AGENDA ITEM SUMMARY

NAME: Committee of the Whole   **DATE:** November 14, 2023

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
NextGen is the Minnesota State project to create a new technology landscape to support students, faculty, and staff at our 33 colleges and universities across the state. NextGen represents a new chapter for Minnesota State, one in which technology is used as a vehicle to provide a pathway to higher education and make key educational experiences and resources accessible for all students, regardless of race, ethnicity, socioeconomic status, geographic location, or Minnesota State institution attended, for generations to come.

As part of NextGen, Minnesota State is implementing Workday, a cloud-based system that will allow for streamlined student and business processes across all 33 colleges and universities. Because it is a cloud-based software, students, faculty, and staff alike will be able to conduct their business on any device, at any time. The Workday implementation is being delivered first in Finance and Human Resources, with a go-live date of July 1, 2024. These areas are considered foundational elements of Enterprise Resource Planning tools like Workday, and they are best put in place prior to implementing the student services module.

How we reach success is based on a vision of eight clearly defined goals for a successful implementation:

Create a Seamless Experience for Students

Enhancing the student experience is foundational to providing extraordinary education in Minnesota. This includes a seamless experience for students across the Minnesota State system, regardless of the Minnesota State institution attended.

Student Outreach

Deliver targeted outreach and engagement throughout the student lifecycle. Enable interactions across channels and devices (including mobile devices).

Data and Analytics

Create an integrated environment for data sharing. Improve the flow of information and access to business operations system-wide. Improve decision making. Provide a mechanism for capturing data comprehensively across Minnesota State. Reduce the amount of redundant data across the Minnesota State system.

Full Integration of "non-core" and third-party solutions

To provide the best overall experience, all ERP and ancillary technology solutions must be fully integrated and adequately supported.

Maintain Competitiveness

To provide Minnesota with the highest value and most affordable higher education option, the Minnesota State System must remain competitive with other educational entities within and outside the state, including private and primarily online institutions.

System-wide processes and procedures

To both establish and maintain a consistent user experience, and to leverage cloud-based Saas technology solutions effectively, future-state processes will need to be defined or redefined consistently across the system. This may also include the definition or refinement of policies and practices that assure efficient and consistent processes are adopted systemwide.

System-wide software consistency

The number and type of technology solutions must be streamlined; duplicative solutions must be minimized or eliminated; and clear, effective governance must be established around the introduction, integration, and maintenance of third party and "non-core" solutions.

Security

Implement a stable, maintainable, secure, and intuitive suite of applications.

NextGen Status

NextGen Timeline
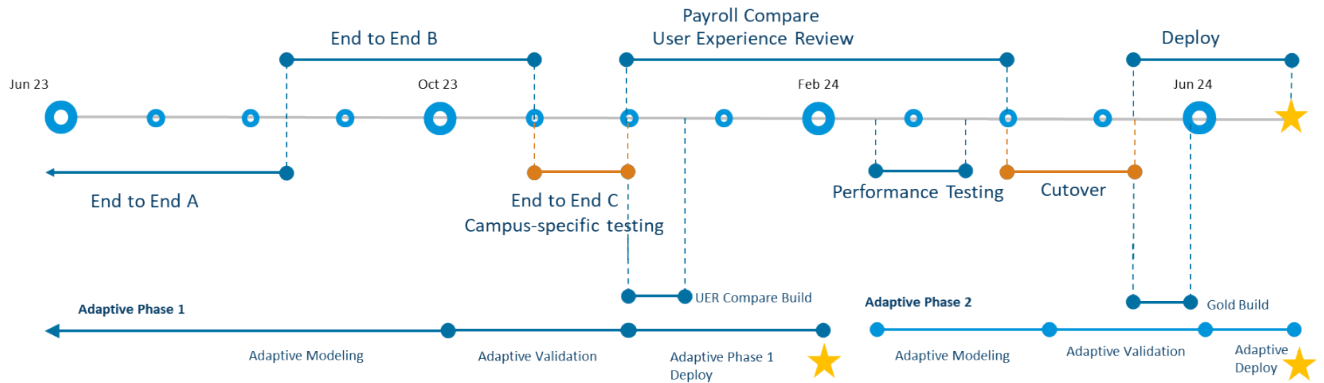
While we do have project risks, which are not abnormal in a project of this size and complexity, we are currently on target for the scheduled July '24 go live.

