

**STATE OF RHODE ISLAND**

**ENTERPRISE APPLICATIONS  
STRATEGIC PLAN**

February 2020



# ENTERPRISE APPLICATIONS STRATEGIC PLAN

We need a strategic plan to modernize our enterprise applications.

## SCOPE



HR Information Systems/Human Capital Management



Payroll



Grants Management



Enterprise Financial Applications



Enterprise Support Applications

## PURPOSE

1

Reduce risk to critical systems

2

Enable business improvements, provide expanded functionality, and information for managing

3

Address manual processes that are more prone to errors

# THE CASE FOR CHANGE

The status quo fails to meet Rhode Island's needs and puts the State at risk.



Decision-makers are unable to receive **accurate information** in a **timely** manner



Rhode Island's systems decades-old and are **outdated**—even in comparison to its state government peers



Current systems are susceptible to **single points of failure** and **security risk**



The **handful of experts** the State is reliant upon for existing systems are nearing retirement



Antiquated systems and processes make it difficult to attract and retain **talent**



**Errors** that result from **non-integrated systems** waste time and money

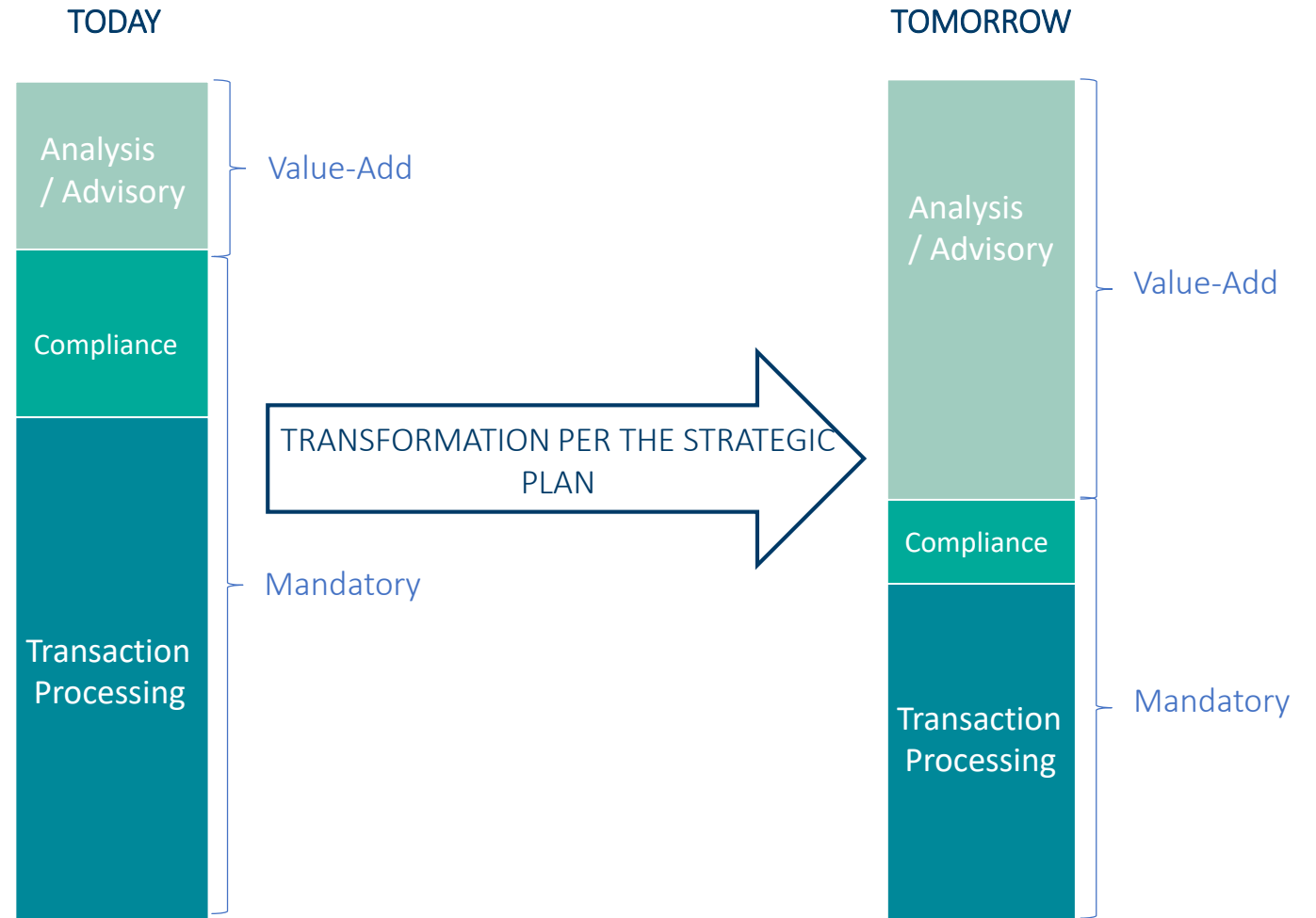


Existing enterprise technology has an impact on the State's **ability to serve** its residents

