Joint Technology Committee
Payroll Modernization
December 15, 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 practices & laws statewide
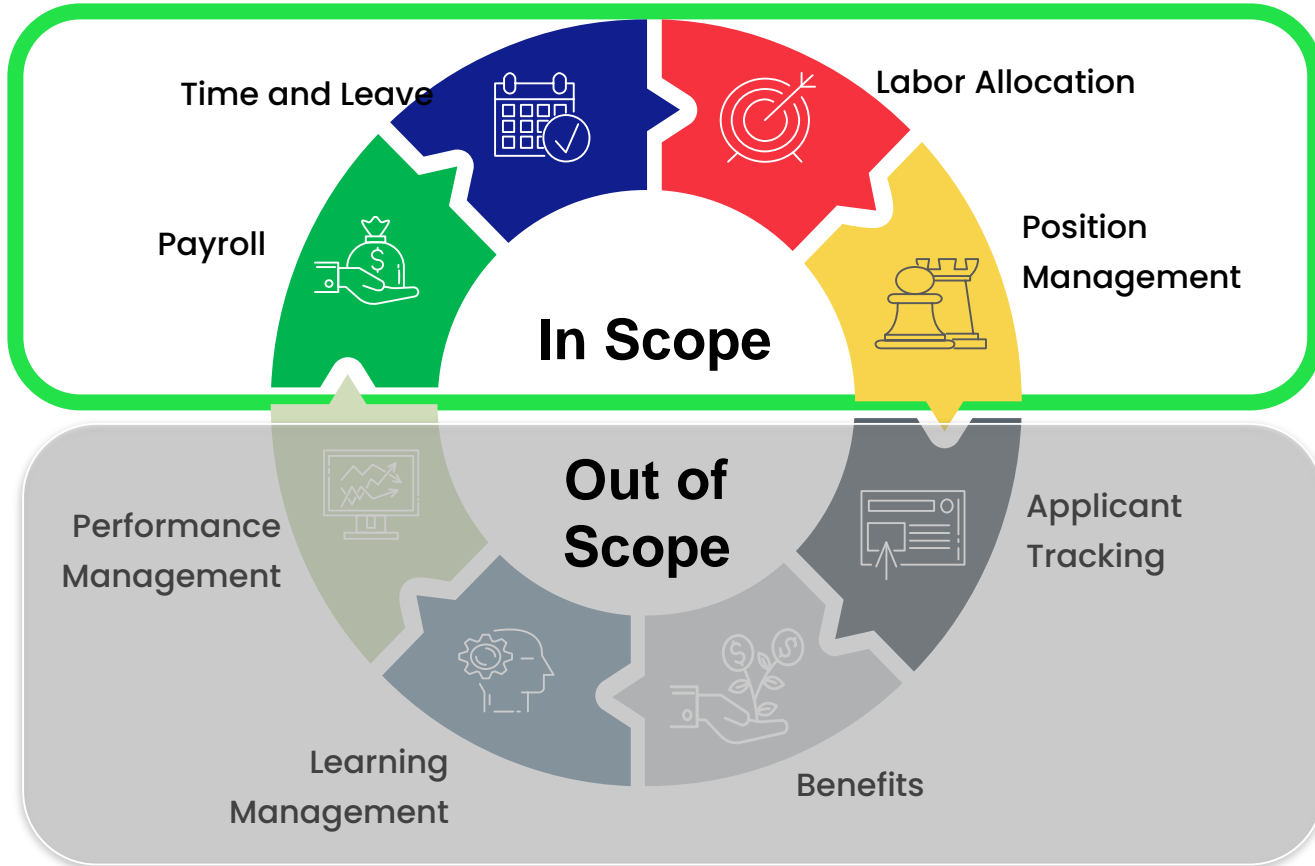
Background

- DPA provides payroll services for over 33,000 employees across thirty State government agencies in the executive, legislative, and judicial branches using the **Colorado Personnel & Payroll System (CPPS).**

- CPPS was implemented in 1986 and runs on mainframe hardware with COBOL programming.

