

ADMINISTRATIVE SYSTEMS

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



12/31/2022

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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 The COVID-19 pandemic resulted in significant pressure on VDH’s outdated administrative processes and systems. These outdated processes and systems rely on manual workarounds and have created challenges in VDH’s ability to effectively react and respond to the pandemic.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 configured and implemented the VDH IT Service Portal system (Powered by ServiceNow) across the department, identified and prioritized additional opportunities for RPA, continued the procurement process for a grants management system, and performed an initial gap analysis on existing financial management capabilities. VDH has also continued to refine the overall initiative roadmap to make sure the initiative is addressing the department’s most pressing needs and can maximize the agency-wide impact of the funding.

These activities are planned to continue into the next quarter, with an expected focus on adding additional capabilities to the VDH IT Service Portal, continuing RPA development on prioritized initiatives, selecting a grants management system, and launching the identified financial management transformation initiatives. The Administrative Systems Initiative is on track to successfully meet the objectives within the 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 (October – December 2022)

Since the submission of the September 2022 quarterly status report, VDH has accomplished the below activities associated with the Administrative Systems Initiative. The activities completed have been important components in modernizing and streamlining the administrative functions of the agency.

Key Activities and Accomplishments:

- Overall Initiative Roadmap:
 - Refined and reviewed initiative roadmap and prioritized projects based on evolving agency needs, ongoing administrative system work, and resource constraints
 - Continued refinement of spend plan for each project through State Fiscal Year 2024 to track progress and verify proper dollar allocation and budget adherence
- VDH IT Service Portal (Powered by ServiceNow):
 - Launched the VDH IT Service Portal for Asset Management, Discovery, Configuration Management Database, Core IT Service Management and Service Catalog/Service Requests
 - Developed an initial roadmap of enhancements for the VDH IT Service Portal
- Robotic Process Automation (RPA):
 - Continued the initial deployment of an RPA solution in the Office of Epidemiology to support Electronic Lab Reporting in purging old unused files to increase data storage
 - Began the development of two additional RPA solutions: CAI Invoicing and Inter-Agency VITA bill reconciliation
- Grants Management:
 - Released "Statement of Request" to procure a grants management solution
- Other Initiatives:
 - Conducted review of financial management functions across VDH to identify areas for improvement and transformation

Anticipated Next Quarter Activities (January – March 2023)

The following outlines the activities and tasks planned from January through March 2023:

- Overall Initiative Roadmap:
 - Continue to review initiative roadmap and refine list of priority projects based on evolving agency needs, ongoing administrative system work, and resource constraints
- VDH IT Service Portal:

- Begin enhancements to expand the service catalogue and offer additional service management capabilities
- Robotic Process Automation (RPA):
 - Continue to deploy RPA solution across other agency offices to clean file drives and free up storage space
 - Continue development of the two RPA solutions currently in development
 - Launch additional prioritized RPA initiatives
- Grants Management:
 - Begin reviewing “Statements of Work” submitted by vendors to identify a solution that meets the needs of VDH
 - Select a vendor to deliver a solution that meets the needs of VDH
- Other Initiatives:
 - Identify business needs for Human Resources Information System
 - Develop future state operating roadmap of financial management capabilities and begin prioritized initiative transformation

Risks and Risk Management

- **Risk 1:** If the procurement process (SOR/Request for Proposal, contract negotiations, etc.) is delayed, then VDH will have limited time for implementation before ARPA funds must be used obligated.
 - **Mitigation Strategy:** Develop a work plan to track progress and identify risks to the timeline
- **Risk 2:** If key personnel are not available due to conflicting priorities, then priority area solutions may not progress.
 - **Mitigation Strategy:** Prioritize projects based on set criteria and assign resources to support these initiatives

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 addressing Organization Change Management needs (OCM) VDH is developing and executing appropriate strategies to 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 for the transition. 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. These strategies included the development and deployment of training and communications to ensure that more than 100 VDH IT employees and roughly 5,000 customers across the organization can transition to a new IT Service Portal.

For the implementation of additional administrative systems, VDH will continue to work with its leaders to assess stakeholder needs and readiness for change and develop and deploy communications, training, and engagement strategies that will prepare stakeholders for adoption of the new systems.

Project Budget

Budget, Obligations, and Actuals as of December 2022

Total Appropriation	\$50,000,000	Total Commitments/ Obligations (To Date)	\$6,338,200	Total Expenditures (To Date)	\$2,691,000
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