

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 10/20)

Fiscal Year 2023-24	Business Unit 2660	Department Department of Transportation	Priority No. Click or tap here to enter text.
Budget Request Name 2660-169-BCP-2023-MR		Program 9900100 Administration 9900200 Administration-Distributed 1850010 – Equipment Service Program 1850019 – Distributed Equipment Services Program Cost	Subprogram Click or tap here to enter text.

Budget Request Description
 Fl\$Cal Onboarding

Budget Request Summary

The California Department of Transportation requests a one-time increase of \$6,637,000 and 27 positions to support the transition to the Financial Information System of California (Fl\$Cal).

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Marcie Kahbody (Acting)	Date Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Click or tap here to enter text. **Project Approval Document:** Click or tap here to enter text.

Approval Date: Click or tap to enter a 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.

Prepared By GILBERT PETRISSANS	Date Click or tap to enter a date.	Reviewed By KEITH DUNCAN	Date Click or tap to enter a date.
Department Director TONY TAVARES	Date Click or tap to enter a date.	Agency Secretary TOKS OMISHAKIN	Date Click or tap to enter a date.

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA STEVE WELLS	Date submitted to the Legislature 5/12/2023
----------------------------	---

A. Budget Request Summary

The California Department of Transportation (Caltrans) requests a one-time increase of \$6,637,000, which includes \$3,750,000 in personnel services (PS) for twenty-seven (27) positions, and operating expenses of \$2,887,000 of which \$2,650,000 is for professional consulting services. These resources will support the increased workload for Caltrans on-boarding to the FI\$Cal system (system).

B. Background/History

Caltrans implemented a commercial off-the-shelf enterprise resource planning system, CGI Advantage v3.7 (Advantage), in July 2010. As a result of this approved enterprise financial management system effort, Caltrans was deferred from the System with the understanding that Caltrans would seek approval from the Department of FISCAL (FI\$Cal) when Caltrans needed to upgrade its software.

FI\$Cal conducted a functional business fit/gap analysis in May 2020 and issued its conclusion in October 2020. Although the fit/gap analysis identified gaps between the System and Caltrans' business needs, FI\$Cal informed Caltrans in February 2021 that it believes the gaps could be mitigated and Caltrans would on-board to the system.

This request provides resources needed to continue the in-depth analysis of the Business and Technical Gaps identified during the planning phase of this effort and to begin Onboarding tasks as scheduled in the Master Department Workplan (MDW). The on-going analysis of the Business and Technical Gaps will help guide the overall Onboarding tasks listed in the MDW moving forward and provide additional support for future resource requests to continue the onboarding effort. In addition, the resources requested will support increased workload related to an in-depth review of the fit/gap analysis, documenting the "as-is" business processes, interface and conversion assessments, and Fiscal Learning Center (FLC) training for Caltrans.

Administration Program Resource History (Dollars in thousands)

Program Budget	2017-18	2018-19	2019-20	2020-21	2021-22
Authorized Expenditures	\$391,715	\$433,309	\$419,247	\$408,232	\$409,527
Actual Expenditures	\$349,297	\$437,194	\$416,391	\$401,830	\$405,655
Authorized Positions	1,535.5	1,536.5	1,518.5	1,515.5	1,520.5
Filled Positions	1,564.7	1,546.3	1,582.5	1,617.4	1,677.9
Vacant	-29.2	-9.8	-64	-101.9	-157.4

Analysis of Problem

C. State Level Consideration

This proposal supports the Caltrans' 2020-2024 Strategic Plan goal to Strengthen Stewardship and Drive Efficiency. Specifically, transitioning to the System would meet the department's strategy to standardize and modernize Caltrans' equipment, facilities, and technology, and supporting work practices. Approval of this request would provide resources to begin strategically planning the transition from Caltrans' financial management system to the statewide System, which provides a stable, functional, and secure system to meet the financial and reporting requirements of the State Controller's Office, the Department of Finance, the Department of General Services, and FI\$Cal. In addition, System implementation will enable Caltrans to continue performing its mission critical activities while serving and providing accurate financial and project information to Caltrans' stakeholders.

