Agency Summary & Statutory Authority

The State Controller is one of seven constitutional officers in Idaho. The Controller oversees the fiscal concerns of the state as outlined in Section 67-1001, Idaho Code. The office is authorized 104.00 FTP and organized into four programs: Administration, Statewide Accounting, Statewide Payroll, and the Computer Service Center. Among other things, the Controller is responsible for implementing Luma, the statewide enterprise resource management system combining budget, financial, procurement, HR and benefits modules for state agencies. Administration houses the Luma management team and the effort is otherwise funded through the continuously appropriated Business Information Infrastructure Fund.

Luma Implementation

- The Legislature approved five years of SWCAP revenue transfers to the fund for Luma implementation.
- Under current legislation, transfers will end June 30, 2022 and the fund balance will revert to the General Fund after June 30, 2023.

Business Information Infrastructure Fund

Revenue Transfers In and Expenditures

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from</td>
<td>$18,500,583</td>
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<td>$22,079,474</td>
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<td>SWCAP</td>
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<td></td>
<td></td>
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<tr>
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- The Controller is responsible for distributing American Recovery Plan Act funding to Idaho localities with populations less than 50,000 to assist their response to COVID-19 or its negative economic impacts.
- The Controller disbursed $39.7 million in federal aid to localities in FY 2021. The remaining $14.2 million was reappropriated into FY 2022.
- The Controller anticipates receiving a second tranche of federal funding in FY 2022 totaling $54 million.

Fig 1. FY 2021 Base Highlights

Note: does not include federal passthrough funds or continuously appropriated funds

Largest expenditures:
- $8.3M Personnel Costs
- $6.8M Computer Services (64% of operating expenditures)

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FY 2021 Expenditures by Fund Source

- 46% $8,732,200
- 54% $10,343,800

- General Fund
- Dedicated Funds

• Note: does not include federal passthrough funds or continuously appropriated funds
• Largest expenditures:
  • $8.3M Personnel Costs
  • $6.8M Computer Services (64% of operating expenditures)

FY 2021 Expenditures by Program

- Administration $1,036,443, 5%
- Statewide Payroll $8,732,147, 46%
- Statewide Accounting $4,872,752, 26%
- Computer Center $4,434,751, 23%

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Increased Cyber Security
$950,000 ARPA Funds (LBB 6-39)

The office is requesting ARPA funding for a vital enhancement of our cyber security and monitoring infrastructure. For reference, over the past year, SCO security layers blocked:

- **358,000** threat messages, representing 27% of the total messages received.
- **1,591** Denial of Service
- **1,818** Privilege Gain
- **686** Information Leak
- **12,965** Malware Phishing
- **1,043** Bot Networks
- **57,160** Attackers
- **Another 237,000 risks** in coordination with State, Local, Tribal, and Territorial (SLTT) threat intelligence feeds.

Since June 2021, the State Controller’s Office firewalls have blocked the following intrusion attempts:

- **57,160** Attackers
- **1,591** Denial of Service
- **686** Information Leak
- **1,818** Privilege Gain
- **12,965** Malware Phishing
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Providing exemplary customer service is the cornerstone of my office culture, I believe having a skilled team collaborating with our partners provides the best and most cost-effective solutions, and I am grateful for the trust you have put into my office through the assignments you have given us over the years. I hope to maintain this trust and increase collaboration moving forward.”

- Idaho State Controller Brandon Woolf
Process improvements alone cannot fully compensate for workloads that have significantly increased over the last couple of years.

Eliminates a potential single point of failure.

Improves our ability to mitigate significant risks by implementing more robust internal controls.

Required legislation (RS29132): A single extension to the BIIF of $22 million that will be utilized to sustain the system until the current SWCAP billing model can be completed and a new billing model can be implemented.

The Luma system is an ERP solution that all agencies will use for budget planning, financial management, procurement, payroll, and human capital management.

A project team of 81 state employees from 17 state agencies and 87 contractors from 4 consulting firms are working tirelessly to implement Luma.

There is a lot of work ahead and it will take the coordination of the project team and 85 agencies to make the implementation successful.

Over the next 12 months, the Luma project team will...

**PHASE 1**
- Complete System Integration Testing
- Facilitate User Acceptance Testing
- Train 10,000 Employees on Phase 1 Functionality
- Cut-Over From Legacy Systems to Luma
- Provide Post Go-Live Support & Additional Training Opportunities

**PHASE 2**
- Configure System
- Build Integrations and Convert Data
- Facilitate User Acceptance Testing
- Complete System Integration Testing
- Complete Payroll Comparison Tests
- Train 17,000 Employees on Phase 2 Functionality

The Luma Sustainment and Support Model - 9 FTP (LBB 6-39)

Current SCO FTPs Reallocated to Luma

FY22 Approved Budget FTPs

FY23 Requested Budget FTPs

Total Luma Division

27 + 4 + 9 = 42