

Agency IT Strategic Plan (Form) / **129 DHRM FY14-16 ITSP** (Item) / **Today**

(Data as of: Mar 6, 2015)

Form Report, printed by: Truman, Cheryl, **Mar 6, 2015**

IT SUMMARY

General Information

Item Name:	129 DHRM FY14-16 ITSP	<i>Choose the CTP-prepared Agency ITSP item for the appropriate biennium</i>
Home Portfolio:	129 DHRM IT Strategic Plans	<i>Choose your Agency Portfolio for ITSP</i>
ITSP Biennium:	FY14-16	
Proponent Secretary:	180 Secretary of Administration	
Proponent Agency:	129 Department of Human Resources Management	
Submitted by:	Administrator, System	
Agency has BRTs or Investments:	Yes	
Has CETR been updated?		
Date Submitted:		
For additional CETR information, secure link address or CETR access request go to the following VITA website:		
http://www.vita.virginia.gov/oversight/default.aspx?id=349		

About the IT Summary

The purpose of the agency IT Strategic Plan is to establish an agency-wide vision and priorities for agency investments in IT and IT operations so that they promote the achievement of agency's mission and business outcomes. The IT Plan Summary describes how agency IT strategies, goals, and objectives align with the mission, vision, values, and daily operations identified in the Agency Strategic Plan. This IT Plan Summary identifies the implications outlined in the Agency Strategic Plan and integrates them into implementable objectives and directives.

Current Operational IT Investments

In this section, describe the high-level strategy the agency will use to manage existing operational IT investments over the next year to 6 years. This section should align with identified Business Requirements for Existing Technology (BReTs). At minimum, please address the following questions in your description of your agency's strategy for managing existing operational IT investments:

- *Are there existing IT investments that will require additional funding over the next year to 6 years, such as license renewals, re-competition of current IT contracts, or system enhancements required by the Agency Strategic Plan?*
- *If there are systems that will no longer support the agency's business needs, either through poor performance or excessive cost, how does IT leadership in the agency plan to address the issues?*
- *If the agency does not have the staff or funding to meet increasing demand for IT services, how will IT leadership fulfill the requests?*

DHRM has a goal to «create technologically advanced systems and efficient infrastructure capabilities to enable timely delivery of accurate and consistent employment information throughout the Commonwealth.» The goal seeks to achieve and sustain a reliable, robust, evolving, secure, integrated and interactive suite of human resource technology solutions that assists management and human resource practitioners in addressing ongoing business needs and responding to new information challenges. DHRM has continued to work towards this goal by leveraging the use of technology with existing resources to maintain continuity of service from its legacy systems, data warehouse tools and web-based services that support a broad range of Human Resource (HR) functions, including recruitment, policy, benefits, compensation, communications, EEO services, training and reporting.

Major Initiatives for this biennium:

- 1) LEGACY SYSTEMS - DHRM must move its mainframe legacy systems off of the Unisys platform – DHRM's mission critical systems (PMIS, BES and agency subsystems) must be migrated to and be operational in a Windows-based / SQL Server environment by the end of June 2016. If the migration does not occur, the Commonwealth will incur significant mainframe charges (>\$15M), if DHRM is the only agency

using the mainframe at that time, and the Commonwealth has not been able to re-negotiate with Northrop Grumman a reduction/elimination of the Unisys mainframe charges that the Commonwealth is obligated to pay through some portion of 2019. DHRM has received \$5.49M of funding to invest in a migration initiative. DHRM's migration effort will address a short term need (i.e., have migrated core business applications off of the Unisys mainframe by FY2016) but it will not address DHRM's long term need to provide a robust HR solution to Commonwealth agencies. DHRM will need additional monies starting in FY17 to pursue this long term need.

2) DATA WAREHOUSE - DHRM needs to upgrade its data warehouse offering to enable more data storage and provide enhanced business analytics – DHRM currently provides agencies access to data in its data warehouse. DHRM has tools that can allow advanced analysis to be performed on this HR data by internal staff and external agencies and is moving to provide these tools. DHRM anticipates that the analytics offering will improve agency experience and provide better access to information. As part of this effort, DHRM must have a new, dedicated server to support the new tools.

