



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Committee of the Whole

DATE: March 19, 2024

TITLE: NextGen Project Update

Action

Review and Discussion

This item is required by policy

PRESENTERS

Jacquelyn Bailey, Vice Chancellor for Information Technology

Eric Davis, Vice Chancellor for Human Resources

Bill Maki, Vice Chancellor for Finance and Facilities

Clint Davies, BerryDunn, Third-Party Owner's Representatives

PURPOSE

Update the Board of Trustees, Committee of the Whole, regarding the status of the NextGen project implementation.

BACKGROUND INFORMATION

Adaptive Planning

Phase One of Workday Adaptive Planning for Finance now live! Adaptive is a Workday budgeting, planning, and reporting tool and it is the first go-live in our NextGen journey. Next go-live is Workday Human Capital Management (HCM) and Finance Platform. A Phase 2 Adaptive Go Live will take place in July '24 and will connect Adaptive to the HCM/Finance platform.

Sustainment

In the case of the Workday implementation at Minnesota State, Sustainment is the process of ensuring that the organization has the staffing, policies, processes, technology needed to maintain Workday after go-live. This document proposes Minnesota State's staffing needs for Sustainment.

The Sustainment Team has completed a gap analysis for Finance, (FIN) Human Capital Management, (HCM) and Information Technology. This document describes what positions the team believes are **needed** to sustain Workday. It is important to note that the same evaluation process will need to be conducted when Workday Student is implemented.

Sustainment includes:

Governance & Management

- Leadership alignment to future-state support strategy
- High-level service support model design
- Service-level objectives and performance measurement

Organization and People

- Target operating model, sourcing options
- Staff capability, knowledge, talent, and skills assessment
- Staff requirements and sizing
- Workforce transition strategy
- Training, re/up-skilling, and readiness

Process and Delivery

- Service desk and incident management
- Release management
- Change and enhancement request management
- Operational performance measurement

Service Technology

- Case management / service request enabling technology
- Documentation repository and knowledge base
- Operational reporting and performance measurement
- Audits, security, and quality assurance

When does Sustainment begin?

Sustainment begins after HCM and FIN go-live July 2024 and includes Hypercare and Extended Care. Sustainment will continue through the duration of the Workday platform at Minnesota State.

What is Hypercare and Extended Care?

Hypercare is the 90-day support period immediately following the deployment (HCM and FIN go live July 2023- 9/30/23). During this stage, Team Workday and Deloitte will support Minnesota State in the following areas:

- Support for incidents prioritized and assigned to the Workday Team related to the Professional Services
- Maintain current status on incidents or activities assigned to the Workday Team
- Document and resolve all Defects found through the end of Hypercare (whether existing prior to Go Live or found during Hypercare) or during Extended Care unless Customer agrees to take over the resolution of some Defects to enable long-term sustainment
- Participate in the prioritization and change process meetings as mutually agreed upon
- Review and adjudication of Workday releases

After Hypercare, Team Workday will provide Extended Care 10/1/24-10/1/25. Extended Care supports Minnesota State during the first-time running of business processes, including budget cycle and quarter-end and year-end close.

Staffing Needs and Rationale

Over the past few months, the Sustainment team has gathered estimates of what the staffing **needs** will be to support Workday. BerryDunn, Minnesota State's Third-Party Owners Representative on the project, facilitated meetings with other institutions across the country to learn about their experiences with sustaining Workday. These institutions provided recommendations for staffing, organization charts, and information on the roles and responsibilities needed. From this information gathering the Sustainment team learned the importance of:

- Retaining current staff, their knowledge and experience are valuable.
- Making sure that there is sufficient staffing before go-live.
- Having staff that are dedicated to user support, requests will greatly increase before they ebb. At the outset, staff who support users will not have the capacity for other duties.
- Preparing for the change. Changes for the organization and for end users do not end with implementation: twice a year Workday releases changes which will require significant resources to implement; as well as the changes that Minnesota State implements mid cycle.

Staffing Approach

The Sustainment Team discussed the pros and cons of two different options for implementing the Sustainment staffing plan with the phased-in approach being the preferred approach. This approach will allow the System the opportunity to gauge and realign staffing needs as we learn and grow with the Workday project.

- Hiring all positions needed at once. The benefits of filling all the positions listed include faster onboarding and training; it best mirrors what has been identified as needs for go-live; and it provides an opportunity for staff to form a community that learns and grows the skills needed to support Workday together. This signals Minnesota State's commitment to Workday. The deterrents to this approach are the financial burden, resource availability, workforce competition, failed searches, the challenge of training large groups, the stress on funding and managing training credits, and the optics of significant system office hiring.
- A phased-in approach may ease the financial burden on the systems and stress on hiring managers. It also provides an opportunity to prioritize positions at various stages of the project. This will allow us to gauge hiring needs and make corrections to the plan based on those needs. A phased-in approach allows time for clarification of roles and adjustments on the skill sets of new hires. The biggest deterrent to this approach is that early on Minnesota State may not have what is necessary for Sustainment and overburden the current staff. There is also a risk that we will not be able to hire quickly enough to meet sustainment needs. Understaffing will negatively

impact current staff morale as well.

