

ADMINISTRATIVE SYSTEMS

American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF)



6/30/2022

Table of Contents

| | |
|---|---|
| Report Mandate | 3 |
| Context for ARPA Initiatives | 3 |
| Executive Summary | 3 |
| Objective(s) | 4 |
| Overview of Quarterly Progress (April – June 2022) | 4 |
| Anticipated Next Quarter Activities (July – September 2022) | 5 |
| Risks and Risk Management | 6 |
| Change Management Considerations | 6 |
| Project Budget | 6 |

Report Mandate

Chapter 1 Enactment Clause 1, paragraph B.2.P.7., of the amended 2021 Acts of Assembly states, “The department shall communicate a detailed plan and implementation schedule to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget by September 30, 2021. Additionally, the department shall report quarterly to the Governor, the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, and the Director of the Department of Planning and Budget on progress made, with the first progress report to be delivered not later than December 31, 2021.”

Context for ARPA Initiatives

The Virginia Department of Health (VDH) is excited about the opportunity presented by the appropriation of ARPA State Fiscal Funds in the August 2021 Special Session II of the General Assembly to improve public health in Virginia. VDH views this investment as a once in a generation opportunity and will work diligently to maximize use of funds to create and sustain these initiatives. Modifications to VDH’s plans will be reflected in future quarterly reports.

Executive Summary

VDH is transforming and updating the Department’s core administrative systems and processes to increase efficiencies and modernize the Department. The COVID-19 pandemic resulted in significant pressure on VDH’s outdated administrative processes and systems. These outdated processes and systems rely on manual workarounds and have created challenges in VDH’s ability to effectively react and respond to the pandemic.

VDH will improve operational efficiencies and effectiveness over the next three years through updates in business systems, IT Service Management (ITSM), IT Asset management (ITAM), Financial and Accounting systems, and the introduction of Robotic Process Automation (RPA), as appropriate. These modernized systems will enable new capabilities and increase productivity while decreasing manual processes, thus mitigating errors and increasing VDH’s readiness to respond to future public health emergencies.

Over the last three months, VDH has procured a service request solution (ServiceNow), begun implementation, and completed analysis on the current state of IT Service Management and IT Asset Management to inform the ServiceNow configuration. In a continued effort to automate where possible, VDH has continued working on RPA projects both to remove unneeded electronic files across the department, and to assess existing manual processes to identify additional candidates for automation. Additionally, VDH has continued to refine the overall initiative roadmap to ensure that the initiative is addressing the department’s most pressing needs in order to maximize the agency-wide impact of the funding.

These activities are planned to continue into the next quarter, with an expected focus of configuring and rolling out the ServiceNow system across the department, identifying and prioritizing additional opportunities for RPA, completing a current state analysis for grants management, beginning the procurement process for a grants management system, and initiating a current state assessment for HR Information System. The Administrative Systems Initiative is on track to successfully meet the objectives within the three-year ARPA SLFRF funding window.

Objective(s)

VDH aims to assess, upgrade, and/or develop Service Management, Grants Management, Financial Management, and other agency systems to:

- Increase VDH efficiencies with back-office systems to improve experience for customers
- Reduce duplication of effort and streamline business workflows by integrating existing system
- Implement new tools and workflows to automate manual administrative processes
- Use the best available tools to meet the department's needs

Overview of Quarterly Progress (April – June 2022)

Since the submission of the March 31, 2022 quarterly status report, VDH has accomplished the below activities associated with the Administrative Systems Initiative. The activities completed have been important components in refining the overall initiative roadmap, implementing a service request system to transform the agency's IT Service Management and IT Asset Management, continuing efforts to increase automation through ongoing RPA projects, and beginning efforts towards procuring and implementing a Grants Management System.

