



Department of FISCAL Annual Status Report to the Legislature for 2024-2025

Released September 2025

In Partnership with:
Department of Finance
Department of General Services
State Controller's Office
State Treasurer's Office

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SIGNATURE PAGE

Department of FISCal leadership approval/concurrence:

A handwritten signature in black ink, appearing to read "Bret Ladine". The signature is fluid and cursive, with the first name "Bret" and last name "Ladine" clearly distinguishable.

Bret Ladine

Director, Department of FISCal

Legislative Mandate (LM)

As written in [Government Code Section 11864](#) the Department of FISCAl is required to submit a report on or before October 31, 2023, and annually thereafter on or before October 31, to the Legislature, on all of the following:

- 1) An executive summary and overview of the system's status.
- 2) An overview of the system's history.
- 3) Significant events of the system within the current reporting period.
- 4) An overview of change management activities and stakeholder engagement for any new departments onboarding to the system.
- 5) A discussion of lessons learned and best practices that will be incorporated into future changes in the management of the system.
- 6) A description of any significant software customization, including the reason for the customization, if any customization was granted.
- 7) The date on which state departments and agencies submit year-end reports to the Controller.
- 8) The number of trainings held at the department and a list of state departments and agencies participating in these trainings.
- 9) The number and length of unplanned outages that occurred during normal business hours.
- 10) The number of requests for changes to the system by entities that reported concerns with using the system to meet federal requirements and descriptions of the department's efforts to resolve those concerns.
- 11) The recommendations from evaluations performed pursuant to subdivisions (a) and (c) of [Section 11868](#).

In addition, commencing October 31, 2023, and biennially thereafter, the department shall report on the status of planning for roadmap activities, as described in [Section 11865](#), including any expenditures made with funds provided by the Department of Finance and the Legislature to support "roadmap" activities pursuant to items 8880-001-0001 and 8880-001-9740 of the annual Budget Act. The roadmap activities are defined as follows:

- a) Ensure the system is technically optimized and secure based on infrastructure, platform, and software industry best practices, whether on-premise technologies, cloud-hosted technologies, or a combination thereof are used.
- b) Onboard the remaining deferred departments by July 1, 2032, and be sufficiently staffed to provide ongoing support and assistance to end users.
- c) Ensure the integrity and security of the state's financial data.
- d) Support the transition of the state's accounting book of record from the Controller's legacy systems to the system pursuant to subdivision (c) of Section 11860, including validation work related to the annual comprehensive financial report issued pursuant to Section 12460.

- e) Work with partner agencies to identify and implement additional products, interfaces, and add-ons to the system to enhance business transactions.
- f) Continue to enhance, upgrade, and manage the system to ensure efficient and relevant alignment with the state's financial management processes.

1. An Executive Summary and Overview of the System's Status (LM #1)

The Department of FISCAL's (FI\$Cal) 2024-2025 Annual Status Report to the Legislature covers the period from July 1, 2024 through June 30, 2025.

FI\$Cal's core mission is to operate the FI\$Cal system, the statewide financial management system that enables California state entities to perform budgeting, procurement, cash management and accounting functions transparently and efficiently. The FI\$Cal system is among the largest financial public sector information technology systems in the world, replacing hundreds of legacy systems statewide. Enormously complex by its very nature, there are currently 150 departments and approximately 16,000 end users using the system, processing \$453 billion in expenditures in the Fiscal Year 2024-2025. The State Treasurer's Office (STO) system functionality handled in excess of \$2.9 trillion in state government banking transactions this past fiscal year. Departments are paying their bills and balancing their budgets every day using the FI\$Cal system.

During the reporting period of this Annual Status Report to the Legislature, FI\$Cal released 87 enhancements to improve user experience and customer service, continually adding innovation to the system. Many of the enhancements were the direct result of interactive engagement with FI\$Cal end users.

FI\$Cal onboarded the California Department of Technology (CDT) and the Department of Rehabilitation (DOR) onto the FI\$Cal system in July 2024 and we continue to work with deferred departments to bring them onto the FI\$Cal system at the appropriate time.

We created a new report that allows the State Controller's Office to review journal vouchers for approval, for post auditing and reconciliation, and to assist with process improvements.

We enhanced reports used for month-end close (MEC) and year-end close (YEC) for assets and outstanding module transactions. These reports help departments identify open transactions that are blocking their ability to close periods and provide required information for year-end reporting.

We created a new asset management Power BI dashboard that provides departments with a clear visual summary of their assets and depreciation details in one place.

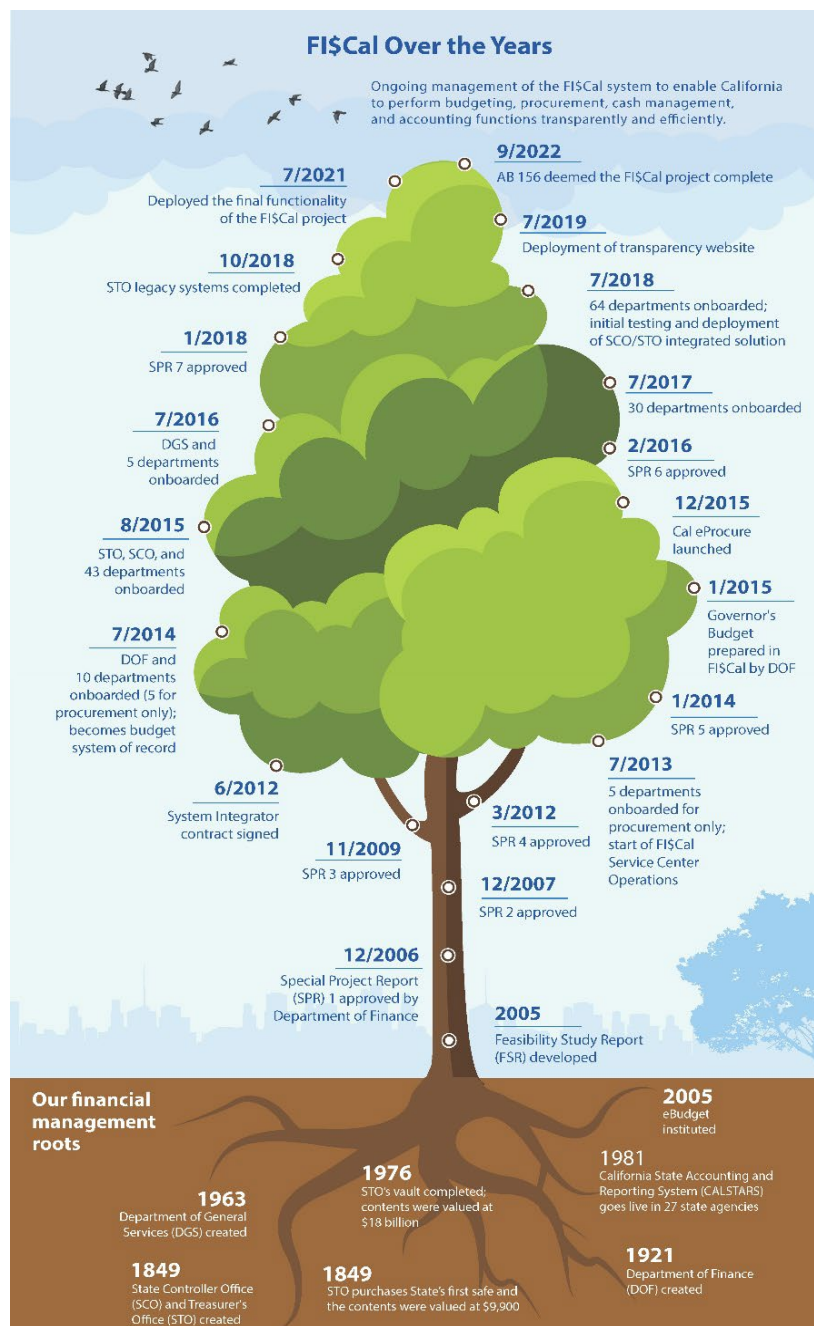
We automated the STO stop payment request process. This automation enables departments to enter stop payment requests in the system, removing the need for manual processing.

