STATE OF CALIFORNIA

Budget Change Proposal - Cover Sheet

DF-46 (REV 05/11)

Fiscal Year	BCP No.	Org. Code	Department	Priority No.
2013-14	3	0860	State Board of Equalization	3

Program	Element	Component
All Programs	ALL	

Proposal Title

FI$Cal IMPLEMENTATION RESOURCES

Proposal Summary

The Financial Information System of California (FI$Cal) is a partnership with the Department of Finance (DOF), Department of General Services (DGS), the California State Controller's Office (SCO), and the California State Treasurer's Office (STO). The intent is to reengineer the State business processes (budgeting, accounting, procurement, cash management, financial management, financial reporting, cost accounting, asset management, project accounting, grant management and human resources management) into a single system. The BOE is included in the first year of system deployment, FY 2013-14, preceeded by two years of planning and followed by one year of stabilization after full deployment, which will also be done in phases.

The BOE requests $1,732,000 for 13.2 positions in a two year limited-term capacity during FY 2013-14 for implementation of pre-wave procurement system activities as indicated by the FI$Cal team. The BOE anticipates future BCP requests for resources as the FI$Cal continues to roll out and additional functionality is added. This resource request is subject to change based on information received from the FI$Cal Project Team.

Requires Legislation	Code Section(s) to be Added/Amended/Repealed
☐ Yes ☒ No	

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the California Technology Agency, or previously by the Department of Finance.

☐ FSR ☐ SPR Project No. Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No

Attach comments of affected department, signed and dated by the department director or designee.

Budget Officer	Date	Chief, Financial Management	Date
Department Director, Administration	Date	Executive Director	Date

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Technology Agency

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA	Date submitted to the Legislature

STATE BOARD OF EQUALIZATION

FISCAL YEAR 2013-14

FI$CAL IMPLEMENTATION RESOURCES

A. Proposal Summary

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The BOE requests $1,732,000 for 13.2 positions in a two year limited-term capacity during FY 2013-14 for implementation of pre-wave procurement system activities as indicated by the FI$Cal team. The BOE anticipates future Budget Change Proposal (BCP) requests for resources as the FI$Cal continues to roll out and additional functionality is added. This resource request is subject to change based on information received from the FI$Cal Project Team.

B. Background/History

In 2005, the DOF developed a Feasibility Study Report (FSR) that proposed the implementation of a commercial-off-the-shelf (COTS) Budget Information System (BIS) to meet statewide and departmental budget development and administration needs.

Through collaboration and discussions with the project stakeholders, along with the information gathered and shared in researching efforts in other governments (state, local, and federal level) and private industry, brought the need to consolidate and modernize the state's entire financial management process into a single financial management system.

In December 2006, the DOF approved a Special Project Report (SPR) for FI$Cal. FI$Cal is a partnership between the agencies responsible for the state's financial management: the DOF, the SCO, the STO, and the DGS, collectively known as the "Partner Agencies."

Three additional SPRs have been submitted and approved for FI$Cal. The Project Review has not changed the overall project scope. The project goals, overall business requirements, and bundled procurement approach remained consistent with SPR #2. Rather, the review recommended the proposed implementation strategy and approach be revised to reduce the initial development costs and mitigate risks by reducing the functionality deployed in the first implementation (Wave One), along with reducing funding for the project by eliminating the need for program staff from the operating agencies, thus requiring the agencies to request the needed resources to support the project. The proposed strategy aligns with best practices in large public sector ERP implementations, and provides for early success, development of the Project Team's skills, and reassurance of the stakeholder community. The revised project strategy described in this document is largely a result of the Project Review and subsequent decisions of the FI$Cal Steering Committee.

C. State Level Considerations

The BOE collects taxes and fees that provide approximately 35.6 percent of the annual revenue for state government and essential funding for counties, cities, and special taxing districts. The BOE administers the state's sales and use, fuel, alcohol, tobacco, and other taxes and collects fees that fund specific state

programs, which, in FY 2009-10, produced $50.7 billion for education, public safety, transportation, housing, health services, social services, and natural resource management.

To facilitate effective decision-making, the State, and the BOE, must be able to provide current and accurate financial management information to taxpayers, the public, the Legislature/Legislative Analyst's Office, Department of Finance, the BOE management/staff and other customers and stakeholders. Only through a major business process transformation such as called for by the FI$Cal Project will the transparency of financial management information be possible.

D. Justification

The BOE anticipates submitting multiple BCP during the implementation of FI$Cal. Additional resources are needed to interface existing accounting, budget, and procurement/contract systems with the new FI$Cal system, as well as run dual systems to ensure the accuracy and integrity of the revenue data provided. The BOE is not a CALSTARS agency and currently has a category rather than a program budget.

The resources requested in this first BCP are specifically related to the pre-wave procurement system component of FI$Cal. Resources are needed in the BOE's accounting section, procurement section, and technology services department to facilitate the implementation of the pre-wave activities and to maintain both the old and the new systems.

E. Outcomes and Accountability

The resources requested in this proposal will ensure the accuracy and integrity of the account of revenue reported.