D. Justification

FI\$Cal conducted a functional business performance fit/gap analysis in May 2020 and concluded that the System could meet Caltrans' critical financial management and business operation needs. Working closely with FI\$Cal, this request will provide the necessary resources for Caltrans to assess critical gaps and begin onboarding and performing MDW tasks.

The requested resources will support the following major functions:

- Project Management
- On-boarding Activities, include the following:
 - Analysis of the functional business fit/gap
 - Conversion Assessment
 - Interface Assessment
 - FLC Training for Caltrans to be introduced to the functions of the new System
 - Organizational Change Management

This request includes 27 positions in fiscal year (FY) 2023-24 to execute the functions listed above. Additionally, Advantage integrates with twenty-four (24) legacy systems which are critical to Caltrans business objectives. The fit/gap analysis indicates that there are systems other than Advantage that may be converted. If other systems are converted it will result in more requirements and additional interfaces. To ensure a smooth transition to and deployment of the FI\$Cal System, it is crucial for Caltrans to have dedicated experienced staff, commonly referred to as Subject Matter Experts (SMEs) and/or super users participating on this project. The SMEs will work closely with the FI\$Cal deployment team to develop a comprehensive knowledge of the new System and how it will be utilized to meet Caltrans' mission critical needs.

Analysis of Problem

The following table details the requested positions by division and classification:

Division	Classification	Positions BY
Accounting	Accounting Administrator III	1
	Accounting Administrator II (Sup)	2
	Staff Service Manager II (Specialist)	1
	Accounting Administrator I (Specialist)	11
Budgets	Associate Governmental Program Analyst	1
	Staff Service Manager I (Sup)	1
Procurement and Contracts	Staff Service Manager I (Sup)	1
	Associate Governmental Program Analyst	2
Information Technology	Information Technology Specialist III	1
	Information Technology Specialist II	3
	Information Technology Specialist I	2
Equipment	Staff Service Manager I (Specialist)	1
Total Positions		27

This is a follow-up request to the one-time resources approved in the 2022-23 Enacted Budget for preliminary planning. The requested resources are needed to support increased workload over the on-boarding period in reviewing, analyzing, and updating business and technical gaps, business requirements and business processes, identifying system interfaces, data conversion, testing, training, reporting, cybersecurity, communication, and organizational change management. These resources will support administrative services positions in the Division of Accounting, Division of Budgets, Division of Information Technology, Division of Procurement and Contracts, and the Division of Equipment.

More specifically, the requested resources will support the following major on-boarding activities:

- Project Management – coordinate and lead the Caltrans implementation team
- Business Requirements – review, analysis, document, and update
- Business Operations – review, analysis, document, and update
- Procedures/Desk Manuals – review, update, and create
- Testing – create and execute scripts, validation
- Training – FLC training for Caltrans, develop Caltrans training materials and provide training to over 4,000 Caltrans users
- Data Conversion – create functional and technical specifications, cleanse, and migrate data
- System Interfaces – identify interfaces and recreate for the FI\$Cal System
- Legacy Systems – update and reconfigure legacy information with FI\$Cal System Chart of Account information
- Reporting – compare FI\$Cal System reports based on coding structures, business rules, and data element availability to create or modify reports to align with mission critical needs
- IT Security – provide cybersecurity oversight, guidance, and support

Analysis of Problem

- Organizational Change Management – create plan, determine messages, and deliver communication through multiple channels to stakeholders

Professional consulting services resources totaling \$2,650,000 are also included in this request. Specifically, Caltrans will seek:

- Organizational Change Management consulting services to provide strategies for effecting change, controlling change, and helping staff adapt to change;
- Data Conversion consulting services to ensure data is successfully exported, cleansed, imported, and validated from Advantage and other Caltrans legacy systems that are being replaced by the System; Interface consulting services to build and validate the interfaces between the System and Caltrans Legacy systems;
- Data Reporting consulting services to compare System reports based on coding structures, business rules, and data element availability to create or re-engineer reports to align with mission critical needs (the data reporting consulting services will also address the current Corporate Reports and Business Intelligence needs of Caltrans);
- Testing consulting services to test the interfaces, data conversion, business processes and all the new FI\$Cal System functionality that is added for Caltrans.