NextGen Budget
Currently, the project is within budget. The information below outlines the project revenue and expenses in relation to the total funding sources for the project.

NextGen Budget	May 2023 BOT Approved Budget	Current Budget	Expenditures	Encumbrance	Balance	% Spent/ Encumbered of Current Budget
HCM/Fin	100,400,000	100,400,000	61,537,063	15,399,540	23,463,398	76.6%
Student	101,100,000	101,100,000	160,326	151,609	100,788,065	0.3%
Overall Project Support	41,200,000	41,200,000	15,676,965	1,694,506	23,828,529	42.2%
Totals	$242,700,000	$242,700,000	$77,374,355	$17,245,654	$148,079,991	39.0%

Overall NextGen HCM/Finance Status

The overall status of the Workday HCM/Finance Platform going live in July 2024 is Yellow, at risk. It is not uncommon for a project of this size and complexity to be in yellow and have areas that need more focused attention.

Project-Wide Status Summary

Project Wide Status				
Project Status	Overall Trending	Overall Scope	Overall Resources	Overall Schedule
🟡	→	🟢	🟡	🟡

Status by Workstream					
Workstream	Overall Status	Trending	Scope	Resources	Schedule
PMO	🟡	→	🟡	🟡	🟡
HCM	🟡	→	🟢	🟢	🟡
Finance	🟡	→	🟢	🟢	🟡
Adaptive	🟡	→	🟢	🟢	🟡
Conversion	🟢	→	🟢	🟢	🟢
Extend	🟢	→	🟢	🟢	🟢
Integrations	🟡	↓	🟡	🟡	🔴
PRISM	🟡	↓	🟢	🟢	🔴
Reporting	🟡	↑	🟡	🔴	🟡
Comms	🟡	→	🟡	🟡	🟡
Change Readiness	🟢	→	🟢	🟢	🟢
Training	🟡	↓	🟡	🔴	🟡
Testing	🔴	→	🟡	🟢	🔴
Sustainment	🔴	→	🟢	🔴	🔴
Security	🟢	→	🟢	🟢	🟢
CP - 3rd Party/API	🟡	→	🟡	🟡	🟡
CP - Workday	🟡	↑	🟡	🟡	🟡
CP - Inst. Reports	🟡	→	🟡	🟢	🟡
CP - NGDS	🟡	→	🟡	🟡	🟡

Detailed Status of HCM/Finance Platform Implementation

HCM Status – Overall Status is Yellow

At the end of October, following many weeks of focused work by the project's Integrations, Human Capital Management (HCM) and HR Product Teams, a critical HR and payroll integration test file with the State's SEMA4 application was successfully uploaded to MMB with 27 test cases and returned with just one failure which the team was anticipating. (SEMA4 stands for **S**tatewide **E**mployee **MA**nagement and is the payroll, human resources, and benefits system used by the State of Minnesota.) Now that the team has had one successful upload to MMB, the next step is for the team to send an additional controlled test with 50 new test scenarios.

The absence of a working SEMA4 integration has significantly delayed payroll testing and it is principally why the workstream is set to a "yellow" status today. All of the test scenarios for Time Tracking and Absence, Academic Faculty, Benefits, Credentialing, Recruiting, Compensation, and Core HR were run and the HCM team has addressed most of the defects discovered during end-to-end testing cycles A & B (618 of the 665). Resolution of remaining defects (47) is on schedule.

Payroll has been concentrating daily with the integrations team to troubleshoot the SEMA4 integration. With a working integration, the payroll team can focus on testing payroll scenarios during end-to-end cycle C. There are multiple scenarios to test. Minnesota State is a large and complicated entity and no doubt there will be defects identified in need of a remedy. The team has demonstrated remarkable resilience and a clear commitment to see it through. They are understandably tired, but they can also see the finish line.

Finance Status – Overall Status is Yellow

The finance team is progressing through testing and defect resolution and is on track to complete ahead of the deadline. Testing of the StateWide Integrated Financial Tools (SWIFT) integration from MMB, which delivers the financial accounting associated with payroll back to Minnesota State, is in progress and is expected to be completed by the deadline of 12/1/2023. The testing of SWIFT and the financial accounting are dependent upon a successful payroll test run with MMB and the HCM team.