3) HEALTH BENEFITS ELIGIBILITY - DHRM provides health benefits to various state agencies and localities. To fulfill that directive, DHRM has to create a new portal for localities that can interface with DHRM's Benefits Eligibility System (BES). This portal will provide new services and easier, secure access to BES. DHRM has funding to support this effort.

4) STAFFING - Adequate funding – DHRM has a skeleton workforce and lacks IT staff. DHRM has consistently endeavored to "do more with less". However, this prolonged approach without a return to adequate funding levels has taken toll on the ITech division. Not only is there no overlap in job functions, but key staff members perform functions that should typically be performed by several individuals. For example, DHRM's IT Systems Engineer functions as the agency ISO, lead developer, lead DBA, web application manager and supervises/directs a staff of nine employees. In addition, four of the senior systems analyst are eligible or close to eligible for retirement. These ITech members are key resources that support DHRM's most critical core business systems.

This staffing model does not allow for adequate system support / documentation and severely limits planning efforts and efforts for new initiatives. Since there is not enough staff over which to spread the operational workload, cross-training of existing resources and thorough documentation of systems cannot occur. As a result, if an ITech staff leaves DHRM employ, DHRM will lose significant operational / business knowledge and system support will suffer. ITech staff takes great pride in the systems they support and the work they deliver. However, the prolonged and reduced funding has negatively impacted staff morale.

DHRM's IT staff have consistently taken on more in an attempt to help the agency, but the demands have surpassed what they can realistically deliver. An increase in key staff positions would communicate to the existing employees that Commonwealth leaders see and believe that DHRM's systems can and do provide real value and are worth investment.

DHRM has not received funding to increase its IT staff.

Factors Impacting the Current IT

In this section, the agency will describe the changes in their business environment that will require or mandate changes to the agency's current IT investments. These are requirements and mandates from external sources, such as other agencies or business partners, the agency's customer base, product and service providers, or new federal or state legislation or regulations. Each requirement or mandate from an external source must have a corresponding Business Requirement for New Technology (BRnT) or Business Requirement for Existing Technology (BReT) entered into the CTP. The agency must identify the business value of the change, any important deadlines that must be met, and the consequences if the deadlines are not met. In your discussion, be sure to note whether the proposed enhancements are funded or not.

If the agency's existing current IT investments will not need enhancement due to requirements or mandates from external sources in the foreseeable future, the agency should enter the following text rather than leave the Factors Impacting the Current IT section blank.

• For each mandated change, summarize your agency's response from your Agency Strategic Plan, and is it the opinion of agency IT leadership that the IT portion of the response is adequately funded?

• Do the mandated changes effect IT in other Commonwealth agencies, or in other states? If so, how?

1) DHRM is being required to migrate off of the Unisys mainframe by June of 2016 using the \$5.5M in funding that has been approved. If this deadline is not met, then the Commonwealth might not be able to re-negotiate the Unisys contract with NG to reduce / eliminate significant mainframe charges that would begin in FY16. The current budget provides DHRM with funding through FY15 to migrate.

2) Significant increases in UNISYS mainframe costs expected during this biennium.

3) High demands for upgrading systems to comply with new state and federal laws and regulations.

Proposed IT Solutions

In this section, describe the high-level strategy the agency will use to initiate new IT investments over the next year to 6 years in support of the agency strategic objectives documented in your Agency Strategic Plan. The agency does not need to consider specific technologies at this time, however, the strategy should identify how the IT implementation will provide business value to the organization. This section should align with identified Business Requirements for New Technology (BRnTs). At minimum, please address the following questions in your description of your agency's strategy for initiating new IT investments:

• What are the most important solutions, based on the priority assigned to the requirements by the business sponsors in your agency, and what is the approach to achieving these priority solutions?

• If any new IT initiatives will be started in the upcoming budget biennium, is it the opinion of agency IT leadership that it is adequately funded?

• Does the agency's current IT staff have the appropriate skill set needed to support future agency technologies? If not, what skill sets need to be acquired?