We also created a comprehensive PowerBI report with dashboards for statewide procurement data. This new Procurement PowerBI report allows users to find, sort, and see procurement data more efficiently.

Additionally, FI\$Cal continues to make the financial information of the state of California significantly more transparent through Open FI\$Cal, the website that opened California's "books" to the public.

2. An Overview of the System's History (LM #2)

FI\$Cal began as a business transformation project in 2005 to replace the Department of Finance's (Finance) budgeting system and was formalized with a Memorandum of Understanding signed in 2007 by the State Controller, the State Treasurer, and the directors of the departments of Finance and General Services. The following is a summary of how FI\$Cal evolved into the fully integrated, comprehensive financial system it is today, as well as major accomplishments since 2005.



2022

August

- Enhanced multiple dashboards, reports, and system functionality to improve the MEC and YEC processes. These enhancements changed the reconciliation from Modified Accrual Ledger to Budgetary Legal Ledger (BLL) allowing departments to identify BLL issues prior to YEC. The enhancements provide departments the ability to identify when all reports are clear for closing and provide automated reclassifications to achieve MEC efficiencies. In addition, an automated solution was created to record and reconcile statewide assessments allocation. This enhancement reduces the need for manual intervention, which increases time savings and reduces errors.
- Billing methodology for the Department of General Services (DGS) Procurement Division changed from billing based on individual transactions, to a more efficient methodology using a three-year average based on activities in the procurement module. This provides more consistent and accurate billing, and benefits the billed departments by reducing reconciliation time and the number of invoices.

September

- Created a statewide invoice portal for DGS customers to search, view and print their department's invoices from DGS. This allows all DGS customers access to the FI\$Cal initiated invoices. The enhancement includes automated emailing of invoices to non-state department customers.

December

- Implemented Governmental Accounting Standards Board (GASB) 96 functionality and reporting in the lease management module for subscription-based information technology arrangements.

2023

January

- Enhanced the Fund Reconciliation report to assist departments with streamlining the reconciliation process to prevent differences at year-end and ensure appropriations are within established limits.

April

- Implemented the Golden State Financial Market Place (GS \$MART) procurement solution in the FI\$Cal system. This new functionality provides departments with the ability to conduct lease procurements and contract administration. GS \$MART is an innovative acquisition finance program designed to facilitate the installment of lease purchases by state of California agencies and local governments while meeting all the requirements of a competitive bid process.
- Implemented a disaster recovery solution on the Amazon cloud. The solution increases system resiliency and will protect against major disasters affecting system availability.

July

- Improved the fund reconciliation report to assist departments with the reconciliation process. This allows for more efficiency with reconciliations and assists with the identification of differences that need to be corrected prior to year-end.

August

- Implemented the Architecture Revolving Fund (ARF) workflow process. The enhancement streamlines the paper form and workflow approvals from DGS to Finance and end user departments. This included a form output with appropriation information and electronic signatures.

September

- Created a new interface to load department-issued checks into the FI\$Cal system. This inbound interface records checks issued outside of the system into FI\$Cal and allows for reconciliation.

October

- Onboarded the Office of Data and Innovation onto the FI\$Cal system.

November

- Onboarded the Office of the Inspector General, High-Speed Rail Authority to the FI\$Cal general ledger module. As the Office of the Inspector

General, High-Speed Rail Authority becomes fully operational and staffed they will be onboarded to more FI\$Cal system modules.

December

- Implemented the Project Costing, Customer Contract and Grants Management Power BI dashboard. This dashboard combines data from multiple reports and queries which helps to improve department user experience.

2024

March

- Developed GASB Statement 87 and 96 reports for lease/right-to-use subscription assets and lease/right-to-use subscription liabilities for contracts meeting the GASB criteria.

April

- Updated the FI\$Cal system to align with the federal government by replacing the catalog of federal Domestic Assistance Number with the Assistance Listings Number on existing reports, queries, online pages, and interfaces.
- Automated the monthly closing periods for statewide assessments. This process was previously conducted manually. The automation ensures the process runs consistently each month and will not delay or be delayed by department month-end close processes.

May

- Prepared the FI\$Cal system to migrate the configurations, enhancements, conversions, and interfaces for the two departments, CDT and the DOR, onboarding in July 2024.

June

- Enhanced the automated employee payroll accounts receivable interface from the SCO, to onboard 54 departments to this functionality starting July 1. Through this enhancement, the departments' payroll accounts receivables will be automated which will help to reduce manual entry into the system.

- Implemented a solution for departments to reclass claims interfaced into FI\$Cal from SCO. The new functionality includes reclassing the claim, liquidating purchase orders, and updating 1099 reporting for the associated suppliers.

