2023 Special Session I

Budget Bill - HB6001 (Chapter 1)

Department of Accounts

Item 261	First Year - FY2023	Second Year - FY2024
Information Systems Management and Direction (71100)	**$49,633,077**	**$53,113,626**
Financial Oversight for Performance Budgeting System (71107)	$3,028,384	$3,098,852
Financial Oversight for Cardinal System (71108)	$46,604,693	$50,014,774
Fund Sources:		
Internal Service	$49,633,077	$53,113,626

Authority: Title 2.2 Chapter 8, Code of Virginia

A. The appropriation for Financial Oversight for Performance Budgeting System and Financial Oversight for Cardinal System is sum sufficient and amounts shown are estimates from internal service funds for the Commonwealth's enterprise applications which shall be paid solely from revenues derived from charges for services. All users of the Commonwealth's enterprise applications shall be assessed a surcharge based on licenses, transactions, or other meaningful methodology as determined by the Secretary of Finance and the owner of the enterprise application, which shall be deposited in the fund. Additionally, the State Comptroller shall recover the cost of services provided for the administration of the fund through interagency transactions as determined by the State Comptroller.

1. Out of this appropriation, the Performance Budgeting System is appropriated $3,028,384 the first year and $3,098,852 the second year from internal service fund revenues.

2. Out of this appropriation, the Cardinal Financial System is appropriated $21,912,934 the first year and $25,617,973 the second year from internal service fund revenues.

3. Out of this appropriation, the Cardinal Human Capital Management (HCM) system is appropriated $24,691,759 the first year and $24,396,801 the second year from internal service fund revenues.

4. The State Comptroller shall submit revised projections of revenues and expenditures for the internal service funds for the Commonwealth's enterprise applications and estimates of any anticipated changes to fee schedules in accordance with § 4-5.03 of this act.

5. In the event that expenses of the enterprise applications become due before costs have been fully recovered in the department's internal service fund, a treasury loan shall be provided to the department to finance these costs. This treasury loan shall be repaid from the proceeds collected in the funds.

B.1.a. The Department of Accounts, in coordination with the Department of Human Resource Management shall replace the Commonwealth Integrated Payroll/Personnel System (CIPPS) and the Personnel Management Information System and the Benefits Eligibility System (PMIS &BES) with an integrated Human Capital Management (HCM) system. In order to maximize the efficiencies and benefits of the current Commonwealth

Enterprise Resource Planning system, Cardinal, along with establishing a single source of personnel and payroll information and to achieve greater security of sensitive personally identifiable information, such system shall be based on the HCM modules within the Cardinal Enterprise Resource Planning application currently serving as the Commonwealth's financial system.

b. A working capital advance of up to $142,734,000 shall be provided to the Department of Accounts to pay the costs of replacing CIPPS and PMIS &BES. This may include any costs necessary for the planning, development, configuration, and roll-out of the new HCM application, and any transitional post-production support operating costs prior to the full transition to the new system. These costs do not include costs necessary to ensure agencies are prepared for the implementation of the new application and the decommissioning of CIPPS and PMIS &BES, such as interfaces from agency based systems. An additional amount of up to $15,000,000 may be provided to be directed toward any unforeseen costs associated with the roll-out of the statewide Cardinal HCM system.

2. The Secretary of Finance and Secretary of Administration shall approve the drawdowns from this working capital advance prior to the expenditure of funds. The State Comptroller shall notify the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees of any approved drawdowns.

3. Repayment of the working capital advance and ongoing systems operation, maintenance and support costs for the statewide Human Capital Management system shall be funded through an internal service fund for the enterprise application pursuant to paragraph A. of this Item.

C. 1. In order to capitalize on the efficiencies and benefits of the successfully implemented Commonwealth Enterprise Resource Planning system, Cardinal, a Cardinal Governance Committee (CGC) shall be established to evaluate and recommend expansion options for the Cardinal Financials and Human Capital Management (HCM) applications. The CGC shall analyze expansion opportunities in both the financial and human resources arenas that will most benefit Commonwealth state agencies in meeting their agency missions and core objectives. Additionally, this evaluation will analyze opportunities that could possibly allow for the decommissioning of agency-based systems in favor of the Commonwealth's enterprise system to improve efficiency and cost effectiveness. Once these opportunities are evaluated and finalized, the CGC shall present recommendations to the Commonwealth's Secretary of Finance and Secretary of Administration for review. Upon their approval of any such recommendations, the Cardinal Program will have the authority to proceed with these projects, subject to available funding.

2. In order to support and maintain the Cardinal project initiative, a working capital advance (WCA) of up to $12,000,000 is provided to the Cardinal program as start-up funding in anticipation of final approved funding. No funds shall be drawn and expended from this WCA without the prior approval of the Secretary of Finance.