• If the agency will be engaged in multiple new IT initiatives, how will agency IT staff and agency subject matter experts be used across the initiatives?

1) DHRM needs to provide agencies with a modern, affordable, fully-integrated, configurable HR system – DHRM currently provides agencies with a dated, mainframe-based HR system. This system lacks the robust, integrated capabilities of modern systems. DHRM believes that a more efficient and effective solution would contribute to drastically increase value in a great number of areas, including improving agency experience, providing new services to constituents, reducing costs through a shared service and enhance the Commonwealth's reputation as a well-managed state. DHRM anticipates conducting a study to assess the Commonwealth's HR system of record and identify an appropriate HR systems strategy. The agency does not have funding for this study or a new solution at this time.

Report Title: Strategic Plan

Agency: Department of Human Resources Management

Date: 3/6/2015

Current IT Services

Category	Costs Year 1		Costs Year 2	
	GF	NGF	GF	NGF
Projected Service Fees	\$468,625	\$847,800	\$480,341	\$868,995
VITA Infrastructure Changes	\$0	\$0	\$0	\$0
Estimated VITA Infrastructure	\$468,625	\$847,800	\$480,341	\$868,995
Specialized Infrastructure	\$0	\$0	\$0	\$0
Agency IT Staff	\$999,677	\$644,870	\$999,677	\$644,870
Non-agency IT Staff	\$0	\$0	\$0	\$0
Cloud Computing Service	\$0	\$0	\$0	\$0
Other Application Costs	\$0	\$0	\$0	\$0
Total	\$1,468,302	\$1,492,670	\$1,480,018	\$1,513,865

Proposed IT Investments

Category	Costs Year 1		Costs Year 2	
	GF	NGF	GF	NGF
Major IT Projects	\$3,500,000	\$0	\$3,500,000	\$0
Non-Major IT Projects	\$0	\$0	\$0	\$0
Agency-Level IT Projects	\$0	\$0	\$0	\$0
Major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Non-Major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Agency-Level Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Total	\$3,500,000	\$0	\$3,500,000	\$0

Projected Total IT Budget

Category	Costs Year 1		Costs Year 2		Total Costs
	GF	NGF	GF	NGF	
Current IT Services	\$1,468,302	\$1,492,670	\$1,480,018	\$1,513,865	\$5,954,855
Proposed IT Investments	\$3,500,000	\$0	\$3,500,000	\$0	\$7,000,000
Total	\$4,968,302	\$1,492,670	\$4,980,018	\$1,513,865	\$12,954,855

Report Title: Business Requirements For Technology	
Agency:	Department of Human Resources Management (DHRM)
Date:	3/6/2015
BReT OS and DB version updates - DHRM 2014 MS Server 2003	
BRT Type:	Business Requirement for Existing Technology
Date Submitted:	9/24/2014
Mandate:	No
Mission Critical:	
Description:	
DHRM needs to update the OS and DB software versions on several servers	
BReT OS and DB version updates - DHRM 2014 SQL Server 2000	
BRT Type:	Business Requirement for Existing Technology
Date Submitted:	9/24/2014
Mandate:	No
Mission Critical:	
Description:	
DHRM needs to update the OS and DB software versions on several servers	
BReT OS and DB version updates - DHRM 2014 SQL Server 2005	
BRT Type:	Business Requirement for Existing Technology
Date Submitted:	9/24/2014
Mandate:	No
Mission Critical:	
Description:	
DHRM needs to update the OS and DB software versions on several servers	
BReT OS and DB version updates - DHRM 2014 Windows XP	
BRT Type:	Business Requirement for Existing Technology
Date Submitted:	9/24/2014
Mandate:	No
Mission Critical:	
Description:	
DHRM needs to update the OS and DB software versions on several servers	
BRnT PMIS Migration from UNISYS	
BRT Type:	Business Requirement for New Technology
Date Submitted:	9/2/2014
Mandate:	No
Mission Critical:	Yes
Description:	
DHRM is migrating its existing mission core business systems that run on the Unisys mainframe to a Windows/SQL Server environment. In doing this DHRM must translate the underlying code for these systems to a language that will run in the Windows .Net environment.	
Commonwealth HR System of Record evaluation	

BRT Type:	Business Requirement for Existing Technology
Date Submitted:	9/24/2014
Mandate:	No
Mission Critical:	
Description:	DHRM anticipates conducting a study to assess the Commonwealth's HR system of record and identify an appropriate HR systems strategy.