3. Significant Events of the System Within the Current Reporting Period (LM #3)

2024

July

- Onboarded CDT and DOR to the FI\$Cal system.
- Started California State Auditor (CSA) onboarding activities.
- Created a journal voucher spreadsheet upload/interface to reduce manual work for SCO users.
- Created a new batch process for the archival process for all SCO and department pay cycles. This batch process archives pay cycle data on a nightly basis and will improve system performance.
- Enhanced the ARF transfer request to add a workflow to the SCO for approval and processing of forms 22, 220 and 221 Master Funding Agreements for project funding.
 - This enhanced ARF process improves efficiency and search functionality.
- Created a new report for Finance and DGS use in approving forms 22, 220 and 221 Master Funding Agreements.
- Created a new report for GASB pronouncement 87 implementation required for year-end reporting. The report enables departments to generate automated GASB 87 and GASB 96 reports for submission to the SCO and eliminates manual tracking of right-to-use liabilities and asset amortizations.
- Created a new asset management Power BI dashboard that provides departments with a clear visual summary of their assets and depreciation details in once place.
- Enhanced options to the emergency tracking entry pages to capture Federal Emergency Management Agency cost categories. This enhancement provides information that assists with the analysis of cost recovery and allows for accurate information to be provided in the Disaster Cost Recovery Tracking report.

August

- Enhanced the InterUnit Invoice Portal to provide additional information and also updated invoices to display that information in a usable format for DGS customers.

September

- Created a comprehensive PowerBI report with dashboards for statewide procurement data. The new Procurement PowerBI report allows users to find, sort, and see procurement data more efficiently. It includes both an overview with a high-level summary of different data points across multiple styles of graphs and the ability to view specific transaction data with drill down options.
- Enhanced the commitment control security process that provides access to viewing, editing, and posting to different budgetary ledgers. This update reduces the amount of time required to complete the nightly batch process.

October

- Automated the STO stop payment request process. This automation enables departments to enter stop payment requests in the system, removing the need for manual processing.

November

- Created a new Encumbrance Aging Report to view detailed information for all open purchase order encumbrances and group them into aging categories. This enhancement assists departments with managing open commitments and YEC activities.
- Enhanced interfaces to labor distribution and accounts receivable modules to accommodate the new benefit type Savings Plus employer contributions.
- Enhanced reports used for MEC and YEC for assets and outstanding module transactions. These reports help departments identify open transactions that are blocking their ability to close periods and provide required information for year-end reporting.

December

- Created a new report that allows the SCO to review journal vouchers for approval, for post auditing and reconciliation, and to assist with process improvements.
- Enhanced the Project Costing report to display revenue balances from labor billing. This enhancement assists departments with reconciliation processes.

2025

January

- Enhanced the direct transfer credit process on the credit invoice for departments. This helps authorized departments utilizing the direct transfer process with creating deposits with line level accounting information.

February

- Enhanced the P-Card submodule to disable the supplier link. This enhancement is a guardrail to prevent department users from populating the cardholder's card information to the Vendor Master File.
- Created summary and error log email notifications for SCO interface reconciliation. Users will be able to receive email notifications, which aids in faster resolution of errors and keeps systems reconciled.
- Enhanced a general ledger report by including two additional transaction types. These transaction types allow department users to perform reconciliations without additional research.
- Created a new query for departments to use to monitor their interunit transfer approvals. This query allows departments to monitor and assign approvers prior to running the interunit transfer process and helps ensure that no asset gets transferred without the required approvals.

March

- Enhanced the labor distribution personal activity sheet query to support departments with extracting employee timesheet data. This enhancement assists departments to reconcile data quicker and more efficiently before running labor distribution and labor correction processes.

April

- Enhanced the Adjust Withholding page with a guardrail to prevent departments from inadvertently deleting or overriding the original 1099 data.
- Enhanced asset retirement disposal code functionality for leased assets and introduced a new disposal code for right-to-use assets (GASB 87 and GASB 96). This enhancement helps the SCO and departments in tracking asset disposals.
- Created a new system validation between the use of the Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) option acquisition methods and active SB and DVBE supplier certification types. This validation ensures departments select a correct active supplier certification type along with the corresponding SB or DVBE acquisition method, and improves the accuracy of required departmental and statewide procurement reporting, including the Consolidated Annual Report for State Contracting.
- Created a system guardrail to prevent users from backdating leases prior to the lease management module implementation date. This prevents user entry errors and from having a commencement date prior to the GASB 87 and 96 inception date.
- Enhanced the payment interface to include the STD 432 Stop Payment Request information. The modified interface allows for the bulk submission and the electronic processing of stop payments. These payments will be included in the nightly transmission to STO.

May

- Enhanced the FI\$Cal system to allow access for seven non-FI\$Cal departments to utilize the ARF transfer request functionality in FI\$Cal to generate forms 22, 220 and 221 for project funding. Access was also granted to the ARF workflow report to support the functionality.
- Enhanced the project costing module to add a link to the Statewide Emergency Incident Number (SEIN). This enhancement will reduce mismatches between emergency type and the disaster event SEIN and provide accurate reports.
- Enhanced the InterUnit Invoice Portal Page to include additional print options, created four new direct transfer reports and updated the Accounts Receivable WorkCenter.

June

- Enhanced the lease payment schedule functionality and created a custom table and process to extract and maintain the lease payment history schedule for GASB 87 and GASB 96 reporting purposes. This new

functionality eliminates a mismatch between the recognized liabilities versus the future payment information in the future payment schedules.

- Enhanced the MEC Tool to include a new query which provides a soft warning for periods 1 through 11 and a hard stop for period 12 for Office Revolving Fund (ORF) replenishment vouchers under employee and petty cash suppliers when the ORF replenishment box is checked but no ORF advance prepaid voucher is available.
- Enhanced the FI\$Cal system to automate the STD 432 Stop Payment Request process into the system for the deferred and exempt departments to use this functionality in FI\$Cal instead of doing it manually. All stop payments made during business hours across all deferred and exempt departments are interfaced to STO during the nightly batch.

4. An Overview Of Change Management Activities and Stakeholder Engagement for Any New Departments Onboarding to the System. (LM #4)

FI\$Cal has reviewed and implemented improvements to the master department workplans (MDW) for each onboarding department. The MDW provides onboarding departments with a holistic view of the tasks involved in the onboarding process. The workplan is modified after each onboarding effort to account for lessons learned.

FI\$Cal has also updated existing, and created new, communication methods to engage onboarding departments early and frequently, which has helped ensure successful implementation. Additionally, FI\$Cal redefined internal business processes to streamline the tasks required of onboarding departments.