Key Activities and Accomplishments:

- **Overall Initiative Roadmap**
 - Continuously reviewed initiative roadmap and refined list of priority projects based on evolving agency needs, ongoing administrative system work, and resource constraints
 - Developed detailed spend plan for each project through SFY24 to track progress and ensure proper dollar allocation and budget adherence for each project
- **Service Request System (ServiceNow)**
 - Completed current state analyses of IT Asset Management and IT Service Management to understand current processes, stakeholders, pain points, and opportunity areas
 - Procured ServiceNow system, established an implementation team, and began system design and configuration for IT Asset Management and IT Service Management
- **Robotic Process Automation (RPA)**
 - Developed ROT Bot to clean file drives of Redundant, Obsolete, and Trivial files within the Office of Information Management (OIM)
 - Completed Pipeline Feasibility Analysis, identifying potential opportunities for automation at VDH using RPA
- **Grants Management**
 - Established agile team to begin conducting a gap analysis and gathering requirements for a Grants Management System at VDH

- **Other Initiatives**
 - Began market research for additional technology initiatives prioritized in roadmap

Anticipated Next Quarter Activities (July – September 2022)

The following outlines the activities and tasks planned from July through September 2022:

- **Overall Initiative Roadmap**
 - Continuously review initiative roadmap and refined list of priority projects based evolving agency needs, ongoing administrative system work, and resource constraints
- **Service Request System (ServiceNow)**
 - Finalize design and configuration of IT Service management and IT Asset Management
 - Go live with new system agency-wide
- **Robotic Process Automation (RPA)**
 - Deploy ROT Bot across other agency offices to clean file drives and free up storage space
 - Utilize results from the Pipeline Feasibility Analysis to identify and prioritize next projects for RPA
- **Grants Management**
 - Complete current state analysis and requirements gathering
 - Begin procurement process for Grants Management System
- **Other Initiatives**
 - Finalize market research for additional technology initiatives prioritized in roadmap, receive demonstrations of potential solutions, and begin conducting gap analyses and gathering requirements

Risks and Risk Management

- **Risk 1:** If VDH OIM staff invest significant time into ServiceNow implementation, service response times will likely increase.
 - **Mitigation Strategy:** Provide additional support to OIM staff and communicate impact to the broader agency as part of change management efforts.

Change Management Considerations

VDH understands that successful transformation initiatives rely on more than just the right technology, processes, and resources. They also depend on effective change management, engagement, and training strategies to equip impacted stakeholders with the information and guidance that they need to support the changes being implemented.

In developing and executing a robust Organizational Change Management (OCM) Strategy and Plan, VDH will prepare stakeholders to adopt new administrative systems by helping them understand the changes taking place, the impact of these changes, and the resources and information available to prepare. This in turn will accelerate the adoption of new processes while enhancing the capabilities of offices across VDH, minimizing disruptions to daily operations, and reducing the risk of project delays. The agency has begun to develop the necessary resources – including an initial analysis of initiative stakeholders – that will serve as the foundation for the OCM plan. VDH is also currently developing a “Case for Change” that will equip VDH Leaders with a clear and compelling narrative to effectively communicate with and engage stakeholders on the importance of the change. Additional activities may include a change readiness assessment, Change Champion network, communication/engagement strategy, and training plan to guide VDH in its efforts to prepare stakeholders for adoption of the new systems.

Project Budget

The following appropriation is broken down by the project categories defined in the work plans submitted on 9/30/2021.

Total Appropriation: \$50,000,000

FY22 Appropriation: \$10,000,000

Budget, Obligations, Actuals, and Remaining Spend as of June 15, 2022

| Project Category | FY22 Budget | FY22 YTD Obligations | FY22 YTD Expenditures* | Current Period Expenditures* | FY22 Remaining Spend |
|-------------------------|----------------------|-----------------------------|-------------------------------|-------------------------------------|-----------------------------|
| Business Systems | \$ 6,775,000 | \$ 228,000 | \$ 183,000 | \$ 58,500 | \$ 6,592,000 |
| Web F&A Modernization | \$ 1,675,000 | \$ 564,000 | \$ 322,000 | \$ 123,000 | \$ 1,353,000 |
| Product Suite | \$ 435,000 | \$ 185,000 | \$ 139,000 | \$ 14,500 | \$ 296,000 |
| Other Initiatives | \$ 370,000 | \$ 280,000 | \$ 174,000 | \$ 49,000 | \$ 196,000 |
| IT Service Management | \$ 745,000 | \$ 1,339,500 | \$ 140,000 | \$ 15,000 | \$ 605,000 |
| Total | \$ 10,000,000 | \$ 2,596,500 | \$ 958,000 | \$ 260,000 | \$ 9,042,000 |

* Expenditures represent transactions that have posted in Cardinal F&A as of 6/15/2022