

House Appropriations Subcommittee on Infrastructure, Resiliency & Investment
Representative Capriglione, Subcommittee Chair
Members: Representatives Bell, Johnson, Miller, Minjarez, Schaefer, Toth, Walle, and Wu

2020-21 Centralized Accounting and Payroll/Personnel System (CAPPS)

Decisions as of 3/11/2019 at 12:00 PM

LBB Analyst: Lena Conklin

Agency Deployments onto CAPPS. The Comptroller largely began the process of migrating agencies onto the statewide version of CAPPS in the 2016-17 biennium. According to the Comptroller's most recent schedule, the migration of agencies onto CAPPS is anticipated to occur through fiscal year 2023. According to the agency's Report to the 86th Legislature: CAPPS – ERP in Texas, after the 2020-21 biennium, 74 percent of state full-time employees will be administered through CAPPS and 94 percent of State spending will flow through CAPPS, excluding institutions of higher education. An agency's migration or deployment onto CAPPS HR/Payroll tower and Financials tower are typically done separately and in different years. While agencies deploying onto the statewide version of CAPPS do not pay direct costs to the Comptroller, they may incur internal costs associated with the deployment process and migration onto a new accounting and payroll system. Costs may include, but are not limited to:

- Addition of temporary staff to backfill permanent staff serving as subject matter experts during the transition process;
- IT programming services to modify agency systems which would interface with CAPPS;
- Costs to migrate or maintain legacy data; and
- Travel and training-related costs.

Note on Hub Agencies: Agencies which maintain a customized version of either one or both CAPPS HR/Payroll and Financials systems are referred to as hub agencies. Hub agencies are responsible for the costs for implementation and ongoing maintenance of these systems which are housed and operated separate from the central, statewide version of CAPPS. There are 5 hub agencies: Health and Human Services Commission, Texas Education Agency (Financials hub only), Department of Housing and Community Affairs (Financials hub only), Department of Transportation, and Workforce Commission. Requests may also include funding for agencies to implement or upgrade hub systems.

Summary of Funding and Requests

• 2020-21 Requests

- o 16 agencies requested total funding of **\$43.8 million** (\$33.0 million in GR and GR-D).
- o Requests are largely for future deployments. However, included among the requests are requests from Health and Human Services Commission for \$8.5 million to upgrade their hub system and requests for ongoing support (post-deployment) from agencies such as the Department of Public Safety, Alcoholic Beverage Commission and Board of Professional Geoscientists.

• 2018-19 Funding

- o 16 agencies were funded **\$17.6 million** total (\$9.8 million in GR and GR-D), including \$7.7 million to TxDOT for their hub system.
- o Appropriations provided 100% funding for requests below \$1 million; 75% funding for requests \$1,000,000 to \$4,999,999; and 50% funding for requests \$5,000,000 and above.

• 2016-17 Funding

- o 11 agencies were funded **\$46.1 million** total in General Revenue, including increased funding to the Comptroller for ongoing support and agency migrations (\$39.4 million).
- o Appropriations generally funded 100 percent of agencies' requests, except for Veterans Commission (72.2%); Higher Education Coordinating Board (50%), Military Department (68.5%), and Department of Public Safety (32.7%) .

CENTRALIZED ACCOUNTING AND PAYROLL/PERSONNEL SYSTEM (CAPPS)

| Article | Agency Name | Funding Purpose | Project Description | Outstanding Items for Consideration | | Tentative Subcommittee Decisions | |
|---------|-------------|-----------------|---------------------|--|--|---|--|
| | | | | <u>2020-21 Not Included in HB1 All Funds</u> | <u>Pended Items 2020-21 Biennial Total All Funds</u> | <u>Adopted 2020-21 Biennial Total All Funds</u> | <u>Article XI 2020-21 Biennial Total All Funds</u> |