The training model has also been revamped for onboarding departments. This includes a guided learning curriculum through the FI\$Cal Learning Center (FLC) that provides early exposure to the FI\$Cal system. The FLC is our one-stop learning experience portal designed to help end users master the skills needed to become confident and successful FI\$Cal system users. End users can access and try the system through structured learning courses. Additionally, onboarding end users have unlimited access to recorded mini virtual instructor-led training (VILT) courses, which are segments of the full day/two-day VILTs broken down into smaller, manageable segments. These recorded sessions are followed by live question and answer training sessions with a FI\$Cal subject matter expert (SME). This enables end users to become familiar with the system before attending working sessions with FI\$Cal onboarding SMEs.

FI\$Cal has conducted a fit/gap analysis of each deferred department to identify high level gaps prior to the start of onboarding. Additionally, as part of the

onboarding process, FI\$Cal engages with these departments to work on the gaps and identify solutions. This includes business process and/or technical solutions.

Onboarding Department Support

FI\$Cal started working with Caltrans in July 2023 to onboard them onto the FI\$Cal system. FI\$Cal and Caltrans have collaboratively identified the functional and technical gaps between Caltrans' current business processes and their existing systems and the FI\$Cal system. The gap resolution activities, along with other onboarding activities defined in the MDW are currently in progress. FI\$Cal continues to support the Caltrans onboarding efforts by conducting business process gap discussions, engaging their SMEs in training, and providing their end users with exposure to the FI\$Cal system through guided learning curriculum in the FLC.

FI\$Cal supported the CSA over the course of their one-year onboarding plan through early engagement with training and access to the FI\$Cal system, configuration set up and validation, identification and resolution of business process and technical gaps, and testing of configuration files. CSA completed all of their pre onboarding MDW tasks and was scheduled to go live in the FI\$Cal system on July 1, 2025.

Post-Onboarding Department Support

FI\$Cal relationship coordinators are assigned to departments and they play a vital role in ensuring that end users can navigate the FI\$Cal system with ease. When needed, they assist with ticket escalations to help quickly resolve issues that arise, perform ticket trend analysis to identify recurring issues, and offer relevant training to end users to help them make the most of the system. Their efforts go a long way towards ensuring a more successful user experience and maintaining a high level of user satisfaction.

The FI\$Cal Service Center (FSC) provides support to FI\$Cal system end users. As the first line of support, the FSC addresses issues related to account management, system troubleshooting, and general support needs. Additionally, the FSC offers functional support through its team of SMEs.

End users are provided with continuous training through the FLC. Through the FLC, end users can access VILTs and web-based courses, as well as job aids that provide step-by-step instructions for completing FI\$Cal transactions. In addition, how-to videos are available to help answer commonly asked questions. End user playlists, training histories, course evaluations and more are also provided. Recently developed MEC and YEC playbooks are available to guide departments through these processes.

FI\$Cal also provides year-round on-request support, allowing end users to schedule virtual sessions and receive online assistance with completing transactions with the help of system SMEs. In addition, collaboration tools like Microsoft Teams have reduced response times to ticket submissions. FSC ticket analysts can connect with users immediately to resolve questions and handle issues at the ticket level, resulting in one-and-done resolution. In cases of larger, more complex issues, departments can request assistance through a User Support Lab (USL) session.

5. A Discussion of Lessons Learned and Best Practices That Will Be Incorporated Into Future Changes in the Management of the System. (LM #5)

- Internal Improvement in the ServiceNow Case Tracking
FI\$Cal improved internal reports and processes for monitoring aging tickets as well as for monitoring the tickets of newly onboarded departments. A dashboard is created and monitored daily for each new department until the department has completed their first year of financial statements. This proactive approach along with the improvement in case ticket notifications to users has reduced the number of aged tickets and provided timely support to struggling new users. FI\$Cal continues to look for opportunities to improve ticket resolution times.
- Improvements to Onboarding Validation Sessions
Based on feedback from the 2024 onboarding departments, FI\$Cal updated the MDW to combine the second validation session performed by departments with the business process review sessions. This combined validation session was updated to include the testing of business process redesigns with FI\$Cal SMEs present. During this time, the onboarding department will run through their existing business processes and make changes or updates to accommodate the transition to the FI\$Cal system. The goal of this change is to validate configurations, identify and test critical processes, and update procedures prior to onboarding, which will reduce road blocks once the department is live in FI\$Cal. Combining the second validation with the business process redesign session is a better use of FI\$Cal and onboarding department staff time and allows for more focus on the new processes.
- Continued Monitoring of New Departments Through Completion of Financial Statements
FI\$Cal has dedicated resources to expedite services and closely monitor new departments until their first set of financial statements are complete in FI\$Cal. Monthly sponsor and touch point meetings are continued to guide the departments to success. FI\$Cal collaborates with our partners to

provide timely ticket resolution and hands-on training. In the sponsor meetings, FI\$Cal provides a status of the departments progress in closing periods and ticket metrics, and an opportunity to escalate any concerns. This new approach has resulted in significant progress in their MEC and YEC activities.

- Improved Communication at Customer Impact Committee Meetings
In an effort to be proactive, in coordination with the chair of the Customer Impact Committee (CIC), FI\$Cal has developed a survey to solicit topics and questions which allows FI\$Cal to invite the necessary SMEs to the meeting to answer and address these questions in real time and solicit discussion among the departments attending.
- Continuous Improvement and Department Feedback Opportunities
A retrospective with FI\$Cal relations coordinators was held in the spring of 2025 on the onboarding of CDT and DOR in 2024 to evaluate what went well, what didn't go well, ideas for improvement, and potential action items.

In addition, every other year FI\$Cal conducts a retrospective with a sampling of live departments on their MEC and YEC closing processes to identify opportunities for improving the process and the FI\$Cal system.

6. A Description of Any Significant Software Customization, Including the Reason for the Customization, If Any Customization Was Granted. (LM #6)

FI\$Cal continues to enhance the FI\$Cal system and business processes to better meet the needs of our end users and partners. Listed below are the significant software customizations released during the reporting period for this report.

- Enhanced the system to provide automated submission of stop payment requests to the STO for FI\$Cal and non-FI\$Cal departments.
- Enhanced the system to process electronic claims through FI\$Cal for SCO processing. This enhancement eliminates the requirement to reclassify electronic claims transactions as it allows departments to process the claims using the intended chartfield values.
- Implemented Deal Management to provide functionality to manage bond and deal instruments and integrate accounting transactions into FI\$Cal. This module is a prerequisite for the SCO Accounting Book of Record transition.

