



**CO L O R A D O**

**Department of Personnel  
& Administration**

**Joint Technology Committee  
Payroll Modernization  
September 14, 2022**

# Payroll Modernization Goals

- Eliminate the tech debt of the State's 35-year-old Payroll System
- Reduce manual processes & increase efficiency
- Improve data integrity & security
- Facilitate standardization with HR best practice & law statewide



# Payroll Modernization Background

- Created a statewide governance structure
- Engaged Gartner, international IT research firm
- Conducted market research across all 50 states
- Engaged 12 states implementing payroll and HR systems
- Requested \$46M (\$17M, Phase 1) - Based on Gartner & Supported by JTC
- Funded \$6M General Fund



# Payroll Modernization Progress

- Established communication channels
  - Conducting Agency Listening Sessions to identify items to include in DPA Payroll System
    - Sessions completed include:
      - 14 agencies and judicial branch representing over 27,000 state employees
- Provided Statement of Work to OIT for agile vendor for Payroll Data as a Product
- Reviewed requests for information for vendor feedback on project scope
- Finalized scope for procurement consulting services



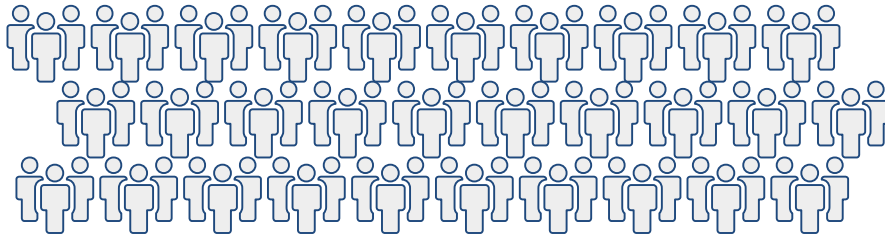
# Agency Listening Sessions



**14+ Agencies**



**60+ Participants**



**27,000+ Employees**



# Agency Listening Sessions

## Session Overview Example

1

### Background and Current State

Position Management tracked in Google Sheets

Moving to UKG Dimensions for Time and Leave

Majority staff are non-exempt

2

### Frustrations and Gaps

Reporting does not meet needs

Inaccurate data

**Dual entry**

Lack of integrations -> data lag

3

### Needs and Desires

Automation!

