Technology Services Board

Portfolio/Policy Subcommittee Meeting
July 14, 2022
10:00 a.m. – 12:00 p.m.
# TSB Members and Prior Meeting Attendance

<table>
<thead>
<tr>
<th><strong>Industry Members</strong></th>
<th><strong>Legislative Members</strong></th>
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<tbody>
<tr>
<td>Tanya Kumar – T-Mobile</td>
<td>Sen. Joe Nguyen – Senate D</td>
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<tr>
<th><strong>Executive Branch (Agency Directors)</strong></th>
<th><strong>Other Government</strong></th>
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<tbody>
<tr>
<td>Bill Kehoe – State CIO &amp; Chair</td>
<td>Viggo Forde – Snohomish County</td>
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<td>David Danner – UTC</td>
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<td>Tracy Guerin – DRS</td>
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<td>Vikki Smith – DOR</td>
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**Vacancies:**
- Senate Representative
- Labor Union Representative

**Members present**

**Members absent**
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<thead>
<tr>
<th>TOPIC</th>
<th>LEAD</th>
<th>PURPOSE</th>
<th>TIME</th>
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<tbody>
<tr>
<td>Welcome / Agenda Review</td>
<td>Bill Kehoe</td>
<td>Introduction</td>
<td>10:00</td>
</tr>
<tr>
<td>Approve Minutes from May 14 Subcommittee Meeting</td>
<td>Bill Kehoe</td>
<td>Approval</td>
<td>10:05</td>
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<tr>
<td>Policy Portfolio Update</td>
<td>Derek Puckett</td>
<td>Policy Status</td>
<td>10:15</td>
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<tr>
<td>September Exercise to Weight Decision Package Scoring Criteria</td>
<td>Cammy Webster</td>
<td>Brief Information for Future Meeting</td>
<td>10:30</td>
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<tr>
<td>Program Status – One Washington</td>
<td>Amy Pearson</td>
<td>Program Status/Discussion</td>
<td>10:35</td>
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<tr>
<td>• Program Updates:</td>
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<tr>
<td>o Cristie Fredrickson, Executive Sponsor, OFM</td>
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<td>o Paige Bayliss, OneWA Program Director, Deloitte</td>
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<td>• Metrics and Specific Progress</td>
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<tr>
<td>o Finance Design - Brian Tinney, Assistant Director, OFM</td>
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<td>o Legacy System Remediation - Minoj Verma, Director, System Remediation, OFM</td>
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<td>o Integrations – Ann Bruner, Chief Technology Officer, OFM and Chris Lamb, Chief Information Officer, OFM</td>
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<tr>
<td>Portfolio Management / Legacy System Modernization</td>
<td>Bill Kehoe</td>
<td>Discussion</td>
<td>11:05</td>
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<tr>
<td>Public Comment</td>
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<td></td>
<td>11:35</td>
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Approve 5/12/22 Meeting Minutes
Policy Portfolio Update
Policy Portfolio Overview

Portfolio is out of date

- Approximately 75% of portfolio is past sunset review or needs a review date assigned.

Introduction of new governance

- Governance activities need to be reconciled and formalized.

Policy Manager and Policy Owner structure

- All policies have an assigned owner, with manager reviewing the portfolio collectively.
Policy Manager vs Policy Owner

Policy Manager
- Manages the collective policy portfolio.
- Reviews waiver requests in broad context.
- Facilitates policy updates and reviews.

Policy Owner
- Manages individual policy within subject matter area.
- Reviews waiver requests in specific context.
- Leads policy updates and reviews.

Managed Policy
Resourcing policy team

- Adding a dedicated policy management resource at WaTech.

Reviewing scope of work

- Assessing needs of the portfolio and determining appropriate resourcing.

Policy review and TMC engagement

- Policies will be prioritized and brought before appropriate groups for review.

