

**JUDICIAL COUNCIL OF CALIFORNIA  
ADMINISTRATIVE OFFICE OF THE COURTS**  
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**Report**

TO: Members of the Judicial Council

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SUBJECT: Report and Recommendations on Phoenix System (Action Required)

Issue Statement

In accordance with the direction of the Judicial Council in April 2002 and reaffirmation in August 2002 and February 2003, the Administrative Office of the Courts (AOC) has made substantial progress in implementing the statewide administrative infrastructure (Phoenix) for court operations. The Phoenix Financial System (formerly called Court Accounting and Reporting System, CARS) and Phoenix Human Resources System (formerly called Courts Human Resources Information System, CHRIS) have now progressed to various stages of development and implementation, with the Phoenix Financial System nearing its deployment conclusion with only nine courts remaining to complete that portion of the statewide infrastructure effort. Given the imminent completion date of July 2008, this report is presented to the Judicial Council to provide a project status update and to affirm the council's previous direction that all courts become part of the Phoenix infrastructure and to respond to expectations from the Governor's Office and the Legislature.

Recommendation

AOC staff recommends that, effective October 26, 2007, the Judicial Council:

1. Direct the AOC to report on the completed deployment of the Phoenix Financial System to support the fiscal operations of the trial courts by the previously established scheduled date of July 2008; and
2. Direct the AOC to maintain as a priority the following:
  - Seeking adequate resources to complete the implementation and support/maintenance of the Phoenix Human Resources System statewide to all 58 trial courts by the conclusion of fiscal year 2012–2013; and

- Seeking adequate resources to enable the upgrade of the SAP software to the most appropriate current version with increased functionality.

In support of this recommendation, the Phoenix Financial System statewide deployment schedule and underlying assumptions are attached at pages 6–7.

#### Rationale for Recommendation

With the passage of the Trial Court Funding Act, the expectation of the Legislature and Governor’s Office and the direction of the Judicial Council have been to ensure appropriate local management with statewide accountability and transparency through a statewide administrative structure. Toward this end, at its April 2002 meeting, the Judicial Council provided direction to AOC staff to develop a comprehensive administrative infrastructure for the trial courts. This direction was reaffirmed at the August 2002 meeting with the discussion of the Trial Court Shared Administration Services Pilot Program. It should be noted that these directives are also consistent with the following judicial branch strategic goals:

- Goal II, Independence and Accountability;
- Goal III, Modernization of Management and Administration; and
- Goal VI, Branch-wide Infrastructure for Service Excellence.

Further, at its February 2003 meeting, the Judicial Council reaffirmed the past policy approach to development and implementation of statewide administrative infrastructure initiatives in the areas of financial services, human resources, information technology, and legal services.

Consistent with the council’s directives to develop and implement statewide administrative systems for financial and human resources in the trial courts, the Northern/Central Regional Office, with participation from AOC Human Resources, Information Services, and Finance Divisions, continues to adhere to the original five-year rollout schedule presented to the council in February 2003. Under this plan, the Phoenix Financial System has been deployed to approximately three to five trial courts per quarter since its inception. The deployment of the Phoenix Human Resources System is still in its early stages, with deployment to a total of six courts thus far: the Superior Courts of Sacramento, Riverside, Lake, Santa Cruz, Siskiyou, and Stanislaus Counties. Additional information on each effort is noted below.

#### *Phoenix Financial System*

Until recently, the 58 trial courts used disparate financial systems, many of which were unable to comply with state financial reporting requirements. The Phoenix Financial System was developed not only to bring the trial courts into compliance with state requirements, but also to support consistent reporting of expenditures and permit

comparable data collection between the trial courts and among the courts as a whole. The accountability and uniformity envisioned by Phoenix is needed to address long-standing “business-related” and political considerations in working collaboratively with the executive and legislative branches of state government. As previously stated, statewide installation of the Phoenix Financial System is anticipated to be completed by July 2008, a deployment conclusion schedule that has never been amended or extended.