DATA WAREHOUSE upgrade	
BRT Type:	Business Requirement for Existing Technology
Date Submitted:	9/24/2014
Mandate:	No
Mission Critical:	
Description:	
Upgrade DHRM data warehouse to enable more data storage and provide enhanced business analytics tools	
HEALT BENEFITS ELIGIBILITY - The Local Choice (TLC) Portal	
BRT Type:	Business Requirement for Existing Technology
Date Submitted:	9/24/2014
Mandate:	No
Mission Critical:	
Description:	
Create a new portal for localities that can interface with DHRM's Benefits Eligibility System (BES)	

Report Title: Appendix A 14 - 16 Report

Agency: Department of Human Resources Management (DHRM) Date: 3/6/2015

Agency Head Approval: No

Budget Category: Major Projects				
PMIS Migration from UNISYS				
Oversight and Governance Category: Category 2: High/Medium or High/Low or Medium/High				
Appropriation Act/Funding Status			Project Initiation Approval - Fully Funded GF 100%	
<p>This project involves moving all DHRM applications off of the Unisys mainframe and into a server / web / relational database environment. This migration must be accomplished by June 30, 2016 in order for the Commonwealth to avoid approximately \$15 million in annual charges related to DHRM's use of the mainframe.</p> <p>NOTE: DHRM will receive \$5.49M for this project.</p> <p>At this stage of the cost estimation process DHRM anticipates that half of the \$5.49M requested in its decision package to DPB will be needed in FY15 and half in FY16. However, DHRM needs for any unused monies in FY15 to carryover and be available for project use in FY16.</p>				
Planned project start date:	2/16/2015	Planned project end date:	6/30/2016	
PPEA Involvement:	No			
Estimated Costs:	Total	General Fund	Nongeneral Fund	
Project Cost (estimate at completion):	\$5,958,936			
Estimated project expenditures first year of biennium:	\$2,747,200	\$2,747,200	\$0	
Estimated project expenditures second year of biennium:	\$2,747,200	\$2,747,200	\$0	
Service Area			Weight	
129 DHRM 70419 Administrative and Support Services			Primary	
Project Related Procurements				
PMIS Migration from UNISYS - Procurement				
Procurement Description:	DHRM needs to procure services to migrate its applications and related routines out of the UNISYS mainframe environment into a fully operational Windows/SQL Server environment as soon as possible as its mainframe charges are rising. Estimates indicate that these charges can reach over \$15M+ per year to DHRM if it is the sole Unisys mainframe user by June			

2016 - Currently DSS (97% usage) and DHRM (3% usage) share the mainframe cost based on usage, but once DSS discontinues its usage (anticipated to be June 2016), then DHRM will bear the full mainframe cost.

The procured services would translate existing functionality (no new requirements) from the current mainframe environment to the target environment.

DHRM envisions that the procured services will include vendor use of automated tools to convert the existing code and data into the desired target environment.

The procured services need to include services that assist DHRM technical staff to transition and operate its systems in this new environment.

DHRM has received \$5.49M in its budget for the FY15-FY16 biennium to migrate its systems off of the Unisys mainframe. Half of the total monies will be provided to DHRM in the first year of the biennium and half in the second. DHRM needs any unused funds from the first year of the biennium to be available in the second year of the biennium. DHRM anticipates needing to split the \$5.49M for vendor services, VITA services and internal costs.

Planned Delivery Date:

1/1/2015

There are no Category 4 IT Projects for this agency.

Report Title: Appendix A 14 - 16 Report

Agency: Department of Human Resources Management
(DHRM)

Date: 3/6/2015

Agency Head Approval:

No

There are no major procurements for this agency.

There are no non-major procurements for this agency.