

Technology Services Board

One Washington Briefing Paper – December 13, 2022

The importance of the One Washington project

One Washington is an enterprise-wide program focused on replacing the state’s outdated financial and administrative technology with a modern, cloud-based enterprise resource planning (ERP) solution, Workday, for finance, procurement, human resources, payroll, and budget processes.

The first phase of the project (Phase 1A) will:

- Implement the Workday functionality listed in Exhibit 1, enabling standardization and business transformation across the enterprise in these areas.
- Enable the following enterprise systems managed by OFM to be decommissioned:
 - AFRS - the state’s accounting system of record for 40 years
 - CAS - The cost allocation system used by the Department of Social and Human Services, Department of Children, Youth, and Families, and Health Care Authority to meet federal accounting requirements, maximize federal dollars, and support the timely draw of federal funds
 - CAMS - The system supporting the tracking and depreciation of capital assets
 - TALS - The state’s allotment system used to submit, review, approve and compile state agency expenditure plans
 - Solomon Accounts Receivable - The system used by several agencies for accounts receivable
- Enable Department of Enterprise Services to decommission the accounts receivable and invoicing systems used by 13 agencies.
- Enable at least 22 financial systems to be retired.
- Reduce the risk of failure of these aging, and increasingly unsupportable systems.

Exhibit 1: One Washington Phase 1A Scope

- ❖ Replacement of AFRS –the state’s general ledger accounting system
- ❖ Accounts receivable and invoicing
- ❖ Cost allocation for health & human service agencies
- ❖ Accounts payable and payments (not travel)
- ❖ Spending plans and budget controls
- ❖ Purchase authority and purchase item data
- ❖ Banking and settlements
- ❖ Fixed assets
- ❖ Interagency payments
- ❖ Centralized vendor/customer management
- ❖ New foundational data model
- ❖ Encumbrance accounting
- ❖ Financial reporting

Technology Services Board

One Washington Briefing Paper – December 13, 2022

Background

Workday contract was signed in September 2020 and the Deloitte System Integrator contract was signed in late December 2020, with work kicking off in early 2021. The Phase 1A implementation date was initially set for July 2022, and was extended to October 2022, in July of 2021, to ensure cost allocation components could be completed and robustly tested.

In December 2021, the program determined that it would not be possible to meet the revised implementation date and that a significant reevaluation of the project approach and course correction was needed. This work has been a major focus of the program this year.

2022: A year of re-set and progress

In 2022, the One Washington program reviewed, sharpened, and sought to improve every aspect of its operation. These efforts relied on, and benefitted from, the expertise of staff and advisors, the collaboration with Workday and Deloitte, and the scrutiny and feedback from state agencies and stakeholders. Highlights of the program's accomplishments in 2022 are noted below:

- **Affirmed and strengthened Phase 1A goals** - The updated goals were adopted by the Executive Steering Committee in April 2022 and are shown in Exhibit 2.
- **Confirmed Phase 1A [scope](#) and [deployment approach](#)**
- **Improved approach delivers the initial design** - The program established a new focused design approach and has now completed the initial design and internal validation testing of that design. The program will begin design review and validation with agencies in January.
- **Finalized the Foundational Data Model** – The FDM is the core “chart of accounts” for the new Workday system. Completion of the baseline FDM design is a critical prerequisite for many program activities and agency remediation.
- **Implemented a framework for legacy system remediation** - In the fall of 2021, the program established a new Legacy System Remediation (LSR) team. The team developed and implemented a framework that helped to better categorize, understand, and support the variety of remediation activities agencies must undertake. This work also informed the development of the new schedule by helping better identify which remediations are true prerequisites for implementation and the time needed to complete them, and by identifying strategies to help reduce risks related to the remediation workstream.
- **Making significant progress on developing the needed integrations and the Enterprise Integration Crosswalk (EIC)** - The program expects to have integration designs completed in January 2023. The EIC will be used to support agency systems that will not be remediated at Phase 1A go-live.
- **Refreshing the program organization structure and internal processes** – the program made a holistic review of the program's organization structure and the use of state and contracted resources. Some of the most significant changes include:

