



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

October 1, 2025

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

SUBJECT: 2024-25 Report to the Legislature on the California State Payroll System Project

Dear Senator Wiener:

The State Controller's Office (SCO) respectfully submits the 2024-25 Report to the Legislature on the California State Payroll System Project (Project).

The 2025 Budget Act requires the SCO to 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details the requested information as well as final dollars expended on the Project in 2024-25 back to 2016-17 for historical reference. SCO received Stage 4 Project Readiness and Approval from the California Department of Technology on January 17, 2025, and executed a contract with a Solution Integrator on March 13, 2025. The project team is working to complete Project Planning, Design Planning, and Scope Validation prior to beginning phase one of the Design, Development, Configuration and Implementation (DDCI) activities in early 2026.

If you have any questions regarding this information, please call Jennifer Burkett, Project Director, at (916) 322-4362.

Sincerely,

A handwritten signature in black ink, appearing to read "C Leal", is written over a light blue horizontal line.

CATHY LEAL
Chief Operating Officer

Enclosures

cc: Senator Benjamin Allen, Joint Legislative Budget Committee
Senator Christopher Cabaldon, Joint Legislative Budget Committee
Senator John Laird, Joint Legislative Budget Committee
Senator Roger W. Niello, Joint Legislative Budget Committee
Senator Rosilicie Ochoa Bogh, Joint Legislative Budget Committee

Senator Laura Richardson, Joint Legislative Budget Committee
Senator Dr. Akilah Weber Pierson, Joint Legislative Budget Committee
Assembly Member Jesse Gabriel, Vice-Chair, Joint Legislative Budget Committee
Assembly Member Dawn Addis, Joint Legislative Budget Committee
Assembly Member David A. Alvarez, Joint Legislative Budget Committee
Assembly Member Steve Bennett, Joint Legislative Budget Committee
Assembly Member Heath Flora, Joint Legislative Budget Committee
Assembly Member Dr. Corey A. Jackson, Joint Legislative Budget Committee
Assembly Member Joe Patterson, Joint Legislative Budget Committee
Assembly Member Sharon Quirk-Silva, Joint Legislative Budget Committee
Assembly Member Matt Haney, Assembly Budget Subcommittee #5
Assembly Member Liz Ortega, Assembly Budget Subcommittee #5
Assembly Member Greg Wallis, Assembly Budget Subcommittee #5
Assembly Member Christopher M. Ward, Assembly Budget Subcommittee #5
Senator Lola Smallwood-Cuevas, Senate Budget and Fiscal Review Subcommittee #4
Craig Wilson, Senate Republican Leader's Office
Paul Dress, Assembly Republican Caucus
Katja Townsend, Assembly Republican Leader's Office
Elisa Wynne, Staff Director, Senate Budget Subcommittee #4
Jessica Uzarski, Consultant, Senate Budget Subcommittee #4
Christian Griffith, Chief Consultant, Assembly Budget Subcommittee #5
Carolyn Chu, Deputy Legislative Analyst, State and Local Finance, Legislative Analyst's Office
Ann Hollingshead, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
Nick Shroeder, Privacy, Security, and Technology Analyst, Legislative Analyst's Office
Xin Ma, Privacy, Security, and Technology 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
Matt Aguilera, Principal Program Budget Analyst, Department of Finance
Tuyen Le, Finance Budget Analyst, Department of Finance
Chinyere Emodi, State Chief Project Officer, Department of Technology
Tony Molina, Project Approval and Oversight Branch Chief, Department of Technology
Anooja Tandon, Project Approval and Oversight Branch Chief, Department of Technology
Jennifer Burkett, California State Payroll System Project Director, State Controller's Office
Brandon Rutschmann, California State Payroll System Project Director, Department of Human Resources
Lisa Dean, Acting Chief, Personnel and Payroll Services 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, 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		Total Authorized		Authorized Via BCP		Adjustments		Total Authorized	
	PYs	Amts	PYs	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		1,837,000		(54,000)		1,783,000
Hardware Purchase		0		0		0		0		0		0
Software Purchase/License		0		0		0		0		0		0
Telecommunications		5,000		0		5,000		16,000		(3,000)		13,000
Contract Services		1,808,000		0		1,808,000		2,345,000		(356,000)		1,989,000
Legal		0		0		0		0		0		0
Non-Legal		1,808,000		0		1,808,000		2,345,000		(356,000)		1,989,000
Data Center Services		0		(2,440)		(2,440)		0		0		0
Agency Facilities		972,000		3,000		975,000		1,118,000		(69,000)		1,049,000
Other OE&E		26,000		2,000		28,000		485,000		514,000		999,000
Total One-time IT Costs		3,349,000		14,560		3,363,560		5,801,000		32,000		5,833,000
CSPS Continuing IT Project Costs												
Staff (Salaries & Benefits)		0		0		0		0		0		0
Hardware Lease/Maintenance		0		0		0		0		0		0
Software Maintenance/Licenses		0		0		0		0		0		0
Telecommunications		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0
Legal		0		0		0		0		0		0
Non-Legal		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0
Other		0		0		0		0		0		0
Total Continuing IT Costs		0		0		0		0		0		0
Total CSPS Project Costs		3,349,000		14,560		3,363,560		5,801,000		32,000		5,833,000
Project Funding												
General Fund		1,355,000		14,000		1,369,000		2,753,000		50,000		2,803,000
Special Funds		1,022,000		(2,440)		1,019,560		2,076,000		(21,000)		2,055,000
Reimbursements		972,000		3,000		975,000		972,000		3,000		975,000
Total Funding		3,349,000		14,560		3,363,560		5,801,000		32,000		5,833,000