- It is increasingly difficult for the State to find hardware and expertise to maintain and adapt the system.

- Failure of CPPS would cripple the entire system and directly affect employee pay.
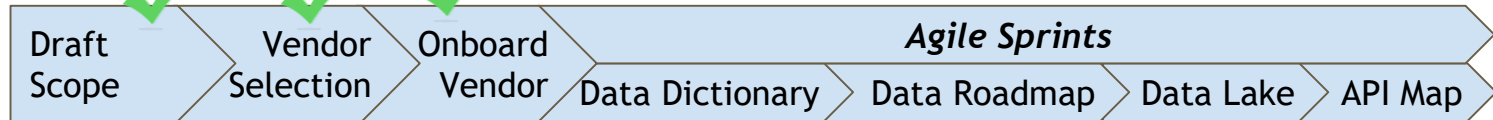
Payroll Modernization Scope

Time and Leave

Labor Allocation

Payroll

Position Management

In Scope

Out of Scope

Performance Management

Applicant Tracking

Learning Management

Benefits

Payroll Modernization Timeline

2022   **2023**

June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	July

Request for Information ✔

✔ Check indicates complete

Agency Listening Sessions ✔

Payroll Data as a Product
- Draft Scope ✔
- Vendor Selection ✔
- Onboard Vendor ✔
- *Agile Sprints*
  - Data Dictionary › Data Roadmap › Data Lake › API Map

Payroll System Procurement
- Workshops and Draft Solicitation ✔
- Post Solicitation
- Review Vendor Responses
- Negotiations & Contracting
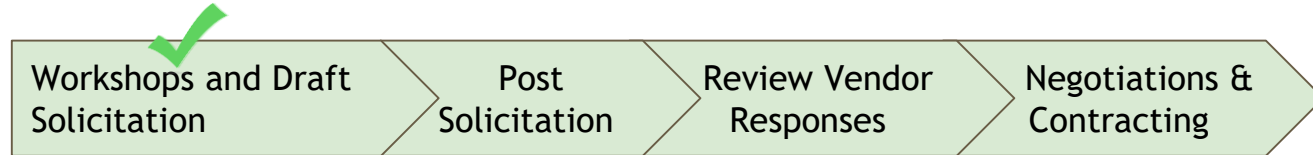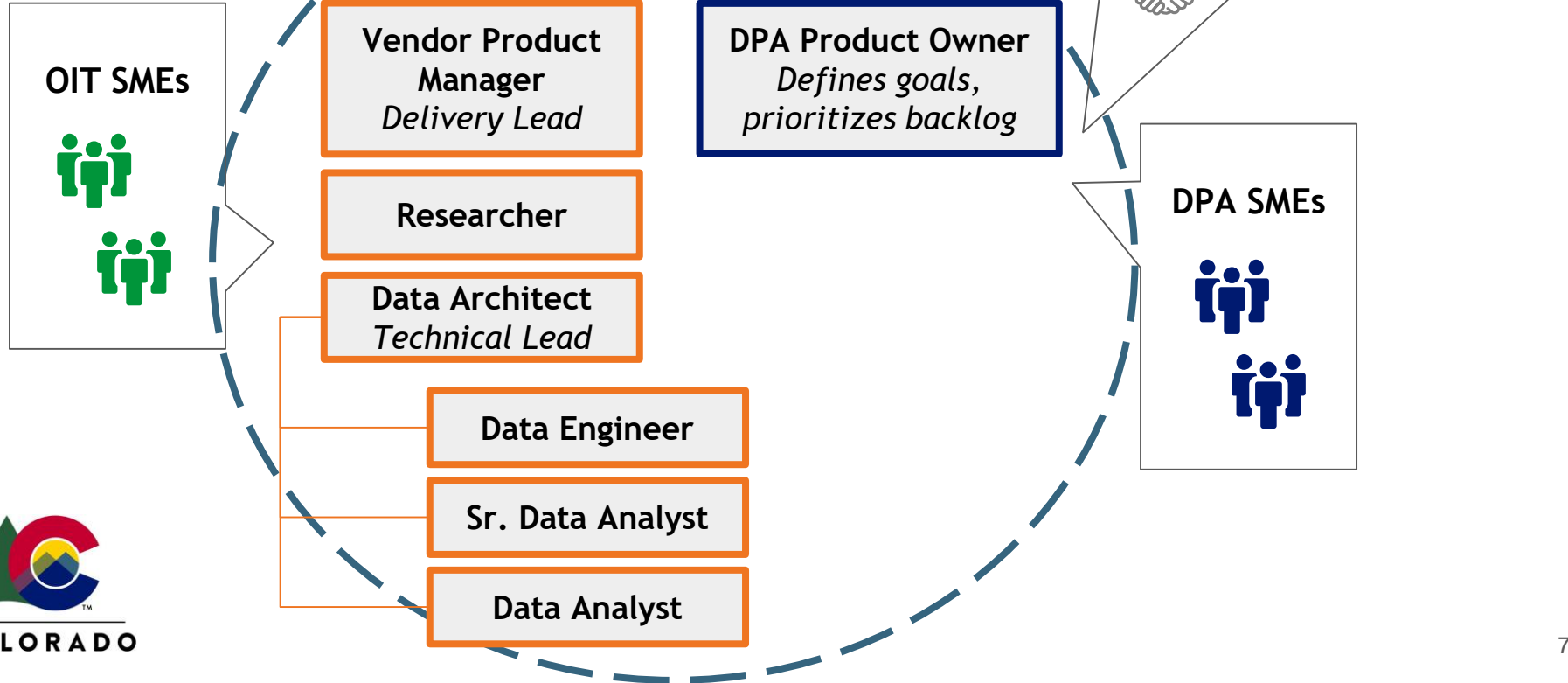
⚑ **Project Start Fall 2023**