This request does not include positions beyond FY 2023-24 for the full on-boarding schedule nor unanticipated workload increases that may result from new business operations and processes, interfaces, etc. in the System to meet Caltrans critical business requirements. Caltrans will continually reassess needs and, if needed, a request for additional resources beyond FY 2023-24 will be submitted.

E. Outcomes and Accountability

Transitioning to the System will enable Caltrans to perform accounting, budgeting, cash management, and procurement functions transparently and efficiently. In addition, Caltrans will continue to perform its statutory requirements, including the following mission critical activities:

- Transportation project initiation, close-out, and cost accounting of over 26,000 active transportation projects
- Billing and collection of over \$4.5 billion in Federal Reimbursements annually
- Preparation of over 100 financial statements for 48 funds
- Timely payment of approximately 1 million invoices for over 7 billion of expenditures annually
- Collection of over 30,000 accounts receivables for over \$1 billion in revenue, reimbursements, and abatements annually
- Accurate budgeting and forecasting of Caltrans's \$20 billion budget
- Efficient reporting of asset inventory, value, and depreciation of assets

F. Analysis of All Feasible Alternatives

Alternative 1: Approve Caltrans request for \$6,637,000 from the SHA, which includes \$3,750,000 in personal services dollars for 27 positions and operating expenses totaling \$2,887,000 of which \$2,650,000 is for professional consulting services resources for FY 2023-24 to on-board into the FI\$Cal System (System).

Pros:

- Provides the resources to support Caltrans transition to the FI\$Cal System

Analysis of Problem

- Caltrans will be on the statewide financial platform

Cons:

- Requires significant resources to fund this request

Alternative 2: Deny this request

Pros:

- Eliminates this request for resources

Cons:

- Forces Caltrans to redirect existing staff that will take away from department standard business operations
- Eliminates Caltrans' ability to dedicate staff full-time to the project
- Reduces Caltrans' ability to provide resources to FI\$Cal to provide a comprehensive understanding of Caltrans' complex financial management needs
- May delay Caltrans full migration to the FI\$Cal System beyond the estimated three-year on-boarding period

G. Implementation Plan

Preliminary on-boarding activities would begin July 1, 2023.

H. Supplemental Information

N/A

I. Recommendation

Caltrans recommends the approval of Alternative 1: Approve Caltrans request for \$6,637,000 from the SHA, which includes \$3,750,000 in personal services dollars for 27 positions and operating expenses totaling \$2,887,000 of which \$2,650,000 is for professional consulting services resources for FY 2023-24 to on-board into the FI\$Cal System (System).

Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.

BCP Fiscal Detail Sheet

BCP Title: Fi\$Cal Onboarding

BR Name: 2660-169-BCP-2023-MR

Budget Request Summary

	FY23					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Personal Services						
Positions - Permanent	0.0	27.0	0.0	0.0	0.0	0.0
Total Positions	0.0	27.0	0.0	0.0	0.0	0.0
Salaries and Wages						
Earnings - Permanent	0	2,317	0	0	0	0
Total Salaries and Wages	\$0	\$2,317	\$0	\$0	\$0	\$0
Total Staff Benefits	0	1,433	0	0	0	0
Total Personal Services	\$0	\$3,750	\$0	\$0	\$0	\$0
Operating Expenses and Equipment						
5301 - General Expense	0	148	0	0	0	0
5302 - Printing	0	6	0	0	0	0
5304 - Communications	0	29	0	0	0	0
5306 - Postage	0	1	0	0	0	0
5320 - Travel: In-State	0	20	0	0	0	0
5322 - Training	0	3	0	0	0	0
5326 - Utilities	0	22	0	0	0	0
5340 - Consulting and Professional Services - External	0	2,650	0	0	0	0
5344 - Consolidated Data Centers	0	8	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$2,887	\$0	\$0	\$0	\$0
Total Budget Request	\$0	\$6,637	\$0	\$0	\$0	\$0
Fund Summary						
Fund Source - State Operations						
0042 - State Highway Account, State Transportation Fund	0	6,637	0	0	0	0
Total State Operations Expenditures	\$0	\$6,637	\$0	\$0	\$0	\$0
Total All Funds	\$0	\$6,637	\$0	\$0	\$0	\$0
Program Summary						
Program Funding						
1835010 - Capital Outlay Support	0	2,523	0	0	0	0