The team continues to transition ownership of institution's Foundation Data Model (FDM) updates to each institution to provide early engagement for financial staff.

Update on Five Key Areas

Adaptive Planning – Overall Status is Yellow

Adaptive Planning is a Workday budgeting tool that runs alongside and integrates with the Workday Platform. Adaptive is on track to go-live in February 2024 as a standalone product to be used by all institutions. Financial staff at each college, university, and the system office will load the results of their Fiscal Year 2025 budget planning into Adaptive Planning during the February go-live and it will be used to establish the initial budget control levels in Workday. Adaptive Planning will have a second go-live alongside the HCM/Finance Platforms in July 2024.

Adaptive Planning end-to-end testing is in process. There is pressure on the testing timeline as the data needed for Adaptive requires validation by institutions. The team will maintain a high engagement level with the institutions during testing.

Testing Status – Overall Status is Red

Testing is an essential function to ensure the quality and operation of the Workday Platform configuration for Minnesota State. Testing takes place by running business processes in Workday and verifying that the correct outcomes are produced. Testing includes verification of integrations, reports, and configuration.

A critical business process being tested is payroll. Payroll for Minnesota State is complex due to the differing bargaining unit contracts. Also adding complexity is the integration from Minnesota State Workday to the State of Minnesota payroll system (SEMA4). Payroll testing is behind schedule due to its complexity and completion of the SEMA4 integration. To expedite payroll testing outcomes, the project team members involved with payroll have focused exclusively on testing. Progress is being made and the team anticipates completing testing by 12/1, within the overall testing schedule.

Sustainment Status – Overall Status is Red

Sustainment refers to how Minnesota State will support, operate, and govern Workday after go-live. This includes the critical work of Finance, Human Resources, Information Technology, and Organizational Change Management teams in providing user support, responding to semi-annual significant Workday updates (releases), and building and maintaining the data management system that will be required when we go live with the Student platform and sunset ISRS.

The Sustainment Plan is being finalized and will be communicated out to the Board of Trustees, presidents, and campus and system office leadership and staff to ensure that all stakeholders are informed about the plan and understand its rationale, impact on staffing, and how the cost of Sustainment will be managed.

Companion Projects – Overall Status is Yellow

Companion projects are third party business processes and technology applications managed at the campus level. The project has experienced continued challenges in this area specific to scope and scale of the work needed to assist campuses. These business processes and applications have potential data needs of Workday. In partnership with campuses, the project team has created a technology solution that best supports these data needs, while we outline a more permanent solution post go-live.

Reporting – Overall Status is Yellow
Reporting has recently turned from Red to Yellow. It remains yellow due to resource constraints and change requests that increased scope. The recent approval of an institution reporting strategy has helped turn this from Red to Yellow.

Organizational Change Management (OCM) Update

The OCM team continues to hone its outreach and engagement strategies as the project progresses. Learning and engagement resources have been sent out across functional teams to ensure they have the needed learning opportunities to better get to know Workday prior to formal end user training.

The biggest direct engagement with future Workday users will be **Training**, which will begin in April 2024. Training will be "just in time" to ensure that what is learned is still fresh at go-live. End users will be enrolled to receive various kinds of training: Instructor-Led Training (in person), Virtual Instructor-Led Training, and/or Computer-Based Training. (Training courses must be passed with a 70%.) Employees will also have access to Quick Reference Guides and Job Aids.

NextGen Student Pre-Planning Update

The system office Academic and Student Affairs (ASA) team has been leading a NextGen Student implementation pre-planning effort. The primary goals of the pre-planning work have been to review and update the catalog of current business processes that support the student

lifecycle, and to delve deeply into the specifics of the student lifecycle business processes at two colleges and two universities.

Understanding the current state of system wide business processes and documenting the college and university third-party software solutions and integrations is critical to NextGen Student pre-planning—it will provide a foundation for entering into the detailed discussions about Workday Student and support the organizational change management and cultural transformation that will be necessary for a successful student implementation. The updated catalog of business processes has been shared with college and university ASA leaders and staff for input and feedback, and the initial work to document processes at two colleges and two universities is nearing completion. Throughout this early work, equity has served as the primary lens through which the student lifecycle and business processes have been reviewed. Each working team asked if the business process had the potential to create or address disparities in the experiences and outcomes for students and to identify potential changes that could make the business process more equitable and inclusive.