Waivers

- Requesting a waiver for a policy is the same process as outlined in Policy 103; will be coordinated by policy manager.
September Exercise to Weight DP Scoring Criteria
One Washington Program
Program Updates

SI Negotiation Status
- Completed negotiations
- Collaborative approach moving forward

Funding Overview & Status
- Implemented contractual and staffing changes to address budget shortfall
- Managing within budgetary constraints for remainder of SFY 23

Deployment Strategy Approach Update
- One Washington Executive Steering Committee July 13 decision
APPLE & Functional Update

Program leadership will continue to support the need for the functional and technology teams to focus their work on baseline functional design. Recognizing that agency staff are currently prioritizing the fiscal year close, the program intends to share workstream updates in a thoughtful and measured way at a later time.

Design Goal: Get to Functional Baseline by June 30 Completed ✓

The functional baseline model of design is ready when there can be a hand-off to other areas of the program (ex: Integrations, Reports) to inform their work.

Definition of Done: Functional Baseline Design

1. Functional design issues resolved
2. Complete functional user stories
3. Complete test scenarios
4. Complete “to be” process diagrams
5. Reconcile with SAAM chapter 85
6. Present an overview of the work to the Finance Advisory Committee
APPLE & Functional Update cont.

As of June 30: Apple team completed 23 design sessions
35 design issues finalized

As of July 12: Functional team progress 112% complete for user stories (goal: 830) 112% complete for test scenarios (goal: 1,155)

Configuration workbooks:
- 100% complete: Allocations, Banking & Settlement, Budget, Supplier Accounts
- 90% complete: Customer Accounts
- 80% complete: Business Assets, FDM
- 60% complete: Financial Accounting, Leases

95% complete for To Be Process flows (goal: 128)
User Stories as of June 30

# of User Stories:
- Complete: 917
- In Progress: 7
- Total: 924

KPI: % of Complete User Stories: 110%

Goal: 830

Status of User Stories by Functional Area

- Allocations: Complete: 67, In Progress: 1
- Banking: Complete: 83
- Budget: Complete: 80
- Business Assets: Complete: 144
- Customer Accounts: Complete: 135
- FDM: Complete: 87
- Financial Accounting: Complete: 128
- Lease Accounting: Complete: 71
- Supplier Accounts: Complete: 129

Status Summary:
- Complete
- In Progress

Functional Area

- Allocations
- Banking
- Budget
- Business Assets
- Customer Accounts
- FDM
- Financial Accounting
- Lease Accounting
- Supplier Accounts

# of Complete User Stories:
- Allocations: 67 (Goal: 65, 52)
- Banking: 83 (Goal: 75, 60)
- Budget: 80 (Goal: 80, 64)
- Business Assets: 144 (Goal: 120, 95)
- Customer Accounts: 129 (Goal: 120, 95)
- FDM: 87 (Goal: 75, 60)
- Financial Accounting: 127 (Goal: 125, 99)
- Lease Accounting: 71 (Goal: 50, 40)
- Supplier Accounts: 129 (Goal: 120, 95)
Test Scenarios as of June 30

**Grants**

<table>
<thead>
<tr>
<th>Complete</th>
<th>In Progress</th>
<th>Not Started</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>1228</td>
<td>55</td>
<td>13</td>
<td>1296</td>
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</table>

**KPI: % of Complete Test Scenarios**

- KPI: 106%
- Goal: 1155

**Status of Test Scenarios by Functional Area**

- Allocations: 92 (Goal: 75)
- Banking: 109 (Goal: 109)
- Budget: 104 (Goal: 104)
- Business Assets: 139 (Goal: 139)
- Customer Accounts: 135 (Goal: 135)
- FDM: 128 (Goal: 128)
- Financial Accounting: 202 (Goal: 202)
- Lease Accounting: 65 (Goal: 65)
- Supplier Accounts: 248 (Goal: 248)

**Functional Area**

- Allocations
- Banking
- Budget
- Business Assets
- Customer Accounts
- FDM
- Financial Accounting
- Lease Accounting
- Supplier Accounts

**Epic**

- ALLOC1 Pre1 Enter Source Job...
- ALLOC1 Pre2 Change Source ...
- ALLOC1 Pre3 Configure Cost ...
- ALLOC1 Pre4 Load Statistics
- ALLOC2 Proc1 Run Cost Alloc...
- ALLOC2 Proc3 Approve Alloc...
- ALLOC3 Post1 Report Cost All...

