prior fiscal year. This annual report details the requested information as well as final dollars expended on the Project in 2021-22 back to 2016-17 for historical reference. The SCO has completed Stage 3 Solution Development of the Department of Technology Project Approval Lifecycle and is working on Stage 4 Project Readiness and Approval.

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 horizontal line extending to the right.

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 McCarty, Joint Legislative Budget Committee
Assemblymember Jim Patterson, Joint Legislative Budget Committee
Assembly Member Luz M. Rivas, Joint Legislative Budget Committee
Assemblymember Wendy Carrillo, Chair, Assembly Budget Subcommittee #4
Assemblymember Jim Cooper, 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
Senator Sydney Kamlager, Senate Budget and Fiscal Review Subcommittee #4
Senator Richard Roth, Senate Budget and Fiscal Review Subcommittee #4
Elisa Wynne, Staff Director, Senate Budget Subcommittee #4
Scott Ogus, Deputy Staff Director, Senate Budget Subcommittee #4
Anita Lee, Consultant, Senate Budget Subcommittee #4
Christian Griffith, Chief Consultant, Assembly Budget Subcommittee #4
Nicole Vazquez, Deputy Chief 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
Joe Stephenshaw, 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
Chinyere Emodi, 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
Brandon Rutschmann, California State Payroll System Project Director, California
Department of Human Resources
Todd Boltjes, Chief, Information Systems Division, 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 ¹		Total Authorized	Actual Expenditures		Savings ¹	Authorized Via BCP		Adjustments ⁶		Total Authorized	Actual Expenditures ²		Savings ³				
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	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				
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)
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
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		4,540,491		1,292,509
CSPS Continuing IT Project Costs																				
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
Total Continuing IT Costs		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		4,540,491		1,292,509
Project Funding																				
General Fund		1,355,000		14,000		1,369,000		834,822		534,178		2,753,000		50,000		2,803,000		2,621,624		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
Total Funding		3,349,000		14,560		3,363,560		1,452,405		1,911,155		5,801,000		32,000		5,833,000		4,540,491		1,292,509

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
- ² 2017-18 Contract expenditure was adjusted 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.
- 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, lower training, and software expenditures. \$92,094 will be reverted to the General Fund in accordance with 2019 Budget Act
- ⁸ 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.
- ⁹ 2021-22 Appropriations and Expenditures include SCO CSPPS, CalHR CSPPS, and CalATERS. Resources for CalATERS were transitioned to CSPPS as Travel and Expense Management functionality was added to the
- ¹⁰ 2021-22 SCO CSPPS Savings is due to lower California Department of Technology consulting costs, contracting needs lower than expected, and higher than anticipated vacancy rate, which will be reverted to the
- ¹¹ 2021-22 Actual Expenditures increased due to year-end accrual corrections by \$6,360.
- ¹² Totals include full project costs to date (2016-17 through 2021-22).

State Controller's Office
California State Payroll System Project

	FY 2018-19 ⁴					FY 2019-20													
	Authorized Via BCP		Adjustments ⁶		Total Authorized	Actual Expenditures		Savings ⁵	Authorized Via BCP		Adjustments ⁶		Total Authorized	Actual Expenditures		Savings ⁷			
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts		
CSPS One-Time Project Positions																			
Actual/Authorized Positions	24.0		-5.0		19.0		16.0			23.0		-5.0		18.0		16.6			
CSPS One-Time IT Project Costs																			
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		0			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
Total One-time IT Costs		2,859,000		(665,000)		2,194,000		2,166,576		27,425			(615,000)		3,909,000		3,784,080		124,920
CSPS Continuing IT Project Costs																			
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		0			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)
Total Continuing IT Costs		1,780,000		0		1,780,000		1,693,362		86,638			221,000		2,969,000		2,995,528		(26,528)
Total CSPS Project Costs		4,639,000		(665,000)		3,974,000		3,859,938		114,063			(394,000)		6,878,000		6,779,608		98,392
Project Funding																			
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
Total Funding		4,639,000		(665,000)		3,974,000		3,859,938		114,062			(394,000)		6,878,000		6,779,608		98,392

