REPORT TO THE JUDICIAL COUNCIL

For business meeting on September 14–15, 2017

Title
Judicial Branch Administration: FI$Cal
Deployment for Judicial Council of California

Rules, Forms, Standards, or Statutes Affected
None

Recommended by
Judicial Council staff
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Branch Accounting and Procurement
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Agenda Item Type
Action Required

Effective Date
September 15, 2017

Date of Report
July 31, 2017

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Executive Summary

Staff of the Judicial Council recommend moving forward with the deployment of the Financial Information System for California (FI$Cal) to replace the existing Oracle Financial System for budget, accounting, and procurement. Funding for the project was included in the Budget Act of 2017. The planned date that the system will be available for use is July 1, 2018.

Recommendation

Judicial Council staff recommend that the Judicial Council, effective September 15, 2017, approve staff's moving forward with the deployment of the FI$Cal to replace the existing Oracle Financial System used by staff for budgeting, accounting, and procurement. The planned date that the system will be available for use is July 1, 2018.

Previous Council Action

The Judicial Council approved the fiscal year (FY) 2017–2018 budget change proposal to replace the Oracle Financial System with FI$Cal by way of circulating order in February 2017.

The budget change proposal was presented on the recommendations of the Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch, and the Judicial Council Technology Committee.

Rationale for Recommendation

The Judicial Council is at a strategic point in time to consider moving to FI$Cal because Judicial Council business teams are making requests to expand the current business functionality of Oracle, as follows:

- The Branch Accounting and Procurement Office is looking for efficiencies in paying invoices and travel claims, and for an automated solution to create and track solicitations/contracts.

- The Budget Services Office is looking for an automated solution to manage the branch budget.

- The Facilities Services Office would benefit from improved project cost tracking.

Following are the benefits to moving to FI$Cal:

- The existing ad hoc reporting tool used with Oracle needs to be replaced in the next year. This cost would be avoided were the council to move to FI$Cal.

- Implementing FI$Cal would create efficiencies by improving the process of paying invoices and claims.

- Implementing FI$Cal would create an opportunity to improve and document processes.

- Aligning more closely with state processes would make the budget and accounting processes and reporting more efficient for both the judicial and the executive branches.

- Auditing by state agencies would be more efficient because they are familiar with FI$Cal.

- FI$Cal would include the major additional business functionality that has been requested of Oracle. Deploying FI$Cal would avoid the cost of implementing the additional modules in Oracle.

Comments, Alternatives Considered, and Policy Implications

Staff considered the alternative to stay on the current Oracle system and not participate in FI$Cal. Below are the results of its consideration.

Pros:
- The BCP request to add a Solicitations and Budget module to Oracle would be approximately $200,000 less than this FI$Cal BCP.

- Staff are familiar with Oracle so training on new modules would be easier.

- The Judicial Council will continue to set priorities for making changes to Oracle, and the changes will likely occur more quickly not having to compete with other FI$Cal requests.

Cons:
- The Oracle system needs occasional upgrades and enhancements that require significant funding, and the system benefits only the branch.

- Working with the State Controller's Office and the Department of Finance will continue to be cumbersome, with the exchange of paper and spreadsheets.

- Judicial Council accounting and budget staff will continue to have to map Judicial Council accounts to state accounts.

- As FI$Cal is adopted and enhanced, it will become less important to the State to support the exception processes that the Oracle system requires.

Implementation Requirements, Costs, and Operational Impacts

The following costs were included in the budget change proposal and have been included in the FY 2017–2018 budget.

- $2.1 million and 6.0 positions to complete system deployment in FY 2017–2018 ($1.0 million for system deployment and $1.1 million for 6.0 positions, increased costs related to an out-of-class temporary assignment, and a project manager consultant).
  - o Based on recommendations from other state departments that have deployed FI$Cal, we intend to hire a consultant project manager to liaise with the FI$Cal deployment team and coordinate all of the activities required of the Judicial Council.
  - o Consistent with the FI$Cal deployments in other state departments, it is necessary to dedicate existing experienced staff (i.e., subject-matter experts) to ensure smooth transition and deployment of the new system. These staff members will work closely with the FI$Cal deployment team to understand FI$Cal system functionality, document gaps in processes, create change-management documentation (including communications to affected staff, new procedure documentation, training materials, and quick-reference guides), provide input for configuration and any system enhancements, test the system, and support the rollout of the system to Judicial Council, Supreme Court, and Courts of Appeal staff that will be using the system.

- $1.8 million in FY 2018–2019 for system support, which reduces to $1.5 million in FY 2019–2020 and ongoing.