**Scenario ID**

- # of Complete Scenarios: Allocations: 92 (Goal: 82, 65)
- # of Complete Scenarios: Banking: 109 (Goal: 94, 75)
- # of Complete Scenarios: Budget: 104 (Goal: 100, 79)
- # of Complete Scenarios: Business Assets: 138 (Goal: 138, 110)
- # of Complete Scenarios: Customer Accounts: 135 (Goal: 130, 103)
- # of Complete Scenarios: FDM: 128 (Goal: 115, 91)
- # of Complete Scenarios: Financial Accounting: 202 (Goal: 198, 149)
- # of Complete Scenarios: Lease Accounting: 65 (Goal: 63, 50)
- # of Complete Scenarios: Supplier Accounts: 248 (Goal: 245, 184)
Metrics and Progress: Legacy System Remediation

Remediation Framework: pass-1 update

- Remediating agencies are grouped into 8 groups including pilot group
- Completed 4 workshops with 30+ agencies
- Conducted 40+ 1:1 meeting with agencies
- Continuing to facilitate budget data collection for 2023 - 2025 Decision Package
- One more workshop and several 1:1 agency meeting scheduled over next few weeks
- Consolidate baseline remediations schedule from agencies

Remediation Framework: pass-1 deliverables

- Validated List of systems with initial disposition
  1. Baseline schedule for impacted systems assumptions
  2. Tech-pool resource request for 23-25 biennium to support agencies remediations effort

Agencies 1:1 meetings for pass-1 activities are still in progress; therefore, the number of validated systems will continue to evolve.
Metrics and Progress: Conversion
Conversions Update as of July 11, 2022

Total number of 3 build cycles completed

Each build cycle activity and who is responsible:
- Development of Extract Specifications and Sample Files (One Washington)
- Development of Extract Scripts (Agencies)
- Development of Pre-Validation Check Scripts (Informatica and Hoover) (One Washington)
- Extraction and Submission of Data (Agencies)
- Pre-validation of Data and Loading of Data (One Washington)
- Data Validation (Automated and Visual) and Submission of Issue Logs (Agencies)
- Compilation of Issue Logs and Disposition of Issues (One Washington)
- Issue Resolution and Retesting (One Washington, Agencies)

Agencies #8 and systems #15 involved:
- DFW (EPIC, Cash Receipts, Money Log)
- OFM (CAMS, Solomon AR, AFRS, TALS)
- DES (ABS, Computron)
- HCA (Validation Only)
- JLS (WiseTrack)
- LNI (WiseTrack)
- DSHS (TRACS)
- DNR (Nature)
## Metrics and Progress: Integration Development

### Integrations Update as of July 11, 2022

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<th>Design</th>
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<tbody>
<tr>
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<td>7</td>
</tr>
<tr>
<td>On Hold</td>
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</tr>
<tr>
<td>In-progress</td>
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</tr>
<tr>
<td>Completed</td>
<td>56</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>78</strong></td>
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<table>
<thead>
<tr>
<th>Build and Unit Test</th>
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<tbody>
<tr>
<td>Not Started</td>
<td>16</td>
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<tr>
<td>On Hold</td>
<td>6</td>
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<tr>
<td>In-progress</td>
<td>37</td>
</tr>
<tr>
<td>Completed</td>
<td>19</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>78</strong></td>
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Questions & Closing
Portfolio Management / Legacy Modernization
State of Washington Portfolio Management and Legacy Modernization
Value of Portfolio Management

Inventory of All Systems
- Important details (metadata) of each system, projects, investments, etc.

Determine which systems are Legacy
- Based on established criteria (risk, architecture, ability to quickly adapt to business change, etc.)

Prioritize Legacy System Modernization with Business Leadership
- Identify business constraints and align with agency strategic goals

Develop an Investment Strategy
- Decision Packages, legacy modernization fund, grants, agency operational funds
What is Legacy Modernization?