State Controller's Office
California State Payroll System Project

	FY 2020-21					FY 2021-22 ⁹											
	Authorized Via BCP		Adjustments ⁶		Total Authorized	Actual Expenditures		Savings ⁸	Authorized Via BCP		Adjustments ⁶		Total Authorized	Actual Expenditures ¹¹		Savings ¹⁰	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
CSPS One-Time Project Positions																	
Actual/Authorized Positions	25.0		0.0		25.0		20.4			45.5		0.0		45.5		31.0	
CSPS One-Time IT Project Costs																	
Staff (Salaries & Benefits)		129,000		0	129,000		115,777	13,223		128,000		0		128,000		127,891	109
Hardware Purchase		0		0	0		34,390	(34,390)		0		0		0		0	0
Software Purchase/License		135,000		0	135,000		73,997	61,003		269,000		0		269,000		243,598	25,402
Telecommunications		1,000		0	1,000		0	1,000		0		0		0		0	0
Contract Services		4,386,000		0	4,386,000		4,386,000	0		8,953,000		0		8,953,000		4,382,140	4,570,860
Legal		0		0	0		0	0		0		0		0		0	0
Non-Legal		4,386,000		0	4,386,000		4,386,000	0		8,953,000		0		8,953,000		4,382,140	4,570,860
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 OE&E		677,000		0	677,000		451,039	225,961		1,041,000		0		1,041,000		558,000	483,000
Total One-time IT Costs		5,328,000		0	5,328,000		5,061,203	266,797		10,391,000		0		10,391,000		5,311,629	5,079,371
CSPS Continuing IT Project Costs																	
Staff (Salaries & Benefits)		2,451,000		175,000	2,626,000		2,282,081	343,919		4,591,000		411,000		5,002,000		3,583,137	1,418,863
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		186,000		0		186,000		108,736	77,264
Telecommunications		18,000		0	18,000		9,198	8,802		36,000		0		36,000		9,923	26,077
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		252,000		118,000		370,000		363,000	7,000
Other		1,149,000		62,000	1,211,000		895,248	315,753		1,831,000		(21,000)		1,810,000		2,118,612	(308,612)
Total Continuing IT Costs		3,893,000		237,000	4,130,000		3,460,497	669,504		6,896,000		508,000		7,404,000		6,183,408	1,220,592
Total CSPS Project Costs		9,221,000		237,000	9,458,000		8,521,700	936,301		17,287,000		508,000		17,795,000		11,495,037	6,299,963
Project Funding																	
General Fund		5,257,000		135,090	5,392,090		4,465,185	926,905		10,772,930		289,560		11,062,490		6,590,255	4,472,235
Special Funds		3,964,000		101,910	4,065,910		4,056,515	9,395		6,514,070		218,440		6,732,510		4,904,782	1,827,728
Reimbursements		0		0	0		0	0		0		0		0		0	0
Total Funding		9,221,000		237,000	9,458,000		8,521,700	936,300		17,287,000		508,000		17,795,000		11,495,037	6,299,963

State Controller's Office
California State Payroll System Project

FULL PROJECT TOTAL ¹²									
	Authorized Via BCP		Adjustments ⁶		Total Authorized		Actual Expenditures		Savings
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts
CSPS One-Time Project Positions									
Actual/Authorized Positions	25.0		0.0		25.0		20.4		
CSPS One-Time IT Project Costs									
Staff (Salaries & Benefits)		4,979,000		(1,252,000)		3,727,000		3,344,244	382,756
Hardware Purchase		0		0		0		34,390	(34,390)
Software Purchase/License		479,000		0		479,000		375,910	103,090
Telecommunications		43,000		(14,000)		29,000		19,508	9,492
Contract Services		22,087,000		(326,000)		21,761,000		15,735,412	6,025,588
Legal		0		0		0		0	0
Non-Legal		22,087,000		(326,000)		21,761,000		15,735,412	6,025,588
Data Center Services		1		(2,440)		(2,439)		1	(2,440)
Agency Facilities		2,090,000		(66,000)		2,024,000		462,789	1,561,211
Other OE&E		2,574,000		427,000		3,001,000		2,344,129	656,871
Total One-time IT Costs		32,252,001		(1,233,440)		31,018,561		22,316,385	8,702,177
CSPS Continuing IT Project Costs									
Staff (Salaries & Benefits)		10,825,000		479,000		11,304,000		9,358,983	1,945,017
Hardware Lease/Maintenance		0		0		0		0	0
Software Maintenance/Licenses		203,000		0		203,000		124,828	78,172
Telecommunications		81,000		(9,000)		72,000		29,716	42,284
Contract Services		0		0		0		0	0
Legal		0		0		0		0	0
Non-Legal		0		0		0		0	0
Data Center Services		0		0		0		0	0
Agency Facilities		1,008,000		9,000		1,017,000		921,204	95,796
Other		3,200,000		487,000		3,687,000		3,898,064	(211,064)
Total Continuing IT Costs		15,317,000		966,000		16,283,000		14,332,795	1,950,206
Total CSPS Project Costs		47,569,001		(267,440)		47,301,561		36,649,179	10,652,382
Project Funding									
General Fund		30,978,880		(570,350)		30,408,530		24,227,002	6,181,528
Special Funds		14,646,120		296,910		14,943,030		12,422,177	2,520,853
Reimbursements		1,944,000		6,000		1,950,000		0	1,950,000
Total Funding		47,569,000		(267,440)		47,301,560		36,649,179	10,652,381