F. Analysis of All Feasible Alternatives

Alternative 1: Provide 13.2 two year limited-term positions for implementation of pre-wave procurement system activities as indicated by the FI$Cal team.

The BOE will submit future BCP requests for resources as the plan for FI$Cal deployment is rolled out. If the BOE is removed from the pre-wave, these resources will not be needed in FY 2013-14.

Resources are needed to support application development and system testing, to maintain both the old and new systems. These resources will make modifications to the Procurement, Contracts and Accounting (PCA) System and integrate this system and related accounting systems with the FI$Cal system.

Pros:

- Greatly increases the likelihood of a successful implementation of the FI$Cal system at the BOE
- Protects accuracy in reporting of state's revenue stream
- Gives the adequate amount of resources needed for pre-wave implementation
- Protects the integrity of revenue data provided by the BOE

Cons:

- Requires a budget augmentation of $1,732,000 in FY 2013-14 and $1,595,000 in FY 2014-15.

Alternative 2: Do not provide resources for pre-wave implementation efforts.

Pros:

- Eliminates the need for a budget augmentation

Cons:

- Jeopardizes the accuracy of the BOE's data and an accurate account of revenue may not be captured and reported
- Does not provide adequate amount of resources needed to ensure that the project will be a success during the transition
- Presents a possibility of failure during the implementation of the FI$Cal project
- May result in a catastrophic failure of the BOE's PCA systems and related accounting systems

G. Implementation Plan

The proposed implementation strategy utilizes a phased rollout of functionality and departments over a series of five waves and goes live in a period of five years with Operations and Maintenance continuing through Fourth Quarter of 2016.

The resources in this proposal will be effective July 1, 2013. The BOE is scheduled for Wave One implementation of the FI$Cal project and these positions will help to successfully implement the identified procurement pre-wave functionality.

- FY 2013-14
  - Hire and train staff
  - Establish statewide chart of accounts
  - Implement requisition for purchase order functionality
  - Interface existing accounting and procurement systems with FI$Cal
  - Maintain both existing system and new system to ensure integrity of the data
  - Troubleshoot problems and provide feedback to FI$Cal team

- FY 2014-15
  - Continue to maintain both existing and new systems to ensure integrity of the data
  - Troubleshoot problems and provide feedback to FI$Cal team
  - Begin preparing future (accounting or contract) systems for interface with FI$Cal depending on project schedule

H. Supplemental Information

☒ None ☐ Facility/Capital Costs ☐ Equipment ☐ Contracts ☐ Other _____

I. Recommendation

Alternative 1 is recommended. This alternative will allow the BOE implement pre-wave functionality of FI$Cal and mitigate the risk of a critical failure of the existing PCA systems.

DF-46 *(REV 05/11)*

Fiscal Summary

(Dollars in thousands)

BCP No.	Proposal Title	Program
3	FI$Cal	

Personal Services	Positions			Dollars		
	CY	BY	BY + 1	CY	BY	BY + 1
Total Salaries and Wages [1]	0.0	13.2	13.2		$876	$876
Total Staff Benefits [2]					$309	$309
Distributed Administration					$126	$116
Total Personal Services	0.0	13.2	13.2		$1,311	$1,301
Operating Expenses and Equipment						
General Expense					$156	$33
Distributed Administration					$31	$29
Printing						
Communications					$15	$10
Postage						
Travel-In State						
Travel-Out of State						
Training					$10	$10
Facilities Operations					$136	$136
Utilities					$2	$2
Consulting & Professional Services: Interdepartmental [3]						
Consulting & Professional Services: External [3]						
Data Center Services					$54	$54
Information Technology					$17	$20
Equipment [3]						
Other/Special Items of Expense: [4]						
Total Operating Expenses and Equipment					$421	$294
Total State Operations Expenditures					$1,732	$1,595
Fund Source	**Item Number**					
	Org	**Ref**	**Fund**			
General Fund	0860	001	0001		$973	$900
Special Funds[5]					$258	$234
Federal Funds						
Other Funds (Specify)						
Reimbursements	0860	001	0995		$501	$461
Total Local Assistance Expenditures						
Fund Source	**Item Number**					
	Org	**Ref**	**Fund**			
General Fund						
Special Funds[5]						
Federal Funds						
Other Funds (Specify)						
Reimbursements						
Grand Total, State Operations and Local Assistance					$1,732	$1,595

[1] Itemize positions by classification on the Personal Services Detail worksheet.

[2] Provide benefit detail on the Personal Services Detail worksheet.

[3] Provide list on the Supplemental Information worksheet.

[4] Other/Special Items of Expense must be listed individually. Refer to the Uniform Codes Manual for a list of standard titles.

[5] Attach a Fund Condition Statement that reflects special fund or bond fund expenditures (or revenue) as proposed.