# HIGH-PERFORMING ENTERPRISE APPLICATIONS

The new Enterprise Resource Planning (ERP) system will make it easier for state employees to do their jobs and enables better service to the public.

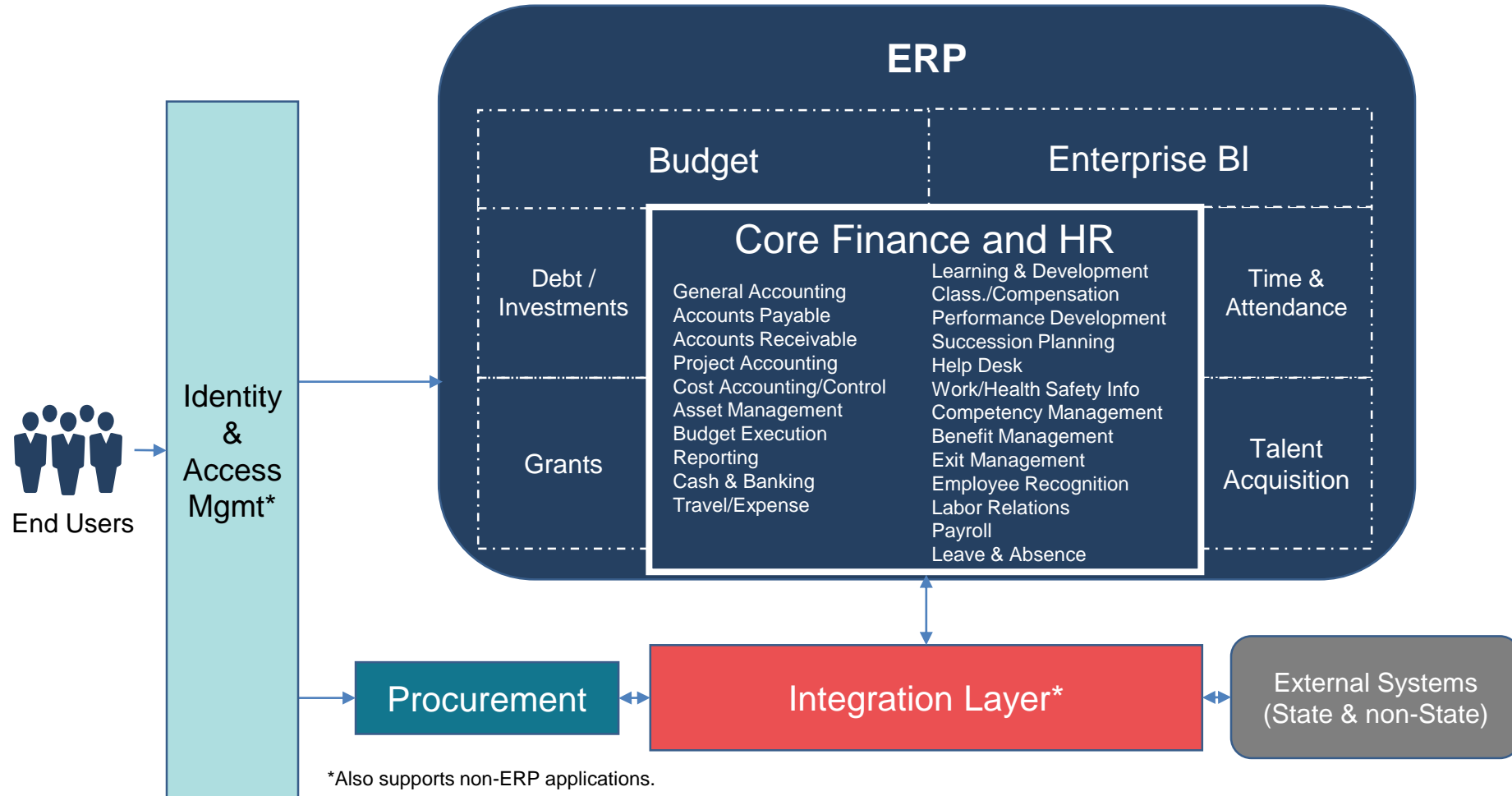
Automate transaction processing and compliance to generate increased capacity for value-added services



# NEW ENTERPRISE APPLICATIONS

Our future architecture is a modern, integrated, and comprehensive Enterprise Resource Planning system.

