



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Board of Trustees

DATE: November 22, 2024

TITLE: Workday Student Statement of Work

Action

Review and Discussion

This item is required by policy

PRESENTERS

Satasha Green-Stephen, Senior Vice Chancellor for Academic and Student Affairs

Bill Maki, Vice Chancellor for Finance and Facilities

Jacquelyn Bailey, Vice Chancellor for Information Technology Services

Nate Hallanger, Deputy Program Manager for NextGen

PURPOSE

Seeking Board of Trustees approval to execute the statement of work for Workday Student and functionality for student employment.

BACKGROUND INFORMATION

Minnesota State launched the NextGen ERP replacement project in March 2016 with the endorsement of a business case. In November 2020, the Board of Trustees approved the implementation phase and approved the Workday contract for a total term not to exceed thirteen (13) years and a total amount not to exceed \$244,629,000. The total authority included \$10,000,000 in contingency funds for project adjustments that might occur during the implementation period. The contract with Workday that was executed in 2020 included a statement of work for implementing Workday Student at a fixed fee of \$61,312,875, as long as the Workday Student statement of work was executed prior to December 28, 2024.

Implementation commenced in early 2021 for Workday Human Capital Management (HCM) and Workday Financials. In May 2023, the Board of Trustees approved a change order (Change Order 12) to delay the implementation of Workday HCM and Financials from July 2023 to July 2024, and to defer the implementation of student employment functionality until the student phase of NextGen, at an additional cost not to exceed \$1,800,000.

In early 2024, Minnesota State began negotiations with Workday to update the student statement of work to reflect three primary changes since 2020. First, the timeline and dates needed to be updated. The initial 2020 statement of work assumed that the implementation of

Workday Student would begin in October 2022, with a project duration of 54 months. Importantly, this original timeline assumed that Workday Student implementation would overlap with the HCM/Finance implementation from October 2022 until July 2023. Second, Workday had updated its implementation methodology for Workday Student, based on experience with other college and university Workday Student implementation projects. As a result, the methodology in the statement of work needed to be updated to reflect Workday's new methodology for student implementations, particularly for multi-institutional users like Minnesota State. Finally, the change order approved in May 2023 deferred the implementation of student employment functionality to coincide with the Workday Student implementation, at an additional implementation cost not to exceed \$1,800,000. The staffing, scope, and details of implementing student employment functionality needed to be incorporated into the Workday Student statement of work. Additional detail on each of these three areas is included below.

Timeline

The Workday Student timeline is proposed to begin in December 2024 and run through May 2030 when Workday's post-production support will end. This 66 month timeline is 12 months longer than the timeline proposed in the original 2020 statement of work. This proposed timeline will provide more time for testing and for configuration across the colleges and universities than the original 54 month timeline. Importantly, there is no increase in the fixed fee for implementation associated with the 66 month timeline.

Methodology

The Workday Student methodology divides the implementation into specific stages: customer preparation, align and confirm, plan, architect and configure, test, deploy, and support. The align and confirm stage involves prototyping a set of two baseline configurations, one for the college sector and one for the university sector. Those baseline configurations will then be used in the next stage (architect and configure) to build and configure the specific processes needed for each college and university. Testing will occur for a minimum of twelve months once the configurations have been completed. The deployment of Workday Student occurs in multiple steps over the course of twelve months, based on the student lifecycle. The core academic functions along with functionality to support admissions and recruiting will be deployed in the fall of 2028 for students who plan to enroll in the fall of 2029. Additional functionality will be added in stages to support both new and continuing students, culminating with the launch of all Workday Student functionality in the fall of 2029.

Student Employment Functionality

While there are several key differences in the processes and requirements that support student workers, payroll functionality is among the most important, since bringing student workers into Workday will require configuring and implementing Workday payroll functionality for the first time. Payroll functionality in Workday was not needed for Minnesota State faculty, staff, and administrators since payroll for those employee groups is administered by Minnesota Management and Budget (MMB). In addition to the need to implement payroll for student workers, there is variability in the oversight and management of student employment across the system, which will need to be accounted for as part of the implementation of student employment functionality.

Fixed Fee for Workday Student Implementation

In addition to the specific timing and methodology for implementing Workday Student, the Workday Student statement of work includes a fixed implementation fee. The original fixed fee negotiated in 2020 was \$61,312,875. During 2024 negotiations, Minnesota State negotiated two changes to the original fixed fee: (1) a reduction of \$2,000,000 in the fixed fee, and (2) an addition of \$1,800,000 to implement student worker functionality. The result of those changes is a proposed fixed fee for implementation of \$61,112,875.

Workday Student Subscription Fees

As part of executing the Workday Student statement of work, Minnesota State must enter into a subscription agreement for the Workday Student service. In the original 2020 student statement of work, the subscription fees were renewable annually, and adjusted based on the most recent student enrollment numbers. The agreement also included a fifty percent (50%) discount on the subscription fees during the first two years of the implementation. Based on recent enrollment numbers, the estimated total for the first five years of the subscription fees under the existing annual subscription agreement would have been \$19,117,540. In the proposed agreement, Minnesota State negotiated subscription fees of \$16,617,540 by moving from an annual renewal to an initial five-year commitment for subscription fees.

The fixed fee, fees for student worker implementation, and subscription fees are summarized in the table below.

	Approved 2020	Tentative
Fixed Fee for Student Implementation	\$61.3M	\$59.3M
Student Worker Functionality Implementation	Part of HCM/FIN fixed fee implementation	\$1.8M
Subscription Fees for Student (First Five Years)	\$19.1M	\$16.6M

In November 2020, the Board of Trustees approved entering into a vendor contract with Workday for a total term not to exceed thirteen (13) years and a total amount not to exceed \$244,629,000, an amount that included up to \$10,000,000 in contingency funds for project adjustments during the implementation period. The proposed terms above based on the tentative agreement with Workday for the student phase of the project are within the original not to exceed amount approved in November 2020.

RECOMMENDED ACTION

The Board of Trustees authorizes the chancellor to execute a statement of work and an order form with Workday to implement Workday Student and functionality to support student employment for a total of \$61,112,875. The Board directs the chancellor or their designee to execute all necessary documents.

Date Presented to the Board of Trustees: 11/22/2024

Date of Implementation: 11/22/2024