Notes:

¹ Adjustments include reduction of \$83.2M for Solution Integrator which was approved for partial reappropriation to FY 2024-25.

² Expenditures updated to reflect disencumbrance of contract (Non-Legal) funds.

³ Adjustments include reduction of \$28.5M for DART services that was never fully appropriated due to delays with Stage 4 approval.

⁴ Expenditures updated to reflect disencumbrance of contract (Non-Legal and Training) funds.

⁵ Adjustments include movement of SI \$10.4M funding to align with expenditures and various budget adjustments due to salary increases, retirement adjustments, etc.

⁶ Totals include full project costs to date (2016-17 through 2024-25).

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

	FY 2018-19							FY 2019-20								
	Authorized Via BCP		Adjustments		Total Authorized		Actual Expenditures	Savings	Authorized Via BCP		Adjustments		Total Authorized		Actual Expenditures	Savings
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	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		699,000		(604,000)		95,000	
Hardware Purchase	0		0		0		0		0		0		0		0	
Software Purchase/License	0		0		0		0		0		75,000		0		75,000	
Telecommunications	14,000		(5,000)		9,000		6,000		3,000		7,000		(6,000)		1,000	
Contract Services	1,075,000		0		1,075,000		1,025,456		49,544		3,520,000		30,000		3,550,000	
Legal	0		0		0		0		0		0		0		0	
Non-Legal	1,075,000		0		1,075,000		1,025,456		49,544		3,520,000		30,000		3,550,000	
Data Center Services	0		0		0		0		0		0		0		0	
Agency Facilities	0		0		0		0		0		0		0		0	
Other OE&E	122,000		(54,000)		68,000		682,182		(614,182)		223,000		(35,000)		188,000	
Total One-time IT Costs	2,859,000		(665,000)		2,194,000		2,166,576		27,425		4,524,000		(615,000)		3,909,000	
CSPS Continuing IT Project Costs																
Staff (Salaries & Benefits)	1,446,000		0		1,446,000		1,470,900		(24,900)		2,337,000		(107,000)		2,230,000	
Hardware Lease/Maintenance	0		0		0		0		0		0		0		0	
Software Maintenance/Licenses	0		0		0		0		0		8,000		0		8,000	
Telecommunications	10,000		0		10,000		3,035		6,965		17,000		(9,000)		8,000	
Contract Services	0		0		0		0		0		0		0		0	
Legal	0		0		0		0		0		0		0		0	
Non-Legal	0		0		0		0		0		0		0		0	
Data Center Services	0		0		0		0		0		0		0		0	
Agency Facilities	245,000		0		245,000		149,337		95,663		245,000		(109,000)		136,000	
Other	79,000		0		79,000		70,090		8,910		141,000		446,000		587,000	
Total Continuing IT Costs	1,780,000		0		1,780,000		1,693,362		86,638		2,748,000		221,000		2,969,000	
Total CSPS Project Costs	4,639,000		(665,000)		3,974,000		3,859,938		114,063		7,272,000		(394,000)		6,878,000	
Project Funding																
General Fund	4,639,000		(665,000)		3,974,000		3,859,938		114,062		6,201,950		(394,000)		5,807,950	
Special Funds	0		0		0		0		0		1,070,050		0		1,070,050	
Reimbursements	0		0		0		0		0		0		0		0	
Total Funding	4,639,000		(665,000)		3,974,000		3,859,938		114,062		7,272,000		(394,000)		6,878,000	