To date, the Phoenix Financial System has been deployed to 49 of the 58 trial courts. Attachment 1 provides specific information about the system’s implementation time frames. Of the remaining nine, the Superior Courts of Mendocino and Del Norte Counties are scheduled for deployment in January 2008. The Superior Courts of Sutter, Yuba, Nevada, and Tuolumne Counties are anticipated to transition to the Phoenix Financial System in April 2008. The Superior Courts of Santa Clara, Orange, and Los Angeles Counties are targeting a July 2008 deployment date.

#### Phoenix Financial System Implementation Status

The AOC Phoenix Project Team has been actively working with court management and staff at the remaining nine courts on the required preliminary stages to ensure successful implementation at each site. Status of the nine courts is outlined below, including areas that are being focused on:

- Mendocino and Del Norte courts: On schedule for January 2008 deployment. Both courts have indicated additional resources for implementation may be necessary. This will be addressed by working on further analyses with the AOC Finance Division to determine need. The need for additional resources already has occurred in several instances in smaller courts based on separation of duties/audit issues.
- Nevada, Sutter, Tuolumne, and Yuba courts: Set for April 2008, deployment in the Nevada, Tuolumne, Sutter, and Yuba courts will be initiated with kick-off meetings already scheduled or being negotiated. Further, discussions are currently under way with the Sutter court in an effort to resolve some of their concerns before actual deployment activities are started.
- Los Angeles, Orange, and Santa Clara courts: Set for July 2008 deployment, a kick-off meeting for the Santa Clara court occurred this month (October 2007). The Superior Court of Orange County is set for deployment and has already been configured, but a significant number of vacancies in their finance classifications must be addressed and positions filled before the court will be able to “go live” in July 2008. Discussions are currently under way with the Los Angeles court on logistics and potential technical issues. Planning activities are currently under way for the significant training effort that will be required for the large number of “super-users” in the remaining large courts. The Superior Courts of Orange, Los Angeles, and Santa Clara Counties also will require system interfaces for court reporters, jury payments,

and payroll. The Phoenix Project Team is prepared to build these necessary interfaces and install them as part of the system to meet the needs of these three courts. The Santa Clara and Los Angeles courts must also work with their counties to ensure a cooperative effort for the building of successful system interfaces prior to their go-live date of July 2008.

To ensure the Phoenix Project Team has the ability to complete deployment within the schedule identified in the original five-year rollout plan, a number of contingencies, identified in Attachment 2, have been noted as necessary to achieve the goal of completing deployment of the Phoenix Financial System on schedule.

It is the project team's primary goal to meet the functional and technical needs of the remaining nine courts to ensure a smooth transition onto their new financial system and to adhere to the original timeline for statewide system deployment. Completion of this project phase will fulfill the Judicial Council's February 2003 directive.

#### *Phoenix Human Resources System*

The Phoenix Human Resources System provides a comprehensive information system infrastructure that supports the trial courts' human resources management and administrative needs. Designed to be fully integrated with the Phoenix Financial System and first deployed in 2006, the system offers new standardized technology for human resources administration and payroll processing, develops a customer service call center, collects data at the source, provides central processing, and provides manager and employee self-service functions to the courts. The schedule for statewide installation of this component of Phoenix is presently under evaluation, but installation is anticipated to be concluded by the end of fiscal year 2012–2013.

#### Implementation Requirements and Costs

##### *Future tasks*

As is the case with every technology project, the Phoenix Financial and Human Resources Systems must be periodically upgraded as software functionality becomes outdated. The existing system software will not be supported by SAP, which is the software that operates the Phoenix system, beyond 2009 without additional costs and not at all after 2012, leaving the courts in a potentially unstable environment. Proceeding with the system upgrade is essential to ensure that the courts' systems are not jeopardized and to provide enhanced functionality (both financial and human resources) embedded within the more recent "release." The upgrade will further support continued deployment of the Phoenix Human Resources/Payroll System.

In light of the complexity and magnitude of that undertaking, it is critical to have all 58 courts fully deployed by July 2008. In particular, it is critically important to have the participation of and contribution from the Los Angeles, Orange, and Santa Clara courts as

their input, along with that of the rest of the trial courts, will be essential to ensure that the configuration of the upgraded system meets the needs of all the courts.

