

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Ben Kallos
Chair, Committee on Governmental Operations

Report on the Fiscal 2016 Preliminary Budget and the
Fiscal 2015 Preliminary Mayor's Management Report

Financial Information Services Agency (FISA)

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Financial Information Services Agency (FISA) Overview

The Financial Information Services Agency controls and coordinates data processing functions and operations for the City's payroll, accounting and purchasing systems; manages the citywide Financial Management System (FMS); generates and distributes reports for accounting and budget oversight; and provides on-line access to budgetary or related data for use by city managers and others. FISA also maintains the operational integrity of the Payroll Management System (PMS) and the Integrated Comprehensive Contracts Information System (ICCIS). FISA is jointly controlled by the Mayor and the Comptroller, as defined by the City Charter.

This report provides a review of the Fiscal 2016 Preliminary Budget for FISA. In the first section the highlights of the Preliminary Plan are presented. The report then presents FISA's financial summary and discusses actions included in the November and Preliminary Financial Plans. Finally, the report provides a review of citywide IT systems maintained and operated by FISA and a review of FISA's contract budget.

Fiscal 2016 Preliminary Plan Highlights

- **FISA Fiscal 2016 Preliminary Budget.** FISA's proposed budget for Fiscal 2016 totals \$104.9 million, including personal services funding of \$48.6 million to support 459 full-time positions. FISA relies entirely on City tax-levy funding.
- **FISA - Office of Payroll Management (OPA) Co-location.** The Preliminary Plan includes funding of \$2.5 million (partial year value) in Fiscal 2016, increasing to \$12.4 million by Fiscal 2019 to cover lease expenses for the OPA co-location with FISA. Additional capital funding for the co-location includes planned commitments totaling \$4.6 million for the renovation of the new leased space.
- **FISA Capital Funding.** The Preliminary Capital Commitment Plan includes \$66.1 million in Fiscal 2015-2018 for FISA-managed capital projects. In coordination with several City agencies, FISA plays a significant role in the planning, maintenance and management of upgrades of many of the City's large scale IT systems, most notably NYCAPS, FMS, and CityTime.
- **FISA's Contract Budget.** FISA's Fiscal 2016 Contract Budget totals \$32 million which accounts for 30.6 percent of the its total budget. Because FISA is responsible for maintaining several citywide IT systems, contracts for data processing services comprises 92.2 percent of its total contract budget.

Financial Summary

FISA Financial Summary

<i>Dollars in Thousands</i>	2013	2014	2015	Preliminary		*Difference
	Actual	Actual	Adopted	2015	2016	2015 - 2016
Spending						
Personal Services	\$36,225	\$40,370	\$45,449	\$47,215	\$48,621	\$3,171
Full-Time Salaried	35,079	39,070	44,762	46,341	47,923	3,161
Other Salaried & Unsalariated	85	126	113	120	123	10
Additional Gross Pay	905	962	406	506	406	0
Overtime	156	211	168	248	168	0
Other Than Personal Services	46,828	42,080	54,994	54,994	56,322	1,327
Supplies and Materials	2,030	1,876	10,388	9,696	10,234	(153)
Property and Equipment	34	135	114	114	114	0
Other Services and Charges	11,335	11,519	11,338	11,362	13,868	2,531
Contractual Services	33,429	28,549	33,155	33,824	32,105	(1,050)
TOTAL	\$83,053	\$82,449	\$100,444	\$102,209	\$104,942	\$4,499
Funding						
<i>City Funds</i>	\$83,053	\$82,449	\$100,444	\$102,209	\$104,942	\$4,499
TOTAL	\$83,053	\$82,449	\$100,444	\$102,209	\$104,942	\$4,499
Positions						
Full-Time Positions	391	406	459	459	459	0

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

FISA's proposed budget for Fiscal 2016 totals \$104.9 million, including personal services funding of \$48.6 million to support 459 full-time positions. FISA relies entirely on City tax-levy funding. FISA's Fiscal 2015 and 2016 budgets are significantly higher than the Agency's actual spending in the Fiscal 2013 and 2014, indicating the potential of a budget surplus.

FISA's Fiscal 2016 Preliminary Budget increases by \$4.5 million when compared to the Fiscal 2015 Adopted Budget. This is the result of the identification of new lease expenses as well as staff salary increases including collective bargaining adjustments. (See Appendix A on page 5 for details).

FISA and OPA Co-location. The Preliminary Plan includes funding of \$2.5 million (partial year value) in Fiscal 2016, increasing to \$12.4 million by Fiscal 2019 to cover lease expenses for the OPA co-location with FISA. This funding provides for additional leased space at 450 West 33rd Street in Manhattan, where FISA offices are currently located. Additional capital funding for the co-location includes planned commitments totaling \$4.6 million for the renovation of the new leased space.