- Cloud/Software-as-a-Service (SaaS) solution provides speed, cost reduction, flexibility, scalability, and innovation
- This architecture balances the advantages of a unified approach with the advantages of specialized, “best-of-breed” applications



# TIMELINE

The program timeline accomplishes modernized enterprise applications, delivering speed-to-value and minimizing risk. All dates are directional and subject to project approval.



HR/Payroll Go-Live on 12/31/2022



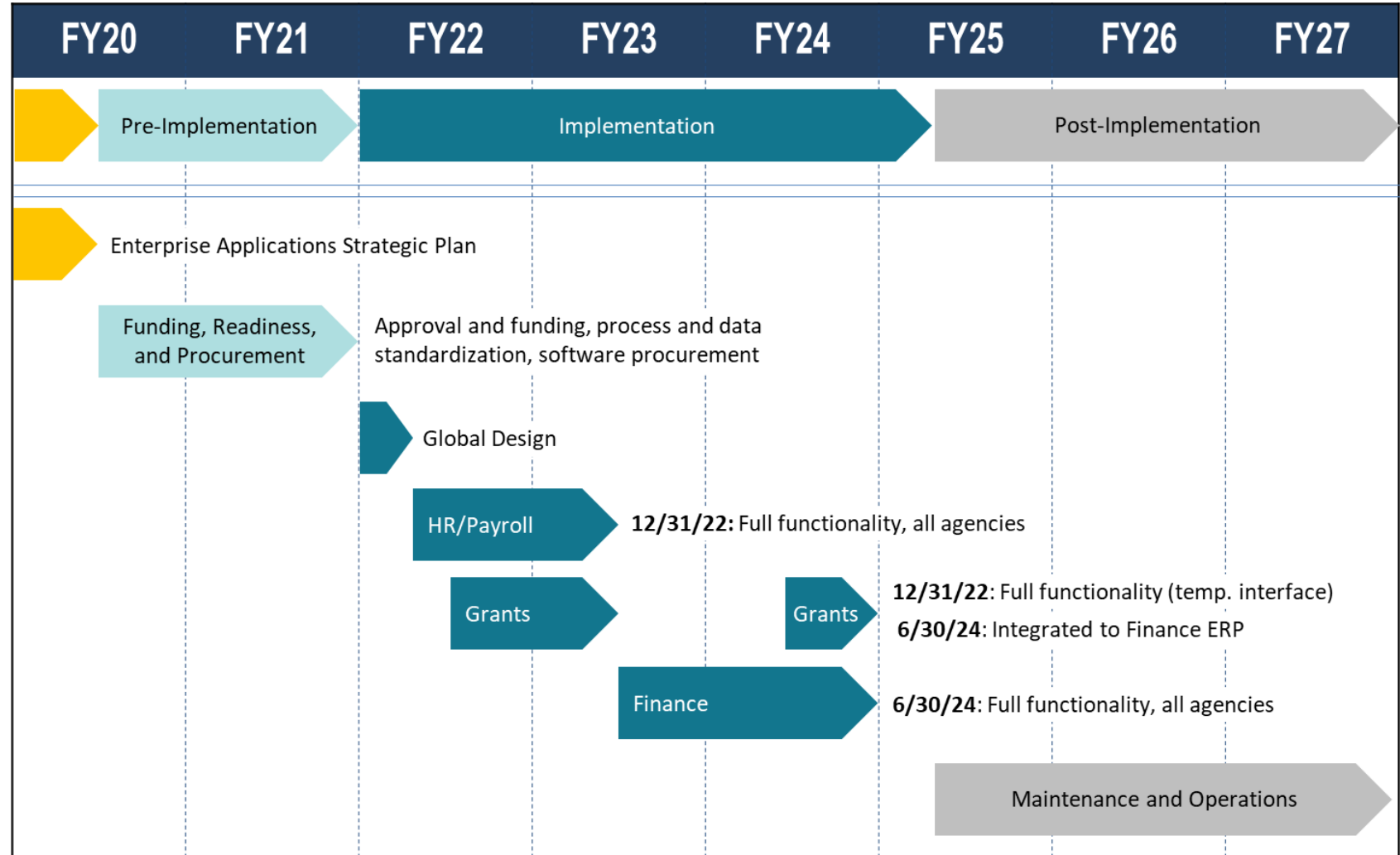
Grants Management Release 1 Go-Live on 12/31/2022