Analysis of Problem

1835020 - Local Assistance	0	82	0	0	0	0
1835029 - Program Development	0	91	0	0	0	0
1835038 - Legal	0	125	0	0	0	0
1835047 - Operations	0	598	0	0	0	0
1835056 - Maintenance	0	2,995	0	0	0	0
1845013 - Statewide Planning	0	223	0	0	0	0
9900100 - Administration	0	6,637	0	0	0	0
9900200 - Administration - Distributed	0	-6,637	0	0	0	0
Total All Programs	\$0	\$6,637	\$0	\$0	\$0	\$0

Analysis of Problem

BCP Title: Fi\$Cal Onboarding

BR Name: 2660-169-BCP-2023-MR

Personal Services Details

Salary Information

Positions	Min	Mid	Max	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
1402 - Info Tech Spec I (Eff. 07-01-2023)(LT 06-30-2024)				0.0	2.0	0.0	0.0	0.0	0.0
1414 - Info Tech Spec II (Eff. 07-01-2023)(LT 06-30-2024)				0.0	3.0	0.0	0.0	0.0	0.0
1415 - Info Tech Spec III (Eff. 07-01-2023)(LT 06-30-2024)				0.0	1.0	0.0	0.0	0.0	0.0
4542 - Accounting Administrator II (Eff. 07-01-2023)(LT 06-30-2024)				0.0	2.0	0.0	0.0	0.0	0.0
4545 - Accounting Administrator III (Eff. 07-01-2023)				0.0	1.0	0.0	0.0	0.0	0.0
4552 - Accounting Administrator I (Spec) (Eff. 07-01-2023)(LT 06-30-2024)				0.0	11.0	0.0	0.0	0.0	0.0
4800 - Staff Svcs Mgr I (Eff. 07-01-2023)(LT 06-30-2024)				0.0	3.0	0.0	0.0	0.0	0.0
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2023)(LT 06-30-2024)				0.0	3.0	0.0	0.0	0.0	0.0
VR00 - Various				0.0	1.0	0.0	0.0	0.0	0.0
Total Positions				0.0	27.0	0.0	0.0	0.0	0.0

Salaries and Wages	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
1402 - Info Tech Spec I (Eff. 07-01-2023)(LT 06-30-2024)	0	167	0	0	0	0
1414 - Info Tech Spec II (Eff. 07-01-2023)(LT 06-30-2024)	0	332	0	0	0	0
1415 - Info Tech Spec III (Eff. 07-01-2023)(LT 06-30-2024)	0	122	0	0	0	0
4542 - Accounting Administrator II (Eff. 07-01-2023)(LT 06-30-2024)	0	194	0	0	0	0
4545 - Accounting Administrator III (Eff. 07-01-2023)	0	112	0	0	0	0
4552 - Accounting Administrator I (Spec) (Eff. 07-01-2023)(LT 06-30-2024)	0	901	0	0	0	0
4800 - Staff Svcs Mgr I (Eff. 07-01-2023)(LT 06-30-2024)	0	265	0	0	0	0
5393 - Assoc Govtl Program Analyst (Eff. 07-	0	224	0	0	0	0

Analysis of Problem

01-2023)(LT 06-30-2024)

VR00 - Various	0	0	0	0	0	0
Total Salaries and Wages	\$0	\$2,317	\$0	\$0	\$0	\$0
Staff Benefits						
5150350 - Health Insurance	0	430	0	0	0	0
5150600 - Retirement - General	0	833	0	0	0	0
5150820 - Other Post-Employment Benefits (OPEB) Employer Contributions	0	82	0	0	0	0
5150900 - Staff Benefits - Other	0	88	0	0	0	0
Total Staff Benefits	\$0	\$1,433	\$0	\$0	\$0	\$0
Total Personal Services	\$0	\$3,750	\$0	\$0	\$0	\$0