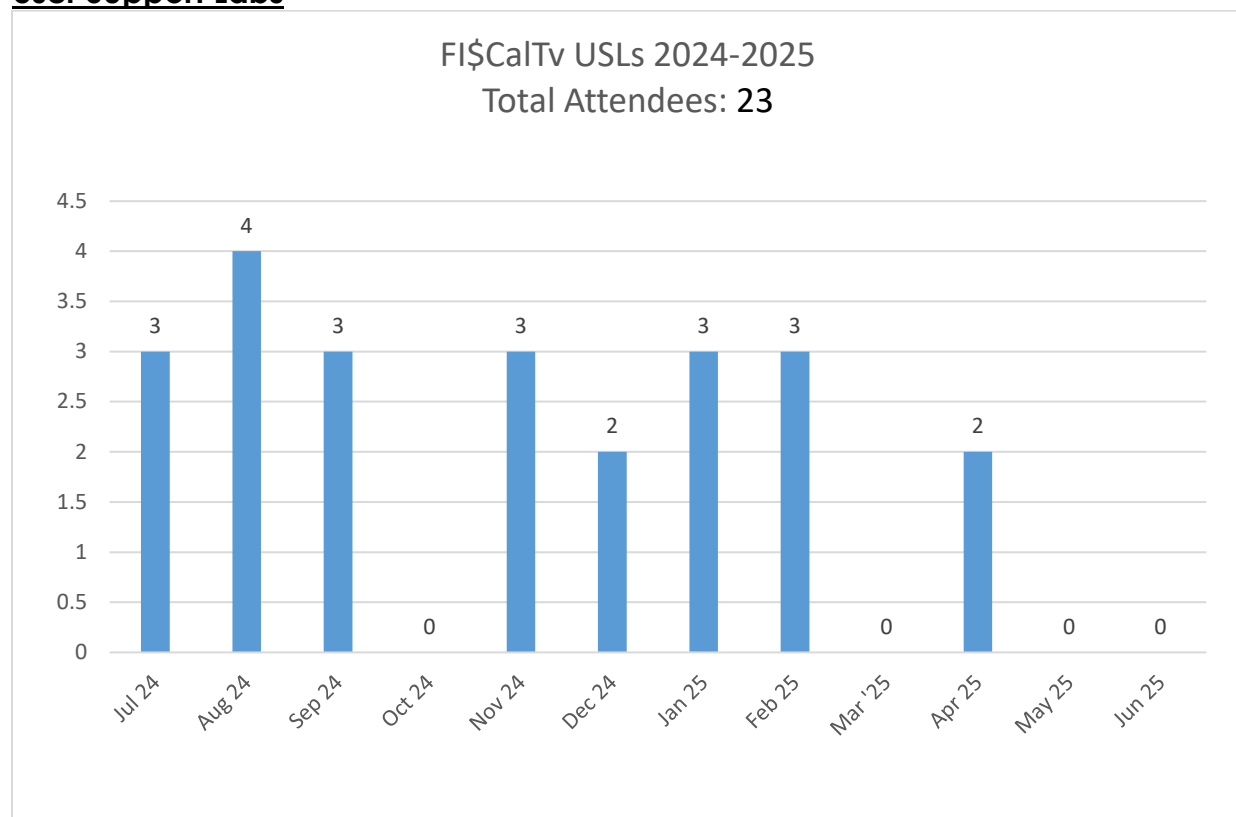
- Implemented Coupa electronic invoicing to extend FI\$Cal's functionality to support efficiencies for end user department accounts payable processes, reducing the manual keying of invoices.

7. The Date On Which State Departments and Agencies Submit Year-End Reports to the Controller. (LM #7)

The [Delinquent Year-End Financial Statements report](#) published by the SCO includes the date when state departments and agencies submit year-end reports to the Controller. The information in this report is sorted by funds for each department or agency and is regularly updated by the SCO until all departments have submitted their year-end financial statements. Contact the SCO at (916) 445-2636 for questions regarding their report.

8. The Number of Trainings Held at the Department and a List of State Departments and Agencies Participating in These Trainings. (LM #8)

User Support Labs

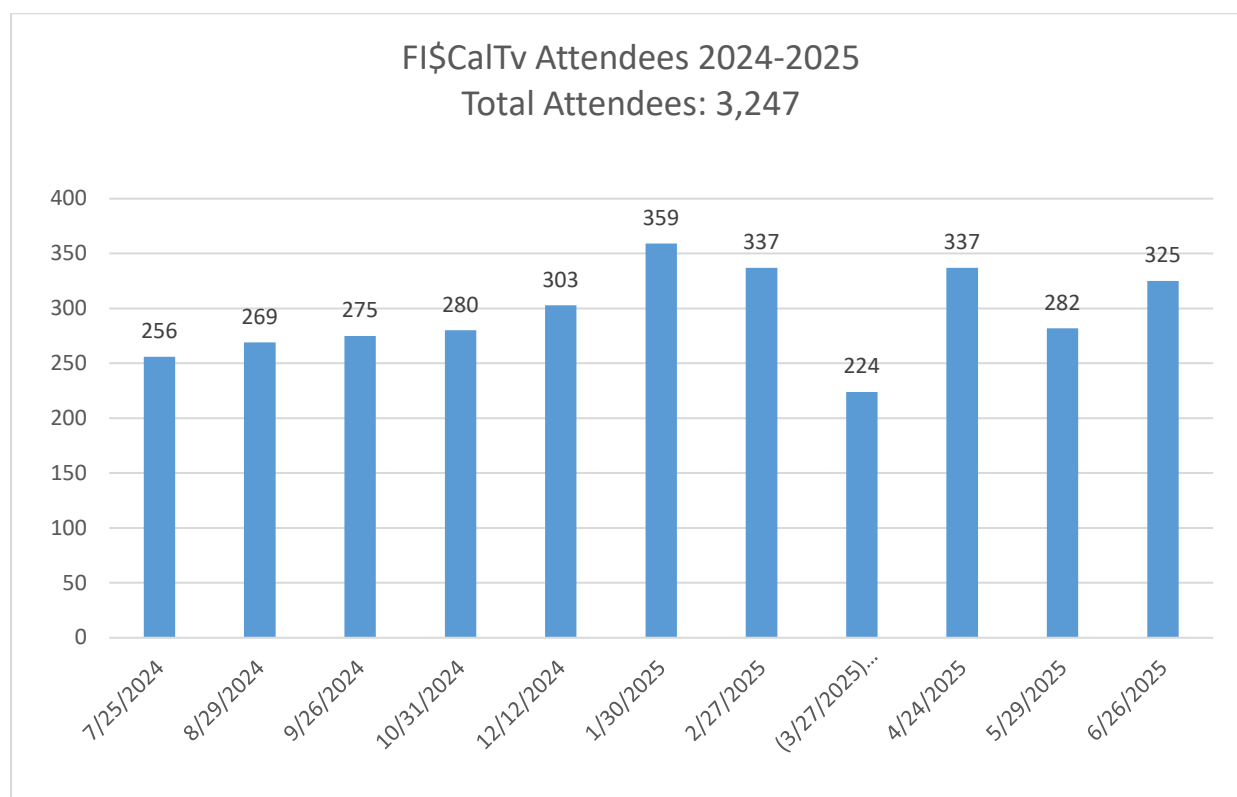


USLs provide FI\$Cal system end users an opportunity to receive support on work assignments and real-time training from FI\$Cal SMEs. Virtual lab sessions are available by appointment.