Finance Go-Live on 6/30/2024



Grants Management Release 2 Go-Live on 6/30/2024



# FUNDING STRATEGY\*

Operating Budget	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total
Program expenses, FY21-FY27	\$1.5M	\$3.3M	\$3.3M	\$2.7M	\$2.6M	\$2.7M	\$2.8M	-	-	-	-	\$18.9M
Principal on COPs	-	\$0.5M	\$5.1M	\$5.4M	\$7.8M	\$7.8M	\$7.7M	\$7.7M	\$7.7M	\$2.6M	\$2.6M	\$54.8M
<b>Program expenses and principal on COPs</b>	<b>\$1.5M</b>	<b>\$3.8M</b>	<b>\$8.4M</b>	<b>\$8.1M</b>	<b>\$10.4M</b>	<b>\$10.5M</b>	<b>\$10.5M</b>	<b>\$7.7M</b>	<b>\$7.7M</b>	<b>\$2.6M</b>	<b>\$2.6M</b>	<b>\$73.7M</b>
Interest on COPs	-	\$0.1M	\$0.7M	\$0.7M	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$0.4M	\$0.3M	\$7.3M
Ongoing program expenses, FY28-FY31	-	-	-	-	-	-	-	\$2.9M	\$3.0M	\$3.0M	\$3.2M	\$12.1M
<b>Operating Budget Outflows</b>	<b>\$1.5M</b>	<b>\$3.9M</b>	<b>\$9.1M</b>	<b>\$8.8M</b>	<b>\$11.4M</b>	<b>\$11.5M</b>	<b>\$11.5M</b>	<b>\$11.6M</b>	<b>\$11.7M</b>	<b>\$6.0M</b>	<b>\$6.1M</b>	<b>\$93.1M</b>

- The State proposes to fund the \$54.8M through Certificates of Participation (COPS) in two issuances of \$36.3M in FY22 and \$18.5M in FY24 and will incur a total interest expense of \$7.3M. COPs will be completely paid out by FY31.
- Program expenses [FY21-FY27] (\$18.9M), principal on COPs (\$54.8M), interest on COPs (\$7.3M), and ongoing program expenses [FY28-FY31] (\$12.1M) total \$93.1M.

\*Dates are directional and subject to project approval

# OUTFLOWS FROM FUNDING SOURCES\*

	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total
<b>Total - Costs</b>	\$1.5M	\$3.9M	\$9.1M	\$8.8M	\$11.4M	\$11.5M	\$11.5M	\$11.6M	\$11.7M	\$6.0M	\$6.1M	\$93.1M
<b>Savings - GR portion</b>	-	-	(\$1.1M)	(\$2.2M)	(\$3.5M)	(\$3.6M)	(\$3.7M)	(\$3.9M)	(\$4.0M)	(\$4.1M)	(\$4.2M)	(\$30.3M)
<b>Savings - non-GR portion</b>	-	-	(\$0.2M)	(\$0.5M)	(\$0.9M)	(\$0.9M)	(\$0.9M)	(\$1.0M)	(\$1.0M)	(\$1.0M)	(\$1.1M)	(\$7.4M)
<b>Subtotal – Costs (Savings)</b>	\$1.5M	\$3.9M	\$7.8M	\$6.2M	\$7.0M	\$6.9M	\$6.9M	\$6.8M	\$6.7M	\$0.9M	\$0.8M	\$55.3M

	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	Total
<b>Net Cost (Savings) by Funding Source</b>												
General Revenue	\$1.5M	\$3.9M	\$7.0M	\$4.3M	\$4.3M	\$4.1M	\$4.1M	\$4.0M	\$4.0M	(\$1.8M)	(\$1.9M)	\$33.3M
Federal	-	-	\$0.6M	\$1.3M	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$15.8M
Restricted Revenue and Other Funds	-	-	\$0.3M	\$0.5M	\$0.8M	\$0.8M	\$0.8M	\$0.8M	\$0.8M	\$0.7M	\$0.7M	\$6.2M
	\$1.5M	\$3.9M	\$7.8M	\$6.2M	\$7.0M	\$6.9M	\$6.9M	\$6.8M	\$6.7M	\$0.9M	\$0.8M	\$55.3M