Data as a Product Agile Vendor

- OIT solicited proposals from vendor pool for Payroll Data as a Product
- An evaluation committee comprised of agency, OIT, and DPA representatives reviewed proposals and selected a vendor

- The selected vendor specializes in human-centered design and data

- The vendor will provide agile development services to
  - Standardize payroll data across agencies
  - Improve data quality
  - Create a proof of concept data environment for business analytics
  - Define future data integration needs

Agile Team

OIT SMEs

Agency Customers/Users
Payroll Professionals, HR, Accountants, Managers, Data and Budget Analysts, etc.

Vendor Product Manager
Delivery Lead

DPA Product Owner
Defines goals, prioritizes backlog

Researcher

Data Architect
Technical Lead

Data Engineer

Sr. Data Analyst

Data Analyst

DPA SMEs

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Solicitation Workshops

- DPA held workshops with agencies to do user journey mapping

- The resulting scenarios will be used in the payroll solicitation

- Participants represent a broad stakeholder group including small, large, non-executive branch, and non-OIT consolidated agencies

- Workshops are focused on:
  - Payroll
  - Personnel and position management
  - Workforce management (time and leave)
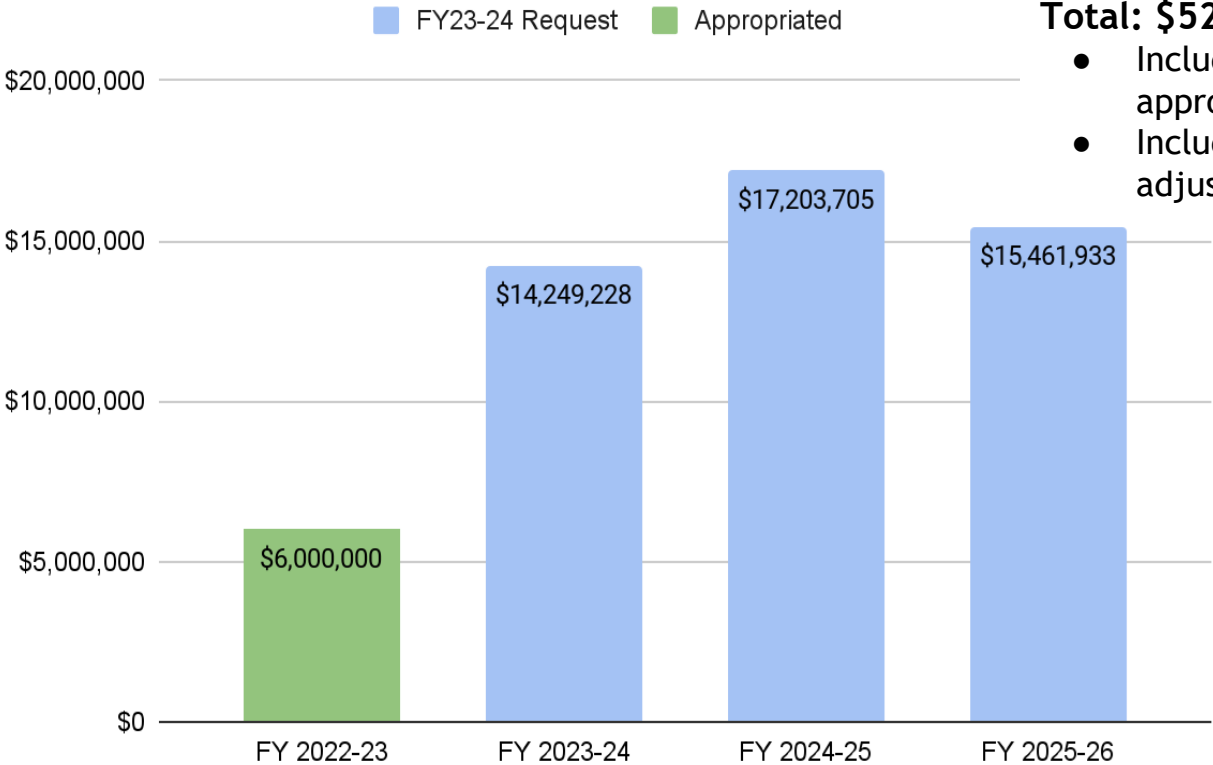 - Future payroll service delivery

Budget for FY2022-23

Expense	Cost