The estimates in this document are based on filling unlimited, classified positions. Some positions may be filled as limited, unclassified positions (1-3 Years) as appropriate. In other cases, contractors may be used for hard-to-fill positions or those that are intended for a short-term need.

One of the goals of the NextGen implementation is to streamline enterprise-wide business processes in student services, finance, and human resources, across the system. This will result in efficiencies in services and cost savings. By the time, the NextGen project is complete, the staffing landscape for Finance, Human Capital Management and Student Services will change. There will be a few points that will require the Sustainment Team to reassess the Sustainment plan, including when the Student product is being deployed and when ISRS is no longer needed. Going forward there will be opportunities to evaluate the need for positions as staff retire or offboard to other organizations. Assessment of opportunities for additional cost savings will be ongoing. It should be noted that impactful cost savings will more than likely not appear until several years after the system implements Workday Student.

Staffing Needs and Cost

The Sustainment Team has identified the following new positions that will require changes to successfully support Workday for Finance, (FIN) Human Capital Management, (HCM) Information Technology, and Organizational Change Management.

The sustainment plan requires 35 new positions and 32 existing positions (67 positions in total). These positions will support Workday for Finance (FIN), Human Capital Management (HCM), Information Technology, and Operational Change Management (OCM). It should be noted these numbers do not include existing positions that require no changes and support FIN and HCM.

The Information Technology team will be responsible for managing and maintaining two major technology systems (Workday and ISRS) at the same time, until Workday Student fully goes live. They will also be responsible for the standing up of the system's data warehouse, which is explained further in this document.

As previously mentioned, hiring will be in 2 phases through FY25. The first two years of the plan are funded by the system office and will be shared between the system office and campuses beginning FY26.

Sustainment Cost by Fiscal Year	
FY24	\$1,068,715 – System Office Fund Balance
FY25	\$4,640,000 – System Office Fund Balance
FY26	\$5,957,100 – Shared between System Office Fund Balance
FY27	\$6,255,200 – Shared between System Office Fund Balance
* FY25 staff changes complete. Increase is due to annual compensation changes	

Finance

The system office Finance division- will need to add eight new positions to meet increased requests for assistance from all colleges and universities. Staff will need to respond to tickets and help resolve issues with the finance staff across the system who may not have experience with Workday.

Finance staff will need to develop different expertise within Workday. The new organizational structure will improve separation of duties. This is valid Internal Control to avoid potential risks.

The current NextGen project team has been divided up, so expertise has been gained by team members primarily for their functional area and not across the entire Workday system.

Two of the positions will be dedicated to report writing from a functional area perspective. There will be an increased need for functional areas building reports. Finance is responsible for audited financial statements that our bond rates and the State of Minnesota rely on to ensure we continue with high ratings and low interest rates. Finance also supplies many reports and data to Board Members, our legislative committees, Internal Revenue Service (IRS), Minnesota Department of Revenue, Minnesota Management and Budget (MMB), Office of Higher Education (OHE), and other state and federal agencies. We prepare many Federal reports as well. Successful understanding and consistent training and use of Workday are extremely critical to our continued success in all Finance- and Facility-related areas for Minnesota State.

Human Resources

HCM is requesting six new positions: One lead or supervisor position, one HCM report writer, and four HCM analyst positions. Two current positions will be slightly repurposed with some focus on Workday support. New positions will provide functional expertise and will be responsible for

maintaining the Workday HCM applications including break/fix, enhancements, testing, and updating requirements and documentation as well as providing end user support.

Staff in these positions will have deep functional and business process knowledge in their designated functional area (HR Core, Compensation, Benefits, Payroll, Recruiting, Time, and Absence, etc.) with a strong understanding of system and configuration capabilities.

HCM team members will be cross trained to provide coverage for all areas. One team member may support/own multiple functional areas (and/or be consolidated into a single role). For the period immediately following go-live, the Sustainment Team recommends adding six new positions, and two repurposing positions.

Information Technology Summary

Information Technology needs twenty-four new positions and six repurposed positions. The technical team will transition to supporting Workday, including configuration change assessments and implementation, break/fix, enhancements, testing, and updating requirements and documentation. These resources will work closely with functional and business partners who have a strong understanding of system and configuration capabilities. Team members will be cross-trained and needed to support the Student implementation.