Approximately 23 end users from seven departments/agencies requested and attended three USLs during the reporting period of this annual report. The following departments and agencies attended at least one USL:

Department of Rehabilitation, Air Resources Board, Office of Energy Infrastructure Safety, State Controller's Office, California African American Museum, Department of Technology, Board of Governors of Community Colleges

FI\$CalTv

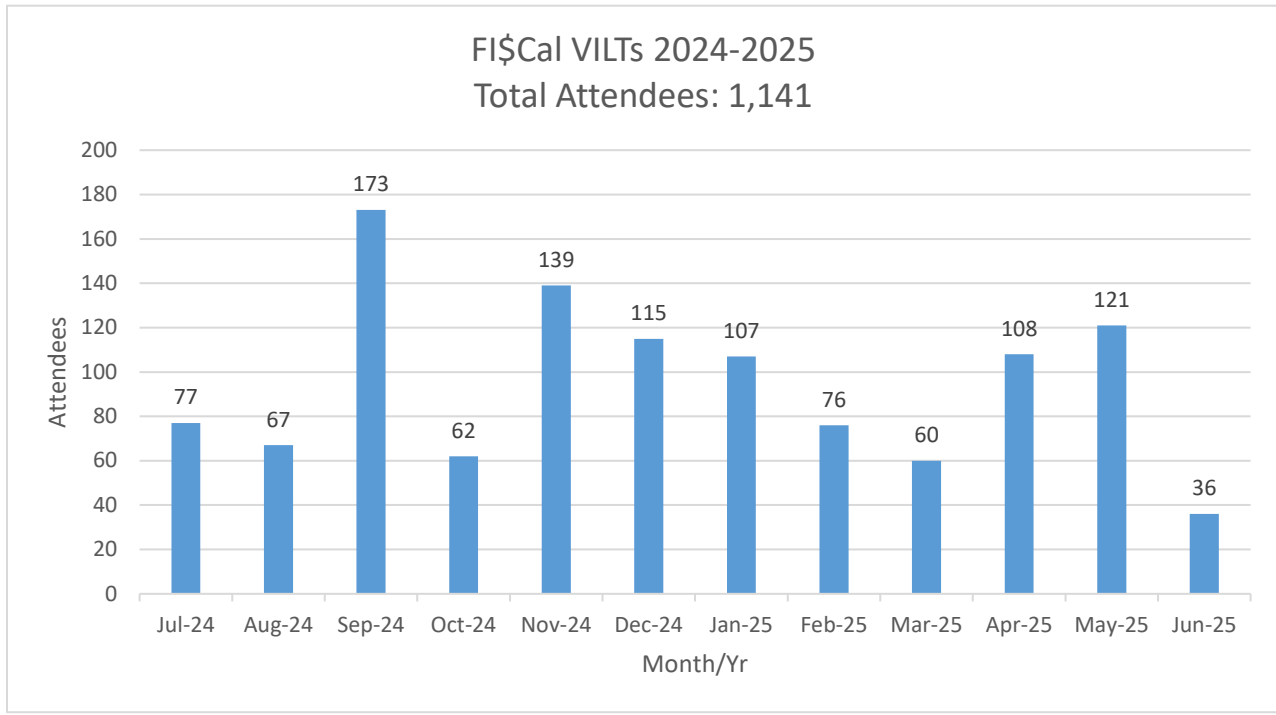


FI\$CalTv offers training and information to end users via webcast sessions, where users can connect with FI\$Cal SMEs who provide information on specific topics and valuable tips, tricks, and information. The episodes are stored and accessible in the FLC and on FI\$Cal's YouTube channel after the webcast session is held.

During the reporting period for this annual report, FI\$Cal provided 11 FI\$CalTv sessions, with 3,247 attendees from 96 departments and agencies. The following departments and agencies attended one or more of these events:

Air Resources Board, Alcoholic Beverage Control Appeals Board, Board of Governors of Community Colleges, California Arts Council, California Children and Families Commission, California Coastal Commission, California Energy Resources Conservation and Development Commission, California Highway Patrol, California Institute for Regenerative Medicine, California Military Department, California School for the Deaf – Riverside, California Science Center, California State Auditor, California State Library, California State University, California Workforce Development Board, Citizens Compensation Commission, Civil Rights Department, Commission on State Mandates, Commission on Teacher Credentialing, Delta Stewardship Council, Department of Aging, Department of Alcoholic Beverage Control, Department of Cannabis Control, Department of Child Support Services, Department of Community Services and Development, Department of Conservation, Department of Consumer Affairs, Boards, Bureaus, and Divisions, Department of Corrections and Rehabilitation, Department of Developmental Services, Department of Education, Department of Finance, Department of Financial Protection and Innovation, Department of Food and Agriculture, Department of Forestry and Fire Protection, Department of General Services, Department of Health Care Access and Information, Department of Health Care Services, Department of Housing and Community Development, Department of Human Resources, Department of Industrial Relations, Department of Insurance, Department of Justice, Department of Managed Health Care, Department of Motor Vehicles, Department of Parks and Recreation, Department of Pesticide Regulation, Department of Public Health, Department of Real Estate, Department of Rehabilitation, Department of Resources Recycling and Recovery, Department of Social Services, Department of State Hospitals, Department of Tax and Fee Administration, Department of Technology, Department of Transportation, Department of Veterans Affairs, Department of Water Resources, Employment Development Department, Fair Political Practices Commission, FI\$Cal, Franchise Tax Board, Gambling Control Commission, Government Operations Agency, Health and Human Services Agency, Health Benefit Exchange (Covered CA), High Speed Rail Authority, Judicial Council of California, Labor and Workforce Development Agency, Lottery Commission, Natural Resources Agency, Office of Administrative Law, Office of Emergency Services, Office of Energy Infrastructure, Office of Environmental Health Hazard Assessment, Office of Land Use and Climate Innovation, Office of Service and Community Engagement, Office of Systems Integration, Office of the Inspector General, Office of the State Public Defender, Peace Officer Standards and Training Commission, Public Employees' Retirement System, Public Utilities Commission, Secretary of State, Sierra Nevada Conservancy, State Compensation Insurance Fund, State Controller's Office, State Council on Developmental Disabilities, State Lands Commission, State Teachers' Retirement System, Student Aid Commission, Tahoe Conservancy, University of California, Victim Compensation Board, Water Resources Control Board, and Wildlife Conservation Board.