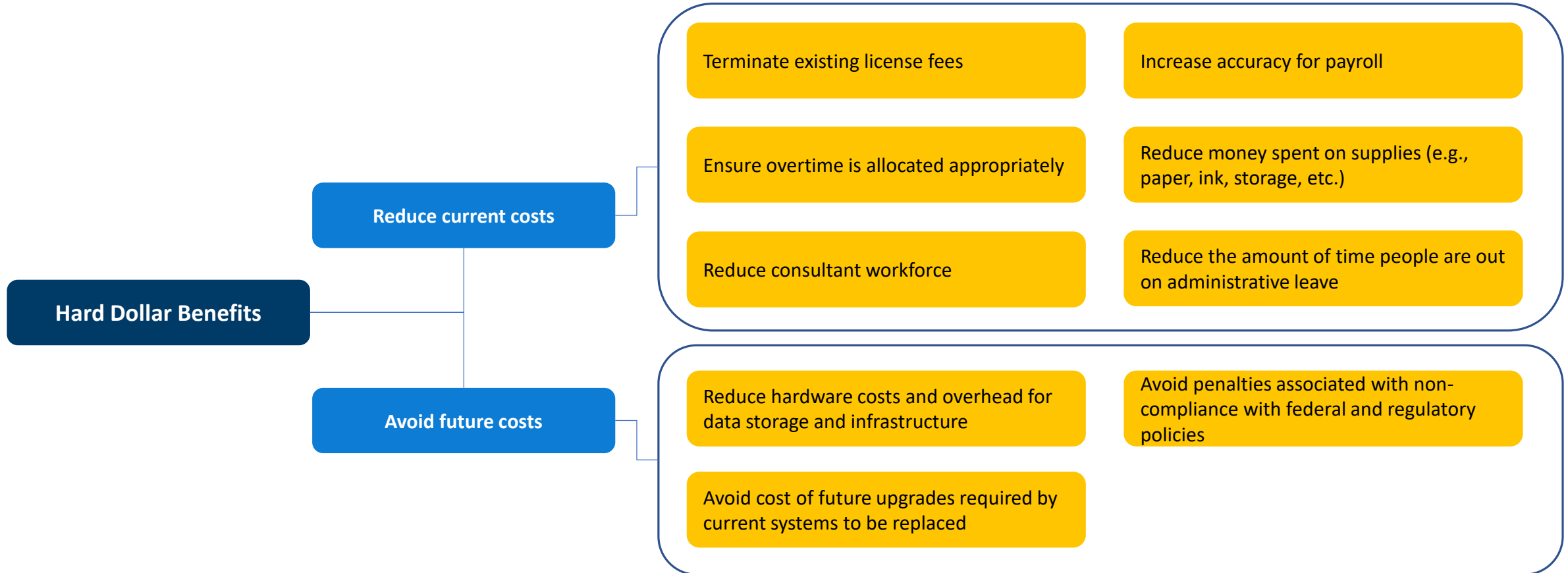
- Accounting for General Revenue and non-General Revenue savings, the cost is reduced from \$93.1M to \$55.3M.
- Accounting for Federal Funds and Restricted Revenue and Other Funds, the projected total cost to the State is \$33.3M.