ARTICLE I - GENERAL GOVERNMENT

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|---|--------------------------------|-----------------------------------|---|---------------|--|---------------|--|
| I | Commission on the Arts | Deployment - Financials (FY 2021) | General Revenue request is for computer programming services to ensure that agency's Grants Management System (for grants payment and accounting) interfaces properly with CAPPS. (No FTEs are requested.) | \$ 50,000 | | \$ 50,000 | |
| I | Office of the Attorney General | Deployment - Financials (FY 2021) | Request includes funding for staff augmentation and vendor engagement to work with the OAG to provide a comprehensive set of services for the preparation, implementation and post-implementation support of CAPPS. Services are to be contracted with a vendor would include, but are not limited to: - Backfilling subject matter experts redirected to CAPPS deployment efforts; - Providing an inventory and assessment of the agency's business processes, mainframe systems, and other customized business applications; - Determine and standardize the target business model for CAPPS implementation; - Recommend future state business and IT resources required to support CAPPS post implementation; and - Develop plans for the decommission of applications and servers, data retention, and change management. Request includes \$10,720,846 in GR; \$531,717 in GR-D; and \$281,429 in Other Funds. (No FTEs are requested.) | \$ 11,533,992 | | \$ 11,533,992 | |

CENTRALIZED ACCOUNTING AND PAYROLL/PERSONNEL SYSTEM (CAPPS)

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| Article | Agency Name | Funding Purpose | Project Description | | | | |
| I | Ethics Commission | Deployment - HR/Payroll (FY 2020) | General Revenue request is for one FTE to backfill accounting and payroll roles while regular agency staff are diverted to CAPPS transition activities. (Request includes 1.0 FTE in FY 2020 and 0.0 FTE in FY 2021.) | \$ 50,000 | | \$ 50,000 | |
| I | Facilities Commission | Deployment - HR/Payroll (FY 2021) | General Revenue includes 4.0 FTEs for one IT program manager, one payroll position, one HR specialist position, and one IT report writer. The two IT positions are needed for implementation and support and the other two payroll and HR positions will backfill current subject matter experts that will assist with implementation. Request also includes contract support. (Request includes 4.0 FTEs in each fiscal year.) | \$ 611,932 | | \$ 611,932 | |
| I | Public Finance Authority | Deployment - Financials (FY 2019) | General Revenue request is for continued funding for 0.5 FTEs for the first half of FY 2020 only; FTE is currently funded in the 2018-19 biennium. Agency indicated that that full deployment will be delayed until after November 30, 2019 because TPFA cannot load cash balances into CAPPS until after completion of the Annual Financial Report (AFR). TPFA is requesting continuation of the FTE appropriated during the current biennium to manage workload and to develop new procedures for TPFA financial transactions in CAPPS. (Request includes 0.5 FTE in FY 2020 and 0.0 FTE in FY 2021.) | \$ 41,200 | | \$ 41,200 | |

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| Article | Agency Name | Funding Purpose | Project Description | | | | |
| I | Historical Commission | Deployment - HR/Payroll (FY 2020) | General Revenue request includes 1.0 FTE to provide support for HR/Payroll implementation and on an ongoing basis as the CAPPS help desk. Request also includes costs for training and travel to the 22 historical sites across the state. (Request includes 1.0 FTE in each fiscal year.) | \$ 226,250 | | \$ 226,250 | |
| I | Secretary of State | Deployment - Financials (FY 2020) | General Revenue request is for backfilling 2.0 FTE subject matter experts in the Financial Services division while regular staff assist with CAPPS implementation. Request also includes costs for contracted training classes. (Request includes 2.0 FTEs in FY 2020 and 0.0 FTE in FY 2021.) | \$ 200,000 | | \$ 200,000 | |
| Article I Total: | | | | \$ 12,713,374 | \$ - | \$ 12,713,374 | \$ - |

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ARTICLE II - HEALTH AND HUMAN SERVICES

