MINUTES OF THE
WEST VIRGINIA ENTERPRISE RESOURCE PLANNING BOARD
MEETING OF AUGUST 28, 2014

In Accordance with Chapter 12, Article 6D, Section 1, of the WV Code, a meeting of the West Virginia Enterprise Resource Planning Board (WV ERP) was held on August 28, 2014 in the State Auditor's Conference Room, Capitol Complex, Charleston, West Virginia. Due notice was given of the meeting and filed with the Secretary of State for publication in the State Register. The meeting was chaired by Auditor Glen Gainer in the Governor's absence, and called to order at 3:02 p.m.

I. Call to Order and Roll Call of Members

A silent roll call was taken with a quorum present consisting of the following Board Members:

Chief of Staff Charles Lorensen - Representing Governor Earl Ray Tomblin
Glen B. Gainer III – Acting Chair/State Auditor
Josh Stowers – Representing State Treasurer John Perdue

Also in attendance were:

Todd Childers – ERP Planning Board
Fred Thomas – ERP Planning Board
Rick Pickens – ERP Planning Board
Randy Meek – ISG
Tom Augustine – CGI
Dawn Warfield – State Auditor's Office
Lisa Hopkins – State Auditor's Office
Mike Sizemore – State Auditor's Office
Traci Phillips – State Auditor's Office / *wv*OASIS
Megan Roskovensky – Phil Real's Office / Lobbyist

II. Approval of Minutes of August 6, 2014 Meeting

Chief Lorensen moved to approve the Minutes of the August 6, 2014 Enterprise Resource Planning Board meeting. Josh Stowers seconded, and the motion carried unanimously.

III. Systems in Production

Auditor Gainer introduced Phase delivery schedule, located under Tab 2. No discussion on this topic. The Chair recognized Todd Childers, PMO Director, who discussed systems in production.

- **Phase A: Budget Development** – Mr. Childers commented on budget development for Fiscal Year 2016. The Team is resolving issues with rollovers and conversions and is preparing the budget development cycle for FY16. Challenges exist in the ability to get the State Budget Office (SBO) FY14 actuals, with 12 months in FIMS and only one month in wvOASIS; Phase A team still trying to produce various budget reports. Further details on page 4.

- **Phase C: Core Financials** – Mr. Childers reported that certain Pcard functionality is not working exactly as designed. The Procurement Team is addressing those issues. Procurement is where stabilization is lacking the most. Additionally, interfaces for WVDOT and Higher Education, (WVU) are not working as intended. The project is also experiencing issues related to vendor clean up, maintenance, and consolidations. Payment processing learning curve has been slightly steeper than expected; however, the system has disbursed over 2.1 Billion dollars. For retirees and CPRB interfaces, the Team is monitoring transactions and money is being disbursed through the system. Mr. Childers noted that helpdesk calls have declined 25 percent over the first six weeks. Although challenges still exist, end users are asking better questions.

  Chief Lorensen raised concerns regarding helpdesk complaints and the extensive time spent addressing those issues by himself and the Governor's Office, specifically identifying challenges with the Contractor's Association in terms of payments through DOT that deal with DOH. Chief Lorensen urged the Project Team to continue to be responsive, expressed appreciation of the ongoing challenges entities are facing and the efforts to adjust to the new system. Chief Lorensen requested that several pressing vendor issues become a priority. Rick Pickens responded that several contracts did not convert from FIMS to wvOASIS and the Team is diligently working to ensure consistent movement of those contracts.

  Cabinet concerns were raised from Chief Lorensen as well, including SBO Director, Mike McKown not receiving the data deposit report. Moving towards mid-year, emphasis must be on planning and quality data, as well as executing automation. Adjustments can be made, however reports should go out as is. Auditor Gainer agreed and added that challenges with renewal of contracts may be cause for delay in payments.

IV. Implementation Progress

- **Phase D: HR/Payroll & Travel Management and Reciprocity** - The Chair recognized Todd Childers to address Phase D progress focused primarily on integration and Parallel 1 testing which is nearing completion. The Team is moving forward with Mock 2 conversions and loading the data. Parallel 2 testing and User Acceptance Testing on schedule and expected to begin early September. The Team has made tremendous strides in data collection, data cleansing and loading of data. System has an excess of 30k employees loaded; many departments ready for the UAT and for Parallel 2 processing.

- In terms of overall Enterprise Readiness (ER) relative to Phase D, substantial progress has been achieved, with communication consistently going out from Central Payroll Department relative to the upcoming arrears conversion. Arrears conversion on target for end of September as projected, ER team is expected to deliver six packets consisting of videos, job aides, and simulations by September 30 for Kronos time keeping and leave, which will aide in training efforts for those not available to attend in person. Mr. Childers stated there are Agency resources available and outreach opportunities to educate individuals on Phase D and the specific impact.