State Controller's Office
California State Payroll System Project

	FY 2020-21						FY 2021-22													
	Authorized Via BCP		Adjustments		Total Authorized		Actual Expenditures		Savings		Authorized Via BCP		Adjustments		Total Authorized		Actual Expenditures		Savings	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	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			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		4,340,143	45,857		8,953,000		0		8,953,000		3,867,273		5,085,727		
Legal		0		0	0		0	0		0		0		0		0		0		
Non-Legal		4,386,000		0	4,386,000		4,340,143	45,857		8,953,000		0		8,953,000		3,867,273		5,085,727		
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		560,450		480,550		
Total One-time IT Costs		5,328,000		0	5,328,000		5,015,346	312,654		10,391,000		0		10,391,000		4,799,212		5,591,788		
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		2,147,276		(337,276)		
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		6,212,072		1,191,928		
Total CSPS Project Costs		9,221,000		237,000	9,458,000		8,475,843	982,157		17,287,000		508,000		17,795,000		11,011,284		6,783,716		
Project Funding																				
General Fund		5,257,000		135,090	5,392,090		4,419,328	972,762		10,772,930		289,560		11,062,490		6,106,502		4,955,988		
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		8,475,843	982,157		17,287,000		508,000		17,795,000		11,011,284		6,783,716		

State Controller's Office
California State Payroll System Project

	FY 2022-23						FY 2023-24					
	Authorized Via BCP		Adjustments ¹		Total Authorized		Actual Expenditures ²		Savings		Authorized Via BCP	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
CSPS One-Time Project Positions												
Actual/Authorized Positions	94.5		0.0		94.5		49.3				104.5	
CSPS One-Time IT Project Costs												
Staff (Salaries & Benefits)		435,000		0		435,000		254,573		180,427		435,000
Hardware Purchase		99,000		0		99,000		99,266		(266)		71,000
Software Purchase/License		83,742,000		(83,250,000)		492,000		271,105		220,895		83,753,000
Telecommunications		0		0		0		0		0		0
Contract Services		9,008,000		0		9,008,000		4,554,352		4,453,648		45,158,000
Legal		0		0		0		0		0		0
Non-Legal		9,008,000		0		9,008,000		4,554,352		4,453,648		45,158,000
Data Center Services		0		0		0		0		0		866,000
Agency Facilities		0		0		0		0		0		0
Other OE&E		317,000		0		317,000		568,717		(251,717)		0
Total One-time IT Costs		93,601,000		(83,250,000)		10,351,000		5,748,013		4,602,987		130,283,000
CSPS Continuing IT Project Costs												
Staff (Salaries & Benefits)		13,720,000		734,000		14,454,000		7,591,285		6,862,715		15,330,000
Hardware Lease/Maintenance		0		0		0		0		0		0
Software Maintenance/Licenses		491,000		0		491,000		179,832		311,168		1,150,000
Telecommunications		95,000		0		95,000		16,952		78,048		105,000
Contract Services		0		0		0		0		0		0
Legal		0		0		0		0		0		0
Non-Legal		0		0		0		0		0		0
Data Center Services		0		0		0		5,697		(5,697)		0
Agency Facilities		350,000		118,000		468,000		112,807		355,193		308,000
Other		681,000		(21,000)		660,000		1,140,209		(480,209)		790,000
Total Continuing IT Costs		15,337,000		831,000		16,168,000		9,046,782		7,121,218		17,683,000
Total CSPS Project Costs		108,938,000		(82,419,000)		26,519,000		14,794,795		11,724,205		147,966,000
Project Funding												
General Fund		108,938,000		(82,419,000)		26,519,000		14,794,795		11,724,205		136,266,000
Special Funds		0		0		0		0		0		11,700,000
Reimbursements		0		0		0		0		0		0
Total Funding		108,938,000		(82,419,000)		26,519,000		14,794,795		11,724,205		147,966,000