Personal Services Detail

(Whole dollars)

BCP No.	Proposal Title
3	FI$Cal

Salaries and Wages Detail

Classification [1] [2] [4]	Positions			Salary Range	Dollars		
	CY	BY	BY + 1		CY	BY	BY + 1
Administration-Accounting							
Associate Accounting Analyst		2.0	2.0	$61,416	$0	$122,832	$122,832
System Software Specialist I (Technical)		1.0	1.0	$69,180	$0	$69,180	$69,180
System Software Specialist II (Technical)		1.0	1.0	$75,948	$0	$75,948	$75,948
Administration-ASD Acquisitions							
Associate Govt. Program Analyst		4.0	4.0	$58,488	$0	$233,952	$233,952
Technology Services Department							
Staff Info. Systems Analyst (Spec.)		2.0	2.0	$69,192	$0	$138,384	$138,384
Staff Info. Systems Analyst (Spec.)		1.0	1.0	$69,192	$0	$69,192	$69,192
Staff Programmer Analyst (Spec.)		1.0	1.0	$69,192	$0	$69,192	$69,192
Blanket Funds:							
Overtime	0.0	0.4	0.4		0	31,147	31,147
Temporary Help	0.0	1.2	1.2		0	66,223	66,223
Total Salaries and Wages [3]	0.0	13.2	13.2		$0	$876,050	$876,050

Staff Benefits Detail	CY	BY	BY + 1
OASDI		67,018	67,018
Health/Dental/Vision Insurance		111,899	111,899
Retirement		125,282	125,282
Miscellaneous			
Workers' Compensation		507	507
Industrial Disability Leave		727	727
Non-Industrial Disability Leave		651	651
Unemployment Insurance		422	422
Other:		2,839	2,839
Total Staff Benefits [3]	$0	$309,345	$309,345
Grand Total, Personal Services	$0	$1,185,395	$1,185,395

[1] Use standard abbreviations per the Salaries and Wages Supplement. Show any effective date or limited-term expiration date in parentheses if the position is not proposed for a full year or is not permanent, e.g. (exp 6-30-13) or (eff 1-1-13)
Note: Information provided should appear in the same format as it would on the Changes in Authorized Positions.

[2] If multiple programs require positions, please include a subheading under the classification section to identify positions by

[3] Totals must be rounded to the nearest thousand dollars before posting to the Fiscal Summary.

[4] Two-Year Limited Term position starting July 2013.

Supplemental Information

(Dollars in thousands)

BCP No.	Proposal Title
3	FI$Cal

Equipment	CY	BY	BY +1
Standard Complement		$382	$255
Total		$382	$255

Consulting & Professional Services			
Total			

Facility/Capital Costs			
Facility		$136	$136
Capital Costs		$2	$2
Total		$138	$138

One-Time/Limited-Term Costs Yes ☐ No ☐

Description	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
General Expense		$156		$31		
Communications		$5				
Data Center		$54		$54		
Information Technology		$17		$20		
	0.0	$232	0.0	$105	0.0	

Full-Year Cost Adjustment Yes ☐ No ☐

Provide the incremental change in dollars and positions by fiscal year.

Item Number	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
	13.2	$1,732	0.0	-$137		
Total	13.2	$1,732	0.0	-$137	0.0	

Future Savings Yes ☐ No ☐

Specify fiscal year and estimated savings, including any decrease in positions.

Item Number	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
Total	0.0		0.0		0.0	

Special Fund Detail

(Dollars in thousands)

BCP No.	Proposal Title
3	FI$Cal

Special Fund Title	Item Number			Dollars		
	Org	Ref	Fund	CY	BY	BY + 1
Breast Cancer Fund	0860	001	0004		$3	$2
State Emergency Telephone	0860	001	0022		$5	$5
Motor Vehicle Fuel Account	0860	001	0061		$84	$77
Occupational Lead Prevention Fund	0860	001	0070		$3	$2
Childhood Lead Poisoning Prev. Fund	0860	001	0080		$2	$2
Cig. and Tobacco Prod. Surtax Fund	0860	001	0230		$33	$30
Oil Spill Prevention and Admin. Fund	0860	001	0320		$1	$1
Integrated Waste Management	0860	001	0387		$2	$2
Underground Storage Tank Fund	0860	001	0439		$11	$10
Energy Resources Programs Account	0860	001	0465		$1	$1
CA. Children and Families First Trust Fund	0860	001	0623		$58	$53
Federal Trust Fund	0860	001	0890		$1	$1
Timber Tax Fund	0860	001	0965		$8	$7
Gas Consumption Surcharge Fund	0860	001	3015		$2	$2
Water Rights Fund	0860	001	3058		$2	$1
State Responsibility Area	0860	001	3063		$22	$20
Elec. Waste Recovery and Recycling Acct.	0860	001	3065		$16	$15
Cig. and Tobacco Prod. Compliance Fund	0860	001	3067		$4	$3
Total Special Funds - State Operations [1]					$258	$234

Special Fund Title	Item Number			Dollars		
	Org	Ref	Fund	CY	BY	BY + 1
Total Special Funds - Local Assistance [2]						

[1] Total must tie to "various" funds identified for State Operations, Special Funds in the Fiscal Summary. Add rows if necessary.

[2] Total must tie to "various" funds identified for Local Assistance, Special Funds in the Fiscal Summary.