Technology Services Board

One Washington Briefing Paper – December 13, 2022

- Implementing a new organizational structure in October which elevates the business team, refocuses the PMO, and strives to improve program operations, address stakeholder needs, and provide better support to the human beings in the program.
- Moving the state into the lead for agency readiness activities and leveraging the state's extensive investment in the Prosci change management methodology.
- Improving budget management processes of the program and implementing the recommendations of the Quality Assurance budget spotlight report.
- **Completing the development of a revised project schedule and schedule management plan** –The program expects to have a final project schedule this month which can be baselined. The program is also finalizing a schedule management plan, which will incorporate lessons learned and build on other organizational and process changes. The schedule supports a Phase 1A go-live date of July 1, 2025.

This is an important investment for the state of Washington

The core systems supporting Washington State's financial management infrastructure are now between 20 and 40 years old. The ability to support these systems decreases steadily, as employees with knowledge and skills in outdated technology retire and vendors decline to support old versions of systems. The state must replace these systems to mitigate the risk of catastrophic failure.

The modernization of the state's financial infrastructure will also transform the business of financial management in state government. The transformation goals in Exhibit 2 call out the many benefits we can achieve with the One Washington program.

Achieving these benefits depends on a project organization and plan that is up to the task, as well as a budget that supports them. The improvement work and project efforts of the last year indicate the program is on a path to succeed. There is more to do—filling vacancies, continuing process improvement, demonstrating our success in managing the schedule, and more. We are committed to this work and in successfully delivering this essential project for state government.

Technology Services Board

One Washington Briefing Paper – December 13, 2022

Exhibit 2

One Washington Phase 1A Transformation Goals

1. Improve the effectiveness of State Government through the replacement of Washington's core financial system, AFRS.

Subgoals:

- Reduce the risk of catastrophic system failure, as well as the major backlog of needed system improvements, by replacing AFRS with Workday, a software as a service (SaaS) enterprise resource planning (ERP) solution.
- Make Workday the source of the state's enterprise financial truth, and the data is available, accurate, auditable, and secured.
- Provide an enterprise data reporting system that is flexible and usable enough for agencies to efficiently meet their own reporting and data needs.
- Ensure access to data is provided at the appropriate levels including making data consumable by other applications to inform cross-discipline decision making.
- Use a forward-thinking approach to the first phase of implementation to provide a strong foundation and ensure that future functionality deployment (procurement, HR/Payroll, budget) can be successful.
- Maintain the value of the state's modernization investment through a sustainment and governance model committed to continuous improvement, optimization, and agency involvement.
- Eliminate agency dependence on legacy processes and technologies by leveraging modern, industry-standard solutions, and by supporting agencies in their remediation and implementation efforts.

2. Transform financial business processes through both innovation and improvements supported by technology.

Subgoals:

- Automate financial and administrative processes, freeing our workforce to focus on more strategic, creative, and valuable work
- Standardize business processes and workflows to utilize Workday.
- Increase efficiency through standardized workflows and automated processes. For example:
 - Create Enterprise-wide processes and procedures to manage, track and report on financial activities.
 - Improve the State enterprise allocation processes to provide greater transparency and provide more detailed reports of spending.
 - Use Workday to simplify complex transactions (e.g., treasury reconciliations, interagency payments, etc.)
- Define a common foundational accounting language that we can use throughout the enterprise. Maximize the ability of both internal (agency users) and external (vendors, suppliers, etc.) customers to "self-serve" (the ability of customers to accomplish their work without any outside assistance.)
- Implement and adhere to centralized governance processes and agreements to minimize non-standard solutions.

3. Continue to provide the tools and resources for agencies to develop or train and invest in the financial workforce of today and tomorrow

Subgoals:

- Support a financial workforce devoted to learning and growth anchored in a culture of continuous improvement
- Through standardized tools and business processes, enhance the success and interagency mobility of our workforce.
- Enrich and improve the work experience of the financial workforce by providing modern tools, streamlining administrative tasks, and delivering training and development opportunities.