Additionally, a budget change proposal has been submitted to the state Department of Finance requesting additional resources to supplement the required upgrade of the Phoenix system software and to complete deployment of the Phoenix Human Resources System to the remaining trial courts. It should be noted that the deployment of the Phoenix Human Resources System will commence after the software upgrade is completed and current resources can be redirected to that component of the project.

Concurrent with these deployment activities, service-level agreements have been developed, working in close coordination with various court executive officers in a collaborative manner. Additionally, the AOC is working with the trial courts on the development of a comprehensive “monthly roles and responsibilities” document that outlines the best practices the courts should follow to achieve fiscal accountability and stability.

*Statutory requirement*

In accordance with practice during the past two years, as well as budget control language from the Legislature, the Administrative Office of the Courts is required to report to the Legislative Analyst’s Office on the status of the California Court Case Management System and the Phoenix Financial System at the end of each calendar year. For the past two years, the report has indicated a completion date of July 2008 for the Phoenix Financial System. In compliance with this requirement, a report will be submitted by December 31, 2007, again documenting the status of these technology infrastructure projects.

## Attachment 1 Phoenix Financial System Deployment Schedule

<b>Court</b>	<b>Deployment Date</b>
Stanislaus	December 1, 2002
Siskiyou	November 1, 2003
San Luis Obispo	December 1, 2003
Placer	January 1, 2004
Tulare	February 1, 2004
Lake	April 1, 2004
Madera	April 1, 2004
Alameda	July 1, 2004
San Benito	July 1, 2004
San Bernardino	July 1, 2004
Kings	October 1, 2004
Merced	October 1, 2004
Modoc	October 1, 2004
Calaveras	January 1, 2005
Contra Costa	January 1, 2005
Tehama	January 1, 2005
Yolo	January 1, 2005
Fresno	July 1, 2005
Marin	July 1, 2005
Ventura	July 1, 2005
Kern	October 1, 2005
Solano	October 1, 2005
Trinity	October 1, 2005
Humboldt	January 1, 2006
San Joaquin	January 1, 2006
Colusa	April 1, 2006
El Dorado	April 1, 2006
Napa	April 1, 2006
Plumas	April 1, 2006
Santa Cruz	April 1, 2006
Sonoma	April 1, 2006
Riverside	July 1, 2006
Sacramento	July 1, 2006
San Francisco	July 1, 2006
Shasta	July 1, 2006
Alpine	October 1, 2006
Amador	October 1, 2006
Inyo	October 1, 2006
Mono	October 1, 2006
Imperial	January 1, 2007
Glenn	April 1, 2007
Lassen	April 1, 2007
Mariposa	April 1, 2007
Sierra	April 1, 2007
Butte	July 1, 2007
Monterey	July 1, 2007
San Diego	July 1, 2007
San Mateo	July 1, 2007
Santa Barbara	July 7, 2007
Del Norte	January 1, 2008
Mendocino	January 1, 2008
Nevada	April 1, 2008
Sutter	April 1, 2008
Yuba	April 1, 2008
Tuolumne	April 8, 2008
Los Angeles	July 1, 2008
Santa Clara	July 1, 2008
Orange	July 8, 2008

## **Attachment 2**

### **Statewide Phoenix Deployment Assumptions**

- The Phoenix Project Team will obtain the necessary level of cooperation from each of the remaining nine courts to complete deployment of the Phoenix Financial System, on both the business and technical side, by the July 2008 target date.
- Any movement of the California Courts Technology Center (CCTC) from Siemens to another vendor will not adversely impact the Phoenix deployment.
- Competent and qualified resources will be obtained and retained in a timely manner throughout the course of deployment; any turnover of resources will be absolutely minimized. This includes both AOC and system integrator (BearingPoint) staff.
- The remaining courts will be willing and able to release the required staff to receive training on Phoenix/SAP as necessary.
- Any connectivity/technical issues will be identified and resolved in a timely manner; any and all equipment orders will be made and equipment received in a timely manner.
- All necessary interfaces will be identified and built in a timely manner for the remaining courts.
- All issues relating to the supplementary funding needs of the trial courts, as appropriate, can be addressed successfully.
- The AOC and the courts will work cooperatively before each go-live date to address cost issues.
- Courts must be able to work with and gain cooperation of their counties in a timely manner to ensure that work to build appropriate interfaces occurs prior to each go-live date.

