

OPEN SESSION AGENDA ITEM

706 MAY 2018

DATE: May 18, 2018

TO: **Members, Board of Trustees**

FROM: Hatem Khalek, Director, Office of Research & Institutional Accountability
Kevin Harper, Interim Chief Financial Officer

SUBJECT: Odyssey Case Management System Demonstration and Related Finance / Budget Issues

EXECUTIVE SUMMARY

This agenda item provides an update to the Board of Trustees on the status of the Odyssey Case Management System implementation in the Office of Chief Trial Counsel, State Bar Court, and Office of Probation. In addition to a demonstration of the Case Management System to be provided at the meeting of the Board of Trustees, this report also provides an overview of adjustments that have been made to the project budget, in particular, the allocation of indirect costs to the project budget.

BACKGROUND

In July 2016 the Board of Trustees approved the execution of a contract with Tyler Technologies, Inc. for a case management system (CMS) for the Office of Chief Trial Counsel, State Bar Court, and Office of Probation and approved a project budget of \$5.619 million. Implementation of the Case Management System began in February 2017 and the system is set to go-live in the fall of 2018. Major implementation activities that have been completed to date include: two successful data pushes (testing of the migration of legacy system data into the new CMS) and configuration of approximately 80 percent of the business processes.

DISCUSSION

On July 21, 2016, the Board of Trustees approved a CMS project budget of \$5,619,800, composed of \$2,703,800 for software and consulting costs and \$2,916,000 for State Bar personnel costs. Indirect costs that would be cost allocated to the project were not included in the approved project budget. These costs have however been allocated to the project in 2016, 2017, and 2018. Table 1 below reflects actual project costs from inception to date, as well as a projection of overall total project expenses.

TABLE 1
Project Cost – Life to Date

	BOT Resolution (July 2016)	<i>Actual Project Costs</i>			
		Life-to-Date (February 2018)	Remaining Costs (Projection)	Projected Total	Projected Variance
Personnel	\$ 2,916,000	\$ 1,181,649	\$ 1,523,806	\$ 2,705,455	\$ 210,545
Non-Personnel	2,703,800	1,579,982	1,925,200	3,505,182	(801,382)
Direct Project Costs	5,619,800	2,761,631	3,449,006	6,210,637	(590,837)
Indirect Costs	-	1,028,382	365,598	1,393,980	(1,393,980)
Total	\$ 5,619,800	\$ 3,790,013	\$ 3,814,604	\$ 7,604,617	\$(1,984,817)

Cumulative spending on the CMS project through February 28, 2018, stands at \$3.8 million. An additional \$3.8 million of personnel, non-personnel, and indirect costs is estimated to be spent by the end of the project. The resulting projected total project cost of \$7.6 million is comprised of \$2.7 million of personnel costs, \$3.5 million of non-personnel costs and \$1.4 million of indirect costs. The \$7.6 million estimated CMS project cost reflects a \$1.98 million increase as compared to the budget approved by the Board in July 2016. The vast majority of this variance is explained by the exclusion of indirect costs from the earlier version of the budget.

In addition to unbudgeted indirect costs, other adjustments include an augmentation of \$0.5 million for paperless/imaging capability and \$0.3 million attributable to contract amendments for additional infrastructure needs based on vendor requirements and contractor costs related to revised go-live date. These increases are offset by a \$0.2 million savings in projected personnel costs.

Although the project will cost \$1.98 million more than in the original resolution adopted by the Board, no budget amendment is necessary. Indirect costs allocated to the project and paperless/imaging capability are included in the budgets previously approved by the Board.

FISCAL/PERSONNEL IMPACT

None

RULE AMENDMENTS

None

BOARD BOOK AMENDMENTS

None

STRATEGIC PLAN GOALS & OBJECTIVES

Goal: 2. Ensure a timely, fair, and appropriately resourced admissions, discipline, and regulatory system for the more than 250,000 lawyers licensed in California.

Objective: a. For greater transparency, accountability, efficiency, and access, develop and deploy a new case management system for the Office of Chief Trial Counsel, State Bar Court, and the Office of Probation by October 31, 2018.