Staffing (e.g. Product Owner, Payroll Data Manager, OIT/Digital Services Tech Lead, temp staffing for data cleanup/backfills as needed)	$859,903
Agile Vendor (6-9 months, e.g. Scrum Master, Researcher, Data Architect, Data Engineer, Data Analyst)	$924,495
Data Environment Licensing	$500,000
ERP Procurement Consultant	$379,000
Subtotal	**$2,663,398**
Roll Forward	$3,336,602
Total	**$6,000,000**

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Budget Request FY 2023-24

Chart legend: FY23-24 Request, Appropriated

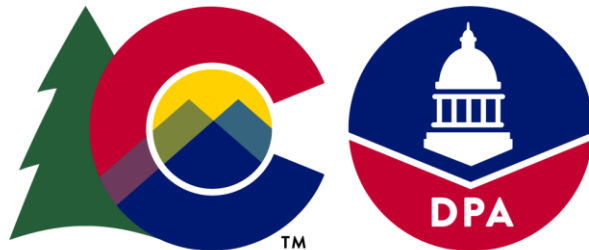|			
FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
$6,000,000	$14,249,228	$17,203,705	$15,461,933

Total: $52,914,866
- Includes $6M previously appropriated
- Includes 7% inflation adjustment

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JTC Bill Request: Flexible Payroll Options

- DPA proposes:
  - Eliminating the statutory requirement that "salaries for employees paid through the State's payroll system shall be paid twice a month" at CRS 24-50-104(8)(b)
- No State employee is currently on a twice monthly pay cycle
- Eliminating this requirement will allow the State Controller to continue paying employees according to a monthly current or biweekly pay schedule
- If not eliminated, successful implementation of a payroll system will require the Controller to pay employees twice monthly at the beginning and middle of each month

Questions