\*Dates are directional and subject to project approval



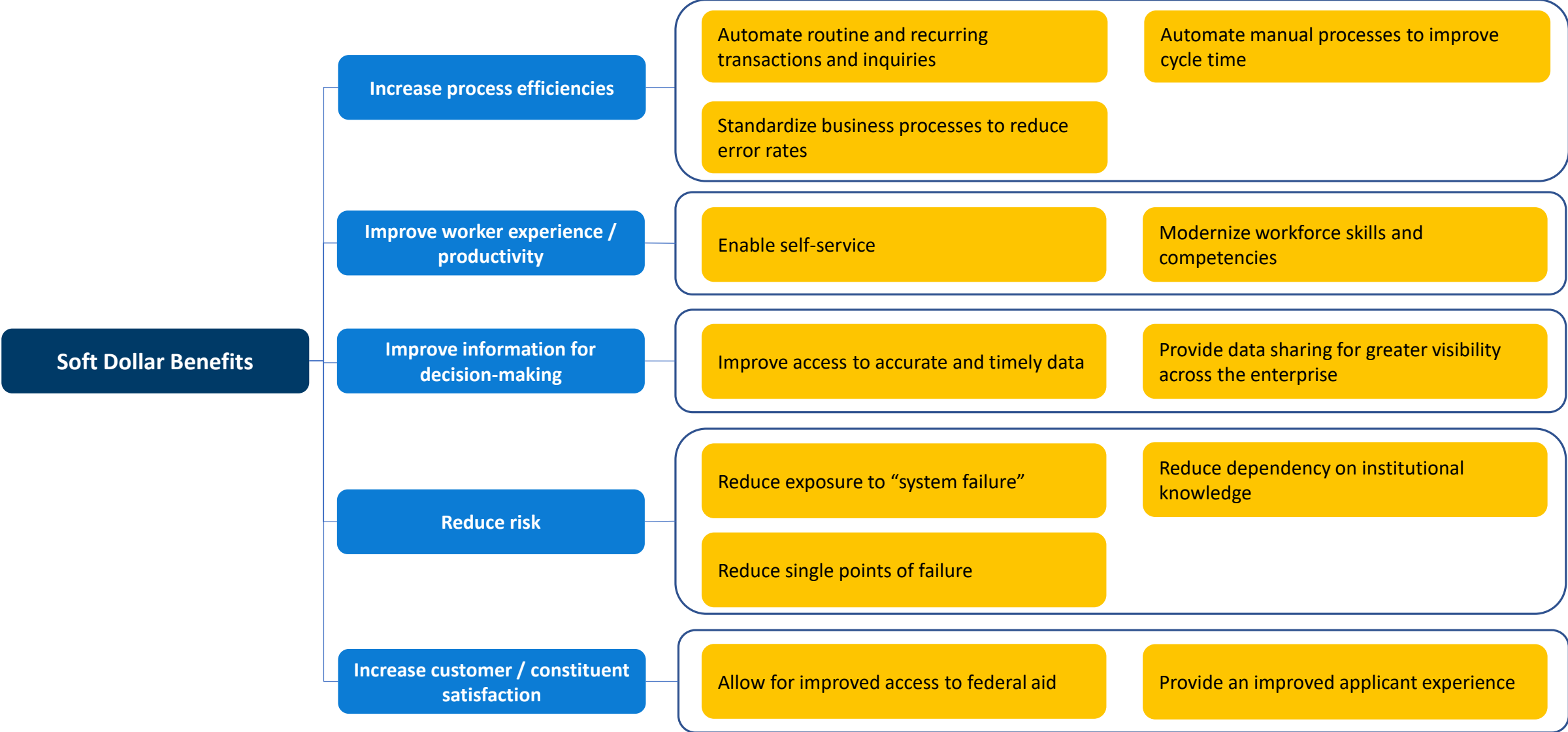
# Hard Dollar benefits

Implementation of the Strategic Plan results in measurable cost decreases and savings.






# SOFT DOLLAR BENEFITS

Implementation of the Strategic Plan results in process efficiencies and desirable enterprise wide benefits.



# SECURITY

The Strategic Plan outlines the strategy for effective security, which is an additional driver for success or failure.

- The security approach:
  -  Includes the people (e.g., training end users to follow sound security practices)
  -  Incorporates processes (e.g., rigorous internal controls to manage access)
  -  Utilizes technology to enable and execute the applications
- Complies with federal and industry standards and state policies
- Leverages existing and planned Rhode Island security-related solutions and initiatives
- Leverages security features and functionality inherent in the modern cloud/SaaS ERP software
- Embeds security as a priority in each phase of the program

# SUMMARY

The time for action is now.

1. Rhode Island has a compelling **case for change**.
2. Rhode Island has a **strategic plan** which is comprehensive and actionable. It includes a:
  - Modern **ERP application architecture**, similar to other states
  - Realistic **implementation timeframe** that balances speed and risk
  - Dynamic **staffing plan**, that develops new skills and competencies for state resources
  - Affordable **funding and financing approach**, tailored for Rhode Island
  - Significant **benefits**, both hard and soft dollar
  - Critical **success factors** and **risk mitigation strategies** based on experience
3. The next step is for Rhode Island to undertake the journey to **new enterprise applications by seeking approval from the General Assembly**.