Data Management Staffing Needs

One of the strategic goals NextGen revealed was the need for a sophisticated data solution to support data democratization. To deliver on this commitment, a new Data Management team will be needed to provide foundational capabilities required for data analytics. The Data Management team will include twelve positions. Well in advance of the implementation of Workday Student, a robust data warehouse must be on board. Significant amounts of data will remain in ISRS until Student is implemented. ISRS cannot be sunsetted without this solution in place and current staffing levels are unable to design, build and sustain this important work. It is not the goal of the system to maintain two ERP solutions after Student is implemented. The ongoing upkeep and maintenance of ISRS past its intended date, will continue to utilize funding necessary for the upkeep of the broader technology ecosystem.

The investment in these positions is being made after many recommendations from experts at other institutions using Workday, Berry Dunn, Workday and Deloitte. We learned that Reporting data management requires ongoing coordination, reporting in Workday is complex and resources can be hard to find and retain, reporting should be managed centrally, ad-hoc reports can be run by campus stakeholders if they have the proper training, and the governance structure should be designed to manage the reporting needs of the system.

This new team will be responsible for the ongoing alignment with reporting in Workday. Research has indicated that a centrally managed team with a governance structure would best meet the needs of the system. Campus stakeholders may run ad hoc reports if they have proper rights and training. The biggest challenge will be that reporting resources are hard to find and retain.

Vice Chancellors Green-Stephen, Dees, and Bailey have been charged with operationalizing a data democratization framework for Minnesota State and developing the action steps outlined

below to bring data democratization to fruition.

Staffing and funding this Data Management team is essential to actualizing the data democratization framework referenced in Chancellor Malhotra's FY 2022 workplan.

Enterprise Application Needs

The Enterprise Applications team will repurpose three positions to support Workday HCM/Finance, one will require additional cost. These positions are two System Analysts from the HCM/Finance Product team who will be moved to HCM/Finance Integrations & API's. One Business Systems Specialist upgraded to Finance Lead Business Systems Specialist. The rest of the existing Enterprise Application team members will continue to support ISRS Student & be assigned to the Student Workday Project with the need to do sustainment planning for student in the future.

Infrastructure Staffing Needs

The additional staff are needed to maintain Service Level Agreement (SLA) standards and keep up with expected increased service requests and incident calls from the Minnesota State Service Desk. In addition, the SQL DBA will ensure proper access and security controls.

Security Staffing Needs

To accommodate the Workday implementation changes, the Information Security team is requesting additional positions. Security is modeled differently in Workday than ISRS with a more sophisticated model for access and data rights, allowing a more centralized approach in administering access. With this in mind, more coordination and collaboration between information security, functional partners, and the local Institutions is needed. Security will play a key role in this new area of responsibility. While this sophistication in access adds more responsibilities, it also allows our organization to enhance its "System-ness" in meeting new security requirements, regulations, and cybersecurity standards from NIST.

Service Desk/Networking Staffing Needs

The new End User Services positions are needed to maintain Service Level Agreement (SLA) standards and keep up with expected increased service calls to the Minnesota State Service Desk. These positions will also be needed with the student application roll outs

Release Management/Project Management

This is a newly fashioned area of business for Minnesota State, that is critical to sustainment and building a foundation of collaboration between the divisions and the colleges and universities. This work will be in place to plan, test, and deploy approved changes to ensure that they don't disrupt critical business processes or compromise system stability.

Organizational Change Management (OCM) Staffing Needs

These roles assume the continuation of OCM beyond the NextGen Project, with costs moving from the NextGen budget to the system office budget. The need for ongoing change management beyond implementation for HCM/FIN and Student has become clear. Sustainment for HCM/FIN will be concurrent with the Student implementation, and once the Student system has gone live, there will be ongoing Sustainment work for all areas. There will be a need for

leadership in working with functional areas and IT to understand the impact of new releases; for communicating changes to end users; and developing and deploying end-user training. There will also be an opportunity to use OCM for future systemwide change.

Phase 1 Hiring

Net new - 19 Planned Positions

Phase 2 Hiring

Net New - 16 Planned Positions

Staff Training and Development

Transition plans will include training for all new positions and changed roles. Training will continue for new employees as well as course offerings for existing employees. All Workday curricula will be maintained and updated.

The following training resources will remain available to each staff member based on their security role:

- Computer-Based Training (CBT)
- Instructor-Led Training (ILT)
- Virtual Instructor-Led Training (VILT)
- Quick Reference Guides (QRG)

Hiring Strategies

Positions anticipated for more than 12 months (non-temporary) will be evaluated for classification and filled in the state's classified or unclassified service. Vacancies will be announced in accordance with the associated collective bargaining agreement or compensation plan. The job posting shall include: the division, section, classification/class option, employment condition, and location of the vacancy. New vacancies associated with the Minnesota State Sustainment Plan may be located in the system office or on campuses. All positions will report to the system office either directly or through a negotiated shared employee service agreement. In some cases, a qualified employee may be reassigned to a position in the sustainment organization. A vacancy is not created by reassignment within thirty-five (35) miles to the same classification or reassignment or over thirty-five (35) miles to the same classification that is mutually agreed upon by the system office and employee and with notice consistent with the applicable collective bargaining agreement. The work of sustainment may be augmented by Workday, Deloitte and other contracted personnel as necessary.