Virtual Instructor Led Training



FI\$Cal offers VILT sessions where SMEs provide thorough explanations of business processes and system functionality, live demonstrations, and hands-on exercises.

FI\$Cal held 50 VILT sessions during the reporting period, and 1,141 users from 90 departments and agencies attended.

The following departments and agencies attended at least one of these events:

Air Resources Board, Baldwin Hills Conservancy, Board of State and Community Corrections, California African American Museum, California Arts Council, California Coastal Commission, California Conservation Corps, California Department of Financial Protection & Innovation, California Department of Technology, California Energy Resources Conservation and Development Commission, California Highway Patrol, California Military Department, California Pollution Control Financing Authority, California Rivers and Mountains Conservancy, California School for the Deaf – Fremont, California School for the Deaf – Riverside, California State Library, California State Summer School for the Arts, Commission on State Mandates, Commission on Teacher Credentialing, Commission on the Status of Women and Girls, CSU, Sacramento, Delta Protection Commission, Department of Aging, Department of Alcoholic Beverage Control, Department of Cannabis Control, Department of Child Support Services, Department of Community Services and Development, Department of

Conservation, Department of Consumer Affairs, Boards, Bureaus, & Divisions, Department of Developmental Services, Department of Education, Department of Fair Employment and Housing, Department of Finance, Department of Fish and Wildlife, Department of Food and Agriculture, Department of Forestry and Fire Protection, Department of General Services, Department of Health Care Services, Department of Housing and Community Development, Department of Human Resources, Department of Industrial Relations, Department of Insurance, Department of Justice, Department of Managed Health Care, Department of Motor Vehicles, Department of Parks and Recreation, Department of Public Health, Department of Rehabilitation, Department of Resources Recycling and Recovery, Department of Social Services, Department of State Hospitals, Department of Tax and Fee Administration, Department of Toxic Substances Control, Department of Veterans Affairs, Department of Water Resources, DGS - Statewide Procurement, Emergency Medical Services Authority, Employment Development Department, Environment Protection Agency, Franchise Tax Board, Governor's Office of Business and Economic Development, Health and Human Services Agency, Health Benefit Exchange (Covered CA), High Speed Rail Authority, Judicial Council of California, Office of Data and Innovation, Office of Emergency Services, Office of Energy Infrastructure Safety, Office of Planning and Research, Office of Statewide Health Planning and Development, Office of Systems Integration, Office of Tax Appeals, Office of Traffic Safety, Peace Officer Standards and Training Commission, Public Employees' Retirement System, Public Utilities Commission, Sacramento-San Joaquin Delta Conservancy, Secretary of State, SF Bay Conservation and Development Commission, Sierra Nevada Conservancy, State Coastal Conservancy, State Controller, State Lands Commission, State Special Schools - Diagnostic Centers, State Treasurer, Statewide STPD, Tahoe Conservancy, Victim Compensation Board, Water Resources Control Board

9. The Number and Length of Unplanned Outages That Occurred During Normal Business Hours. (LM #9)

FI\$Cal has taken several steps to increase FI\$Cal system availability and reduce the number and/or duration of unplanned outages. These steps include updating hardware and software platforms, having redundant systems, monitoring system metrics, and implementing preventive and perfective measures to improve the availability of the FI\$Cal system. FI\$Cal had no unplanned outages between July 1, 2024 and June 30, 2025.

10. The Number of Request for Changes to the System by Entities That Reported Concerns With Using the System to Meet Federal Requirements and Descriptions of the Department's Efforts to Resolve Those Concerns. (LM #10)

FI\$Cal did not receive any requests for changes to the system from departments related to meeting federal requirements. However, FI\$Cal implemented the following enhancements to the system related to federal reporting:

FI\$Cal enhanced the system to capture Federal Emergency Management Agency cost categories in the Disaster Cost Recovery Tracking report. This implementation included a drop down with options to assist departments in analyzing cost recovery.

11. The Recommendations From Evaluations Performed Pursuant to Subdivisions (a) and (c) of Section 11868. (LM #11)

Subdivision **(a)** of [Section 11868](#) - In its independent monitoring of the system, the California State Auditor's Office shall do, but is not limited to doing, both of the following:

- (1)(A)** Monitor and report annually to the Legislature, pursuant to Section 9795, regarding the Controller's progress toward transitioning the state's accounting book of record from the legacy system utilized by the Controller to the system pursuant to subdivision (c) of Section 11860.
- (B)** This paragraph shall apply only until the successful transition of the accounting book of record to the system.
- (2)(A)** Monitor and report annually to the Legislature, pursuant to Section 9795, regarding the department's completion of the activities required by [Section 11865](#), with an emphasis on the activities described in subdivisions (c) and (e) of Section 11865 as top priorities.
- (B)** This paragraph shall apply only until the successful completion of the roadmap activities described in Section 11865.

(b) The department may contract for quality assurance services to monitor system-related workload, as needed, or as determined to be appropriate by the department.

(c) The department shall contract for an annual assessment of the system that determines the ease of use of the system by end users, including control agencies, relative to statutory and policy requirements for accounting, cash management, procurement, and budgeting. The assessment shall include recommendations to the department on process, policy, and system improvements including, but not

limited to, changes that would assist departments in submitting timely annual financial statements.

Pursuant to subdivision (a) of Government Code section 11868, the California State Auditor has not provided recommendations from any evaluations to include in this report.

Pursuant to subdivision (c) of Government Code section 11868, FI\$Cal conducted the second annual survey of departments at the end of 2023/beginning of 2024 to identify department concerns and opportunities for system and process improvements. The survey was conducted by Accenture.

Status of Planning for Roadmap Activities

Commencing October 31, 2023, and biennially thereafter, the department shall report on the status of planning for roadmap activities, as described in Section 11865, including any expenditures made with funds provided by the Department of Finance and the Legislature to support "roadmap" activities pursuant to items 8880-001-0001 and 8880-001-9740 of the annual Budget Act.