State Controller's Office
California State Payroll System Project

	FY 2024-25						FULL PROJECT TOTAL ⁶									
	Authorized Via BCP		Adjustments ⁵		Total Authorized	Actual Expenditures	Savings	Authorized Via BCP		Adjustments		Total Authorized	Actual Expenditures	Savings		
	PYs	Amts	PYs	Amts	PYs	Amts	Amts	PYs	Amts	PYs	Amts	PYs	Amts	Amts		
CSPS One-Time Project Positions																
Actual/Authorized Positions	105.0		0.0		105.0		86.0		105.0			105.0		86.0		
CSPS One-Time IT Project Costs																
Staff (Salaries & Benefits)		372,000		0		372,000		548,701	(176,701)		6,221,000	(1,252,000)		4,969,000	4,762,565	206,435
Hardware Purchase		0		0		0		13,292	(13,292)		170,000	0		170,000	326,323	(156,323)
Software Purchase/License		11,483,000		(10,406,000)		1,077,000		2,581,866	(1,504,866)		179,457,000	(176,906,000)		2,551,000	3,544,787	(993,787)
Telecommunications		0		0		0		0	0		43,000	(14,000)		29,000	19,508	9,492
Contract Services		3,150,000		10,406,000		13,556,000		13,593,970	(37,970)		79,403,000	(18,420,000)		60,983,000	45,964,970	15,018,030
Legal		0		0		0		0	0		0	0		0	0	0
Non-Legal		3,150,000		10,406,000		13,556,000		13,593,970	(37,970)		79,403,000	(18,420,000)		60,983,000	45,964,970	15,018,030
Data Center Services		866,000		0		866,000		1,104,099	(238,099)		1,732,000	(2,440)		1,729,560	2,410,040	(680,480)
Agency Facilities		0		0		0		0	0		2,090,000	(66,000)		2,024,000	462,789	1,561,211
Other OE&E		0		0		0		74,655	(74,655)		2,891,000	427,000		3,318,000	3,080,001	237,999
Total One-time IT Costs		15,871,000		0		15,871,000		17,916,583	(2,045,583)		272,007,000	(196,233,440)		75,773,560	60,570,984	15,202,576
CSPS Continuing IT Project Costs																
Staff (Salaries & Benefits)		15,437,000		1,353,000		16,790,000		14,786,409	2,003,591		55,312,000	3,920,000		59,232,000	44,032,936	15,199,064
Hardware Lease/Maintenance		0		0		0		0	0		0	0		0	0	0
Software Maintenance/Licenses		1,152,000		0		1,152,000		181,207	970,794		2,996,000	0		2,996,000	580,426	2,415,574
Telecommunications		105,000		0		105,000		4,179	100,821		386,000	(9,000)		377,000	59,842	317,158
Contract Services		0		0		0		12,043	(12,043)		0	0		0	12,161	(12,161)
Legal		0		0		0		0	0		0	0		0	0	0
Non-Legal		0		0		0		12,043	(12,043)		0	0		0	12,161	(12,161)
Data Center Services		0		0		0		26,921	(26,921)		0	0		0	67,997	(67,997)
Agency Facilities		245,000		118,000		363,000		317,474	45,526		1,911,000	363,000		2,274,000	1,561,547	712,453
Other		629,000		(172,000)		457,000		95,840	361,160		5,300,000	122,000		5,422,000	5,477,837	(55,837)
Total Continuing IT Costs		17,568,000		1,299,000		18,867,000		15,424,072	3,442,928		65,905,000	4,396,000		70,301,000	51,792,745	18,508,255
Total CSPS Project Costs		33,439,000		1,299,000		34,738,000		33,340,655	1,397,345		337,912,000	(191,837,440)		146,074,560	112,363,730	33,710,830
Project Funding																
General Fund		32,280,000		1,299,000		33,579,000		32,181,655	1,397,345		308,462,880	(192,140,350)		116,322,530	98,782,553	17,539,977
Special Funds		1,159,000		0		1,159,000		1,159,000	0		27,505,120	296,910		27,802,030	13,581,177	14,220,853
Reimbursements		0		0		0		0	0		1,944,000	6,000		1,950,000	0	1,950,000
Total Funding		33,439,000		1,299,000		34,738,000		33,340,655	1,397,345		337,912,000	(191,837,440)		146,074,560	112,363,730	33,710,830