  Mr. Childers indicated the progress for statewide travel is behind, as system testing is not yet complete; work continues on enhancements and data conversion. Federal Reciprocity is on track. Mr. Childers urged the Board to remember, HR payroll system must be present for travel to work as designed.

- **Phase E: DOT and Logistics** – Mr. Childers raised concern about the level of comfort and staffing that WVDOT has been able to assign to the Project. PMO has requested a revised organization chart including all State and contractor resources by next week. Mr. Childers also commented on the number of development objects for Phase E, with several behind schedule. In addition, Mr. Childers expressed concerns around the FHWA certification. The Project recently lost a key resource working on FHWA to another position within the State. The transition of these existing responsibilities is imperative to continued success. Chief Lorensen requested Mr. Childers notify DOH of timeframe regarding the issue and expressed optimism that DOT has a resource specifically identified for FHWA certification. Childers confirmed the PMO would provide Chief Lorensen the timeframe and all pertinent information surrounding the loss of resource.

Tom Augustine, CGI shared with the board previous discussions regarding the urgency surrounding Phase D and the criticality of getting data into the system. Since that time, much has been accomplished through lengthy work hours and strong commitment from State resources, specifically about 10 Key State resources supporting the Project in getting it where it needs to be in terms of headway. Chief Lorensen expressed appreciation for the Auditor's Leadership in pushing those issues. Auditor Gainer recognized the tremendous advancement since last meeting, voicing his gratitude to CGI and State efforts.

V. Executive Session

Auditor Gainer recommended the Board move into Executive Session. Josh Stowers moved and Chief Lorensen seconded. The Board convened Executive Session at 3:19 p.m.

No action was taken during Executive Session. The Board meeting reconvened at 3:51 p.m.

VI. New Business

- **Project Operating Budget** - Project Operating Budget and Project Forecast was reviewed. Chief Lorensen had previously requested PMO prepare a Project Operating Budget. Remaining cash balance for the start of the year was included, as well as the anticipated DOT contributions from their final installment payment of $5 million, plus $4.5 million in Amendment 5 obligations. The agency usage fee is a $200 per Full-time Equivalent (FTE). The usage fee schedule was included on Page 14. Based upon each departments FTE number, the usage fee was provided. This amount will be re-calculated based on FTE counts as of September.

- **Project Forecast** – The forecast assumes 100 percent collection with Mr. Childers recognizing slightly less may be more realistic. The Board was reminded five Agencies comprise almost half of the anticipated billings. The operating budget and the billing project forecast have been revised after realizing both full and part time (or temporary) positions were included. The SBO has provided position counts and a second snapshot will be captured end of September to recalculate usage fees. Forecast indicates if all billed usage fees are collected, the Project would be in a deficit position at the end of FY18. The largest variable is the amount collected from billing, with other numbers for CGI and ISG under contract are generally firm. Discussion and clarification from Mr. Childers continued around the inclusion of FTEs and the previous calculation of the operating budget and billing forecast.

Mr. Childers continued with his concern over staffing to support Phase C. The original staffing model proposed 60 FTEs, while the Project currently operates with less than 30. This number has not increased, however support positions greatly needed are reflected in the original business model.

Chief Lorensen expressed the continued pressure on the $200 user fee per position, cautioned the PMO about the pressure the User Fee places on Departments and asked that it report and refine actual costs over the life of the Project.

VII. Unfinished Business

- **Revised FY15 User Fee Schedule** – Auditor Gainer indicated a revised FY15 user fee schedule has been provided. Discussion started with Chief Lorensen affirming the high concentration of employees within five departments risk therein should be partially mitigated by the Administration's commitment of special funding for general revenue budgeted FTEs. Chief Lorensen explained that any Agency with an FTE, operating from general revenue would receive special appropriation to cover the *wv*OASIS user fee. He continued with his hesitation of presenting a deficit, based on Administration's unwavering support.

- **Kronos License Update** – The Chair recognized Mr. Childers and requested the Board be updated on the last Agenda item, Kronos License Update. With regard to the number of licenses, the Team is making every effort to go live with the licenses currently owned. The team will request that Kronos extend the pricing past Go-live if needed. Discussion continued around recommendations to Agencies regarding approval of time and leave, and cost associated with additional Kronos licenses. Auditor Gainer brought forth his concerns regarding the Kronos battery issue and cost. The issue remains unresolved; PMO is exploring alternative options with regard to purchasing and cost.

VIII. Comment from the Public

- No comments

IX. Adjournment

Auditor Gainer motioned to adjourn and the next meeting will be September 30th at 3 p.m. Josh Stowers moved to adjourn, Chief Lorensen seconded, and the motion carried unanimously. The meeting was adjourned at 4:10 p.m.

Prepared by:

State Auditor Glen B. Gainer III
Board Secretary

Governor Earl Ray Tomblin, Chair