Reduce manual processes

Consistency across departments

System is accessible and reliable

4

### Outcomes and Motivators

Compliance

**Reduce staff effort**

Improve pay accuracy



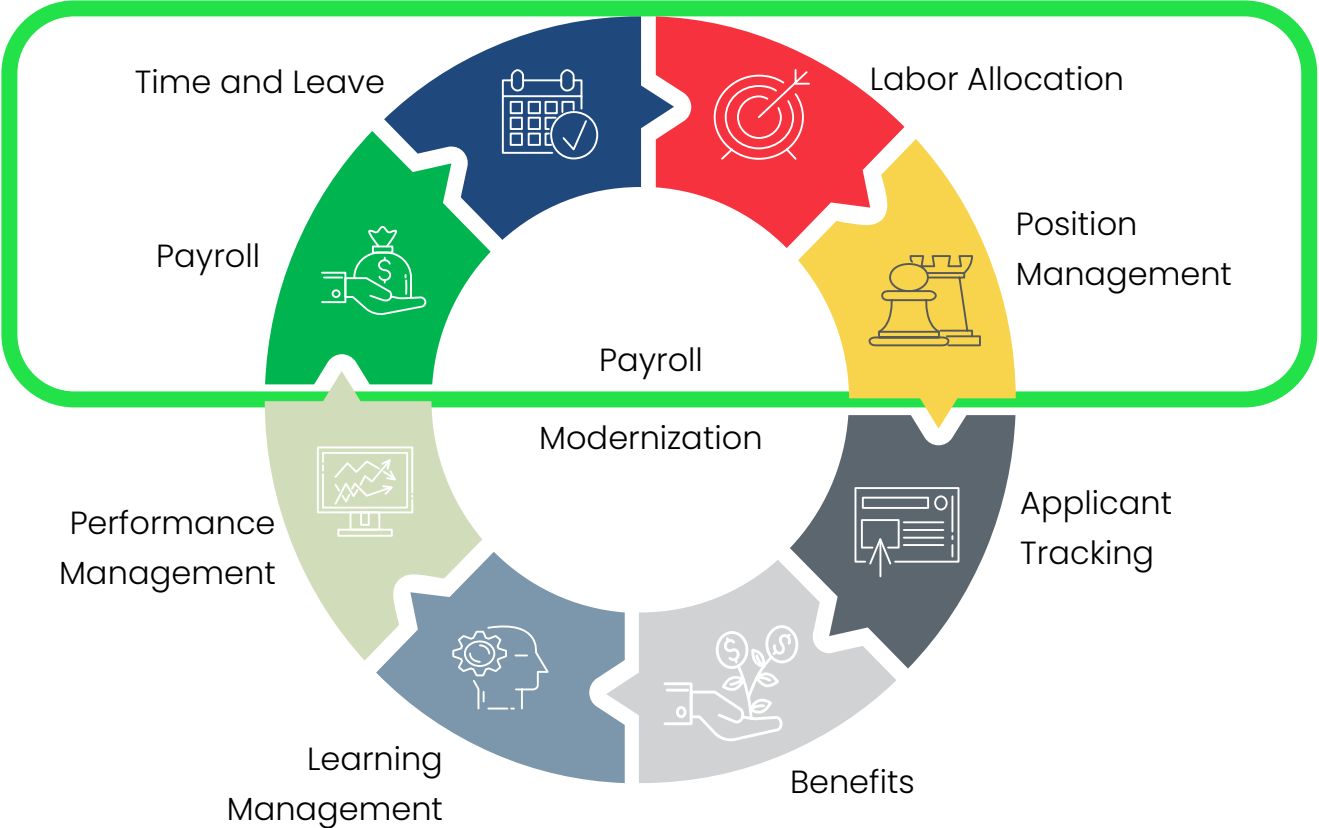
# Agency Listening Session Themes

## Primary Pain Points

- Manual duplicate entry into multiple systems causes errors and delays
- Obtaining data to make operational decisions is difficult or impossible
- Legacy systems are unreliable, and unplanned outages occur frequently



# Payroll Modernization Scope





# Payroll Modernization Scope

**Payroll System** - receive time and leave information, calculate tax, withholding for benefits, retirement, etc. and pay employees

**Labor Allocation** - translates funding allocations to CORE for accounting; replaces Colorado Labor Allocation System (CLAS)

## Core HR Functionality:

**Human Capital Information (HCI)** - creates a single source of truth for employee data; replaces CPPS

**Position Control/Management** - creates a single source of truth for position data

**Data Warehouse** - creates a reporting environment for analytics across systems

**Employee Self Service** - enables employees to access and update information



# Payroll Modernization RFI Response Summary

Request for Information (RFI) posted to vendor community July 15 - August 15

- 11 vendors responded proposing 7 different platform solutions with broad representation of industry experts across the market
- Vendor responses indicate that proposed scope is reasonable
  - Based on responses, scope is minimum needed to build a payroll system
  - Most vendors recommend enhancements to the project
- RFI cost estimates are in line with national research

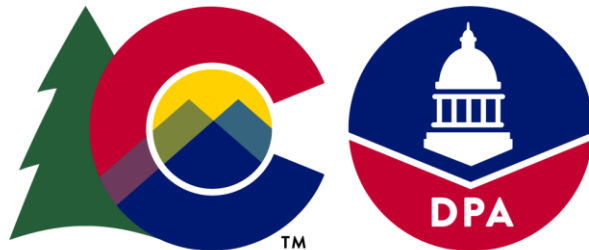


# Payroll Modernization Approps Breakdown

Expense	Cost
Staffing	\$859,903
Agile Vendor	\$925,120
Licensing	\$500,000
Procurement Consultant	\$400,000
Balance for procurement award	\$3,314,977
<b>Total</b>	<b>\$6,000,000</b>

\$6M appropriation for Payroll Modernization must be encumbered by June 30, 2023  
([HB22-1329 Long Bill](#), p. 309, Footnote 113)





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**Thank you & Questions**