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|--------------------------|--------------------------------------|--|--|---------------------|-------------|---------------------|-------------|
| II | Health and Human Services Commission | Hub - HR/Payroll and Financials Upgrade and Inventory Module | Request is to provide upgrades to CAPPS HR and Financials systems and replace unsupported, legacy Materials and Inventory Management System (MIMS) for State Operated Hospitals and State Supported Living Centers. CPA requires CAPPS hub agencies to stay up to date with the CAPPS baseline applications within 15 months of CPA PeopleTools and Image upgrades and within 3 months of monthly release packages. In addition, the Materials and Inventory Management System replacement solution is targeted to utilize the PeopleSoft Inventory and Mobile Inventory modules. This will replace an out of support Lawson solution and migrate its capabilities onto the HHSC PeopleSoft platform. Request includes \$7,576,086 in General Revenue funds (including matching funds); \$37 in Interagency Contracts, and \$959,328 in Federal Funds. (Request includes 14.3 FTEs in FY 2020 and 20.3 FTEs in FY 2021.) | \$ 8,535,451 | | \$ 8,535,451 | |
| Article II Total: | | | | \$ 8,535,451 | \$ - | \$ 8,535,451 | \$ - |

Decisions as of 3/11/2019 at 12:00 PM

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ARTICLE III - PUBLIC EDUCATION

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|---------------------------|--|-----------------------------------|---|-------------------|-------------|-------------------|-------------|
| III | School for the Blind and Visually Impaired | Deployment - Financials (FY 2020) | General Revenue request is for staffing to assist with deployment in FY 2020 and to ensure the agency's IT systems reconcile to CAPPS in FY 2021: Project Manager IV 1.00 \$93,406 Systems Analyst III 1.00 \$59,473 Training Specialist IV 1.00 \$55,602 Accountant II, 2.0: \$42,511 per FTE Budget Analyst I 1.00 \$47,688. (Request includes 6.0 FTEs in each fiscal year.) | \$ 732,442 | | \$ 732,442 | |
| Article III Total: | | | | \$ 732,442 | \$ - | \$ 732,442 | \$ - |

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ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE

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|---|-----------------------------------|-----------------|--|--------------|--|--------------|--|
| V | Alcoholic Beverage Commission | Ongoing Support | Agency deployed Financials in FY 2017 and is deploying HR/Payroll in FY 2019. General Revenue request is for 2.0 FTEs (one project manager and one business analyst) to provide ongoing support post-deployment. The project manager would support the Comptroller CAPPS upgrades testing efforts and the business analyst would support agency reporting needs and serve as internal CAPPS troubleshooting support. (Request includes 2.0 FTEs in each fiscal year.) | \$ 300,964 | | \$ 300,964 | |
| V | Texas Department of Public Safety | Ongoing Support | Agency deployed HR/Payroll in FY 2016 and Financials in FY 2018. General Revenue request is for ongoing staffing needs related to providing internal CAPPS help desk functions for resolving transaction errors and reporting issues, as well as to provide ongoing system training to their offices statewide. Included in the request are 7.0 FTEs for the agency's finance division to support payment issues, revenue, budget and appropriation set-ups, and approval paths. An additional 5.0 FTEs for the infrastructure operations division would support issues related to procurement, inventory, fleet and facilities issues. The agency also indicates the request includes contract costs (\$245,440 in FY 2020) related to report writing. Request would reinstate 2018-19 CAPPS funding (\$2.6 million appropriated with 12.0 FTEs); introduced bill includes \$1.4 million which agency reallocated from non-CAPPS programs/services. Agency has deployed HR and Financials. (Request includes 12.0 FTEs in each fiscal year.) | \$ 2,645,651 | | \$ 2,645,651 | |

Article V Total: \$ 2,946,615 \$ - \$ 2,946,615 \$ -

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ARTICLE VI - NATURAL RESOURCES