The modernization of business processes, services and systems
ALL STATE APPLICATIONS (5,935)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Non-Legacy</td>
<td>77%</td>
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<tr>
<td>Legacy</td>
<td>23%</td>
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LEGACY APPLICATIONS ONLY (1,121)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Mission Critical/Business Essential</td>
<td>74%</td>
</tr>
<tr>
<td>User Productivity</td>
<td>22%</td>
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<tr>
<td>Historical</td>
<td>4%</td>
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LEGACY MISSION CRITICAL / BUSINESS ESSENTIAL (830)

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Hybrid</td>
<td>5%</td>
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<tr>
<td>SaaS</td>
<td>9%</td>
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<tr>
<td>COTS</td>
<td>32%</td>
</tr>
<tr>
<td>Custom/In House</td>
<td>54%</td>
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Equates to 476 applications needing immediate attention.
When is a system considered legacy?

If technology (infrastructure, application) is a constraint to improving a business process or service and/or presents a risk to the organization.
The Transformational Impact of Legacy Modernization

Rapid Change

Employee and Customer Satisfaction

Access to Data

Service Improvement

Internal Process Efficiency

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Examples of legacy systems that are constraining your ability to respond to legislation or transform services to your customers.
How should business leaders engage with their CIO/IT leaders about legacy modernization?

What are the steps from a business leadership perspective to properly replace a legacy system?

- **Portfolio**: Maintain a application portfolio, update regularly, and review with your CIO on a regular basis.
- **End of Life**: Determine the applications in your portfolio that are end of life or meet the legacy system criteria.
- **Prioritize**: Prioritize the modernization of the legacy applications based on risk, efficiency, urgency.
- **Develop**: Develop a modernization plan over a 5-year to 10-year period.
- **Develop**: Develop a funding plan for each system and work with WaTech on a Decision Package.
- **Assess**: Assess the availability and skill set of department business and IT resources that will be needed for the modernization projects.
Components of Legacy System Modernization

- Business Process Reengineering
- Information Management / Data Strategy
- Alignment with Enterprise Architecture Principles
- Alignment with Agency and Enterprise IT Strategic Goals
- Integration / External Interface Considerations
- Project Planning and Resourcing
Innovation and Legacy Modernization Fund Stakeholder Input

- Present concept and obtain feedback from Technology Management Council (TMC) – complete.
- Present concept and obtain feedback from TSB members at the March full board meeting - complete.
- Finalize proposal and seek final input from the TMC, and TSB. – In progress.
- Develop and submit WaTech request legislation for the 23-25 biennium.
State of Washington - Innovation and Legacy Modernization Status

Innovation
- Majority of innovation is occurring when there is a crisis or urgent customer service need (COVID response).
- State culture does not incentivize innovation.
- Funding is not available for short, high impact, low-cost innovation projects outside of the biennal budget process.

Modernization
- The majority of IT resources are maintaining existing infrastructure and systems and not on innovation projects / learning new technologies.
- Agencies are at various stages of Portfolio Management / Legacy Modernization planning.
- Legacy systems present risks and constraints to agencies in business and service transformation plans impacting customer service, security improvements, data strategy and analytics, and staff development.
- Funding for legacy system remediation is limited to the biennal budget process.
Objective

Provide dedicated funds outside of the state biennial budget process to *accelerate* innovation and legacy system modernization in the State of Washington.
IT Investment Board (ITIB) Governance Structure

The Technology Investment Board (ITIB), a component of the State of Washington IT Enterprise Governance model will govern and administer the Innovation and Legacy Modernization Fund.

**Proposed ITIB Governance Committee Membership**

- State CIO / Alternate, Enterprise Architect, State CISO, State Chief Data Officer, WaTech Advisory Council representative(s), Business Management Council Representative, TSB member, State Project Management Office Manager.

- IT Investment Board meetings will be held monthly unless there are no project proposals.

- Requesting agencies will present to the ITIB board for 5-10 minutes allowing for 5 minutes of questions from the Board members.

- The Board will notify the requesting agency within two weeks of the meeting on the status of their request.

- Approved projects would be accountable to provide status updates to the Board and share successes, lessons learned, and impacts.