Citywide Information Technology Systems

In coordination with several City agencies, FISA plays a significant role in the planning, maintenance and management of upgrades of many of the City's large scale IT systems, most notably NYCAPS, the City's Financial Management System and CityTime. Because these systems are part of the City's infrastructure, costs associated with system development and upgrades are funded through the capital budget. Funding for these projects is in the Citywide Equipment (PU) Capital Program. The Preliminary Capital Commitment Plan includes \$66.1 million in Fiscals 2015-2018 for FISA-managed capital projects (including City and Non-City funds).

In an effort to track the budgets of large-scale capital projects, the Council passed Local Law 18 of 2012 requiring the City to notify the Council when a capital contract over \$10 million is modified and increases in cost by 20 percent.

Prompt notification to the Council about such cost overruns will allow the Council to exercise its oversight function to determine whether continued funding for a project is appropriate, or whether changes need to be made to ensure that a project's costs does not continue to increase.

CityTime

CityTime is the web-based citywide municipal employee timekeeping system that serves over 80 City agencies. The project, which was originally projected to cost \$63 million, increased to over \$700 million and was the subject of a federal fraud investigation.

In March of 2012, SAIC, the main contractor of CityTime, agreed to pay back \$500 million in restitution and penalties for "defrauding the City into significantly overpaying" for services. CityTime's final cost is estimated to be between \$134 million and \$186 million.

In June of 2011, an agreement was reached between the Comptroller and the Mayor's Office, which called for a gradual transfer of the management of the system from outside consultants to City employees. In all, 83 consultant positions will be phased out and replaced by City employees. The conversion, which is expected to be completed by Fiscal 2015, is expected to save the City \$20 million annually.

FISA's proposed expense budget for Fiscal 2016 includes \$9.99 million for the CityTime system maintenance. Additional resources for the operation of CityTime, are included in OPA's budget.

New York City Automated Payroll System (NYCAPS)

NYCAPS is the City's employee self-service system that allows instant access to human resources, payroll, tax, and benefits data. The initial projected cost of the project was estimated at \$66 million in 2002 and has increased significantly to its current projected cost of \$335 million.

Funding for maintenance of the NYCAPS system included in FISA's Other Than Personal Services budget totals \$5.3 million and the Preliminary Capital Plan for Fiscal 2015-2018 includes planned commitments totaling approximately \$1.7 million for NYCAPS.

Financial Management System (FMS)

FMS is the City's computerized accounting and financial data management system. The City continuously upgrades the system's wide ranging functions and the Preliminary Capital Plan includes planned commitments totaling approximately \$4.1 million for FMS.

FISA Lump Sum Capital Funding

The Capital Plan also includes lump sum funding of \$14.2 million for upgrades to FISA's main data center. Planned commitments totaling \$33.2 million for the Alternative (Backup) Data Center are included in the plan for Fiscal 2017.

Appendix A: Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY 2015			FY 2016		
	City	Non-City	Total	City	Non-City	Total
FISA Budget as of Fiscal 2015 Adopted Plan	\$100,443	\$0	\$100,443	\$99,990	\$0	\$99,990
New Needs						
FISA & OPA Co-location Lease	0	0	0	2,531	0	2,531
TOTAL, New Needs	\$0	\$0	\$0	\$2,531	\$0	\$2,531
Other Adjustments						
Collective Bargaining Adjustments	466	0	466	725	0	725
Staff Salary Increases and Adjustments	1,300	0	1,300	1,697	0	1,697
TOTAL, Other Adjustments	\$1,766	\$0	\$1,766	\$2,422	\$0	\$2,422
TOTAL, All Changes	\$1,766	\$0	\$1,766	\$4,953	\$0	\$4,953
FISA Budget as of Fiscal 2016 Prelim. Plan	\$102,209	\$0	\$102,209	\$104,943	\$0	\$104,943

Appendix B: Contract Budget

Category	FY 2015 Adopted	Number of Contracts	FY 2016 Preliminary	Number of Contracts
Maint & Repair, General	29,200	1	29,000	1
Data Processing Equipment	30,019,856	58	29,589,856	58
Temporary Services	2,500	1	2,500	1
Training Programs for City Employees	50,000	1	50,000	1
Professional Services: Computer Services	3,053,882	3	2,433,882	3
Total	33,155,438	64	32,105,238	64

FISA's Fiscal 2016 Contract Budget totals \$32.1 million for 64 contracts which accounts for 30.6 percent of the FISA's total budget. Because the FISA is responsible for maintaining several citywide IT systems, contracts for data processing services comprises 92.2 percent of its total contract budget.