- **Ensure the system is technically optimized and secure based on infrastructure, platform, and software industry best practices, whether on-premise technologies, cloud-hosted technologies, or a combination thereof are used.**

FI\$Cal is committed to maintaining and enhancing the system to ensure it is secure, responsive, and available to serve FI\$Cal system end users. As part of this commitment, FI\$Cal continuously monitors system performance and availability, periodically evaluates the end of life cycle of the hardware and software supporting the FI\$Cal system, and plans system maintenance and upgrade activities to keep the system secure and optimized.

Last year, FI\$Cal continued to enhance the hardware and the software infrastructure to bring in enhanced features, enhanced security and to extend the support for the current infrastructure. FI\$Cal upgraded the server infrastructure to a newer version of the operating system which provides enhanced security and extend vendor support for the foreseeable future. FI\$Cal replaced Oracle Business Intelligence software with the Oracle Analytics server (OAS). OAS is an enhanced version of the software. FI\$Cal enhanced the security of the virtual private networking solution by using more stringent security configurations.

In addition, FI\$Cal expanded its infrastructure and processes to utilize cloud-based infrastructure services to perform configuration, validation, testing, and training activities associated with onboarding deferred departments.

- **Onboard the remaining deferred departments by July 1, 2032, and be sufficiently staffed to provide ongoing support and assistance to end users.**

As of July 2024, FI\$Cal successfully onboarded two deferred departments, CDT and DOR. There are eight deferred departments still required to onboard to FI\$Cal. Of those eight departments, Caltrans and the Department of Justice are currently working with FI\$Cal to onboard. FI\$Cal has completed a fit/gap analysis on seven of the deferred departments. This analysis is conducted to identify the high-level functional and technical fits and gaps between the deferred department's existing system and the FI\$Cal system.

FI\$Cal was authorized new positions to address the Caltrans onboarding work and the subsequent ongoing support and assistance to their end users. Caltrans is significantly more complex than prior onboarding workloads and they are estimated to bring 5,000 additional end users onto the system once they have onboarded. Staffing needs for onboarding and ongoing support will be evaluated and requested if needed as the deferred departments are scheduled for onboarding activities.

In addition, during the reporting period of this report, FI\$Cal worked with an exempt department, CSA, to bring them onto the system. The CSA went live in FI\$Cal on July 1, 2025.

- **Ensure the integrity and security of the state's financial data.**

FI\$Cal reviewed the CalSecure framework, identified gaps, and planned security enhancements.

FI\$Cal improved overall security posture by hardening FI\$Cal's infrastructure and implementing security controls outlined in the Defense Information Systems Agency Security Technical Implementation Guide framework. In addition, FI\$Cal enhanced its virtual private network solution with Federal Information Processing Standards 140-3 compliant protocols to further strengthen the remote access into FI\$Cal's network.

As part of the roadmap, FI\$Cal also implemented security enhancements based on the CalSecure framework.

In addition, FI\$Cal implemented multi-factor authentication for accessing FI\$Cal's PeopleSoft accounting application and the Hyperion budgeting application.

- **Support the transition of the state's accounting book of record from the Controller's legacy systems to the system pursuant to subdivision (c) of Section 11860, including validation work related to the annual comprehensive financial report issued pursuant to Section 12460.**

As required by Assembly Bill 127, the SCO provided system and interface requirements, and worked with FI\$Cal to develop a timeline for the FI\$Cal system to become the official book of record for the state of California by July 1, 2026. FI\$Cal continues to collaborate with the SCO in completed project tasks.

In Fiscal Year 2024-2025, FI\$Cal and the SCO successfully implemented 38 enhancements to the system for the accounting and reporting book of record projects. These projects are on track for successful completion by July 2026.

- **Work with partner agencies to identify and implement additional products, interfaces, and add-ons to the system to enhance business transactions.**

FI\$Cal continues to collaborate with our partner agencies to enhance and improve FI\$Cal system functionality. In particular, a few large enhancements, considered priorities by our partners, began during the reporting period of this report. Those priorities are:

- Deal Management and Bond Accounting - FI\$Cal is in the process of implementing a new deal management module and bond accounting enhancements. This project is being delivered in three phases with phases one and two having already been completed. The final phase is planned to be completed in December 2025.
- Supplier Portal, Electronic Funds Transfer, and Electronic Invoicing – FI\$Cal implemented the Coupa software solution to meet the requirements identified for two of the three projects, Supplier Portal and Electronic Invoicing. The Supplier Portal is a predecessor project for Electric Funds Transfer.
 - The Supplier Portal, using Coupa, is configured and in testing with a planned release in late summer 2025.
 - Electronic Funds Transfer is in the build and test phase with a planned release in fall 2025.

- Electronic Invoicing is complete and in the pilot phase. The solution will be released to all departments over five releases ending in December 2025.
- Legacy Claims Reclass – FI\$Cal completed this system enhancement which provides an automated solution for the reclassification of claims interfaced from the SCO.
- Electronic Claims – FI\$Cal completed the first system enhancement project to allow departments to process mass payment files in FI\$Cal to the SCO's electronic claims process. The second project will refine reports and processes for the SCO.
- California State Payroll System – FI\$Cal has participated in discussions with the California State Payroll System (CSPS) project teams to develop high-level interface requirements between CSPS and the FI\$Cal system. FI\$Cal is analyzing the needed enhancements to accommodate the interfaces and potential business process changes. In preparation for the CSPS project, FI\$Cal has completed enhancements and onboarded departments to the Automated Payroll Accounts Receivable process and started the Electronic Funds Transfer project, an identified requirement for CSPS.
- eMarketPlace – FI\$Cal participated in the planning phases of the DGS eMarketPlace automation project. The eMarketplace will act as a central access point between approved suppliers online catalogs and FI\$Cal. It will ease end users ability to find and order from approved suppliers based on categories such as SB/DVBE, leveraged procurement agreements and/or sustainability, among many others. FI\$Cal is working with DGS on phase one of the project.
- **Continue to enhance, upgrade, and manage the system to ensure efficient and relevant alignment with the state's financial management processes.**

FI\$Cal continues to respond to the changing needs of our end users and our partners. This is reflected in the 212 non-project related enhancements completed between July 1, 2023 and June 30, 2025. In addition, we strive to learn and understand the needs of the departments using the FI\$Cal system and the issues they are encountering through surveys and engagement with the CIC.

- **Expenditures to Support Roadmap Activities**

In Fiscal Year 2023-2024 and Fiscal Year 2024-25, expenditures made with funds provided by Finance and the Legislature to support roadmap activities pursuant to items 8880-001-0001 and 8880-001-9740 of the annual Budget Acts totaled \$24.6 million in support of the above-mentioned activities.