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|----|-------------------------------------|-----------------------------------|---|--------------|--|--------------|--|
| VI | Department of Agriculture | Deployment - HR/Payroll (FY 2021) | General Revenue request includes project management services (\$100,000), IT contractor support (\$200,000), and temporary staff for backfilling key subject matter expert positions involved deployment efforts (\$50,000). Request includes the cost for IT developers to re-write the interface between CAPPS and the agency's Personnel Accounting Timekeeping & HR System (PATHS) used for leave accounting, federal time and effort reporting, and salary cost allocations. (No FTEs are requested.) | \$ 350,000 | | \$ 350,000 | |
| VI | Commission on Environmental Quality | Deployment - HR/Payroll (FY 2020) | General Revenue-Dedicated request from multiple accounts for 10.0 FTEs for planning, testing, and implementation and to backfill agency staff assisting with deployment efforts. (Request includes 10.0 FTEs in each fiscal year.) | \$ 1,602,993 | | \$ 1,602,993 | |

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| VI | General Land Office | Deployment - Both HR/Payroll (FY 2020) & Financials (FY 2021) | Request primarily consists of contracts, the largest of which include: 1) Staff augmentation contracts (\$6,223,529) primarily to document current process requirements, provide a fit-gap analysis, assist with configuration requirements, build employee dashboard and interfaces, test new applications, customize reports, develop training for staff agency side on new financial process, workflow and reporting. 2) Implementation contract (\$3,529,500) for Financials deployment to assist with technology implementation tasks. 3) Readiness assessment contract (\$2,840,000) for Financials deployment to provide a comprehensive set of services for deployment, including an evaluation of business processes, systems and other customized business applications. Request consists of \$2,201,012 in GR; \$1,924,345 in GR-D and \$9,548,352 in Other Funds. (No FTEs are requested.) | \$ 13,673,709 | | \$ 9,548,352 | |

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| VI | Parks and Wildlife Department | Deployment - Financials (FY 2020) | <p>General Revenue request includes:</p> <ul style="list-style-type: none"> - \$1,448,899 for 13.0 FTEs, primarily to backfill subject matter experts in Purchasing, Accounts Payable, Property, Revenue and IT who will be supporting agency deployment efforts. Other full-time permanent FTE positions would serve as Business Objects subject matter expert/trainer and as project managers to steer the conversion project, focus on processes, and serve on an ongoing basis as CAPPS experts post implementation. - \$630,879 for IT contract labor. - \$274,400 to provide system training across the agency; - \$210,624 for associated data center costs to centralize and warehouse legacy data. - \$129,516 for other ongoing operating costs. <p>Agency notes that amounts requested for FY 2021 (\$948,226) would provide ongoing maintenance and support costs, including documentation updates, data/reporting analysis, and data warehousing. (Request includes 12.5 FTEs in FY 2020 and 13.0 FTEs in FY 2021.)</p> | \$ 2,694,318 | | \$ 2,694,318 | |
| VI | Water Development Board | Deployment - HR/Payroll (FY 2021) | <p>General Revenue request is to provide temporary staffing resources needed to support agency standard functions (i.e. backfilling current staff assisting with deployment) as well as to provide some direct deployment-related support. Temporary staffing resources will be utilized in both the Human Resources and Information Technology program areas. (Request includes 0.0 FTE in FY 2020 and 5.0 FTEs in FY 2021.)</p> | \$ 588,063 | | \$ 588,063 | |

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| Article VI Total: | | | | \$ 18,909,083 | \$ - | \$ 14,783,726 | \$ - |
| TOTAL ALL FUNDS: | | | | \$ 43,836,965 | \$ - | \$ 39,711,608 | \$ - |
| TOTAL GENERAL REVENUE (GR) AND GR-DEDICATED FUNDS: | | | | \$ 33,047,819 | \$ - | \$ 531,717 | \$ - |
| ECONOMIC STABILIZATION FUNDS: | | | | \$ - | \$ - | \$ 28,390,745 | \$ - |
| FULL-TIME EQUIVALENT (FTE) POSITIONS: | | | | | | | |
| FY 2020 | | | | 65.3 | | 65.3 | |
| FY 2021 | | | | 73.3 | | 73.3 | |