Hiring Timeline

The posting and hiring of new positions will occur in phases. All new positions will be posted for internal candidates prior to external posting. However, existing positions that will change will not be posted, and current staff in those positions will not need to reapply for the role. Staff in new and changed positions will receive the training needed to perform the duties of their role.

Testing

The overall status of testing continues to be in red. End-to-End Testing *ended late but is now complete*. Companion Project Testing got off to a *Late start but is now underway*. The team is prepping for User Experience Review, which we entered into on time. The team is also completing testing on Institution Check Printing. This also had a *late start but is now underway*. We are working on closing Payroll compare testing which is well *underway but ending late*

New to our testing plan is an additional *Payroll Dress Rehearsal* with MMB. MMB recently went through a Peoplesoft software upgrade, and this is an opportunity to not only test our integrations against this upgrade but to further test payroll. The team is in the process of resource planning and conducting a feasibility review for this “dress rehearsal” If approved this testing would take place in April '24.

Reporting

Enterprise Reporting has an overall status that is now green. However, resources remains yellow as we continue to fill open positions. Reports requested are being finalized and on track to be completed as planned. Recent approval of a new institution reporting strategy has helped the campus and project teams collaborate on the creation of new reports.

Institution Reporting has an overall status of yellow. Our new institution reporting strategy enables the capability for trained report writers at institutions to create reports and share them with others. The resourcing schedule remains on red due to training starting later than planned. Resources and Scope remain Yellow as we continue training and develop governance to better define these areas.

Companion Projects

Overall Status for companion project remains yellow, the same status as in January. Just as a reminder that companion projects are campus 3rd party business processes/technology Testing was delayed in this are due to resource constraints, however, it is now underway. The project team is supporting campuses testing business processes that are moving to Workday. This work will occur through March. We have extended the testing window through May to ensure campuses can verify they have the data they need from Workday to continue local business processes.

Budget

The NextGen Budget currently remains healthy. The project continues to remain within budget. Percent spent to encumbered of the current budget in HCM/Finance is 81.1, Student sits at 0.3, overall project support is currently at 43.8%, with the overall project at 41.1. The System will need to work on rebuilding the project contingency as well as finalize the NextGen Student budget after negotiations are completed over the next several months.

Change Management

The Organizational Change Management team continues to adjust its communications strategies. One significant change has been the approach to communications with campuses. All communications are now focused on assisting campuses understanding what should be done specifically on each of their campuses as opposed to general project information.

To that end, NextGen Town Halls were opened to all users in December 2023. The content emphasizes essential information for institutions, highlighting what they need to know and providing actionable steps. The project timeline has been narrowed down to specifically highlight items involving institutions provides information and calls to action and presents information tailored for specific audiences in the form of step-by-step guides to streamline efforts.

The OCM team has also provided campuses with a Workday Institution Workbook, which is a monthly guide of action items with an institutional focus. New resources and tools also include factsheets, a refreshed Friends of NextGen website, training course demo; business process workflows, change impact flip cards, UpNext Newsletter, and continued Workday Wednesday sessions highlighting functionality of Workday.

Workday Student

The Workday Student team continues their engagement with existing functional area communities of practice, e.g., financial aid, registrars, admissions. The companion project pilot is wrapping up with the development of current state documents. The pilot will be tweaked from lessons learned and deployed to the remaining campuses. The team is also reviewing equity considerations identified through current state review, ensuring that Equity 2030 is woven throughout the entire project. Work has been completed on drafting governance and staffing models and Statement of Work (SOW) conversations are beginning.

Workday Student Week was held on January 30-February 1 and was a success! They came, they stayed, they liked it! Registration exceeded 1200 with all 33 of our colleges and universities represented in virtual and in-person sessions. Campus stakeholders are excited about opportunities to improve, streamline, and standardize processes for the benefit of our students. They have a sense of urgency and enthusiasm about an informed path toward transformation. However, they know that further discovery is needed to function well as a multi-institution system.

Stakeholders received introductions to Workday and a Workday industry overview that included the following topical areas:

- Workday Foundations (Technology for Business Users)
- Workday Academic Foundation
- Workday Technology
- Recruiting, Admissions, and Student Engagement
- Curriculum Management
- Academic Progress, Academic Planning and Student Success
- Student Records
- Student Financial Aid
- Student Finance