

IT SERVICE INVESTMENT BOARD

January 30, 2020

INFORMATION TECHNOLOGY

UNIVERSITY *of* WASHINGTON



AGENDA

- > Call to order
 - Governance Board Update
- > UW Finance Transformation Update
- > Technology Recharge Fee FY 2021 Recommendation
- > Evolving Privacy and Security Compliance Environment
 - Privacy and compliance
 - CISO security and compliance
- > IT Project Portfolio Executive Review
- > Wrap up

Governance Board Update

Christy Long

Assistant Vice Chancellor for IT and Chief Information
Officer, UW Bothell



IT Governance Board Update

IT Strategy Board (Meets on February 10)

- > No new update since last meeting on October 28

IT Service Management Board (meets monthly)

- > Board has narrowed its list of 20+ recommendations down to seven, and is working on a recommendations report to be submitted to the Vice President for UW-IT and CIO in March
- > The report will then be shared with the IT Strategy Board and IT Service Investment Board in the spring
- > Recommendations focus on a culture shift towards University-wide adoption of enterprise solutions to create consistency across the student experience and efficiencies throughout the workforce

QUESTIONS

UW Finance Transformation Update

Ed Loftus

Assistant Vice President for Finance Transformation



***UW FINANCE TRANSFORMATION IS AN
OPPORTUNITY TO REIMAGINE AND
STREAMLINE OUR FINANCE-RELATED POLICIES
AND PROCESSES, WITH THE HELP OF NEW
TECHNOLOGY***

UWFT COMPLEMENTS UW-IT MODERNIZATION FOCUS

“Provide modern, flexible and integrated business information systems to support a complex, global research institution and access to better business information for planning and analysis”



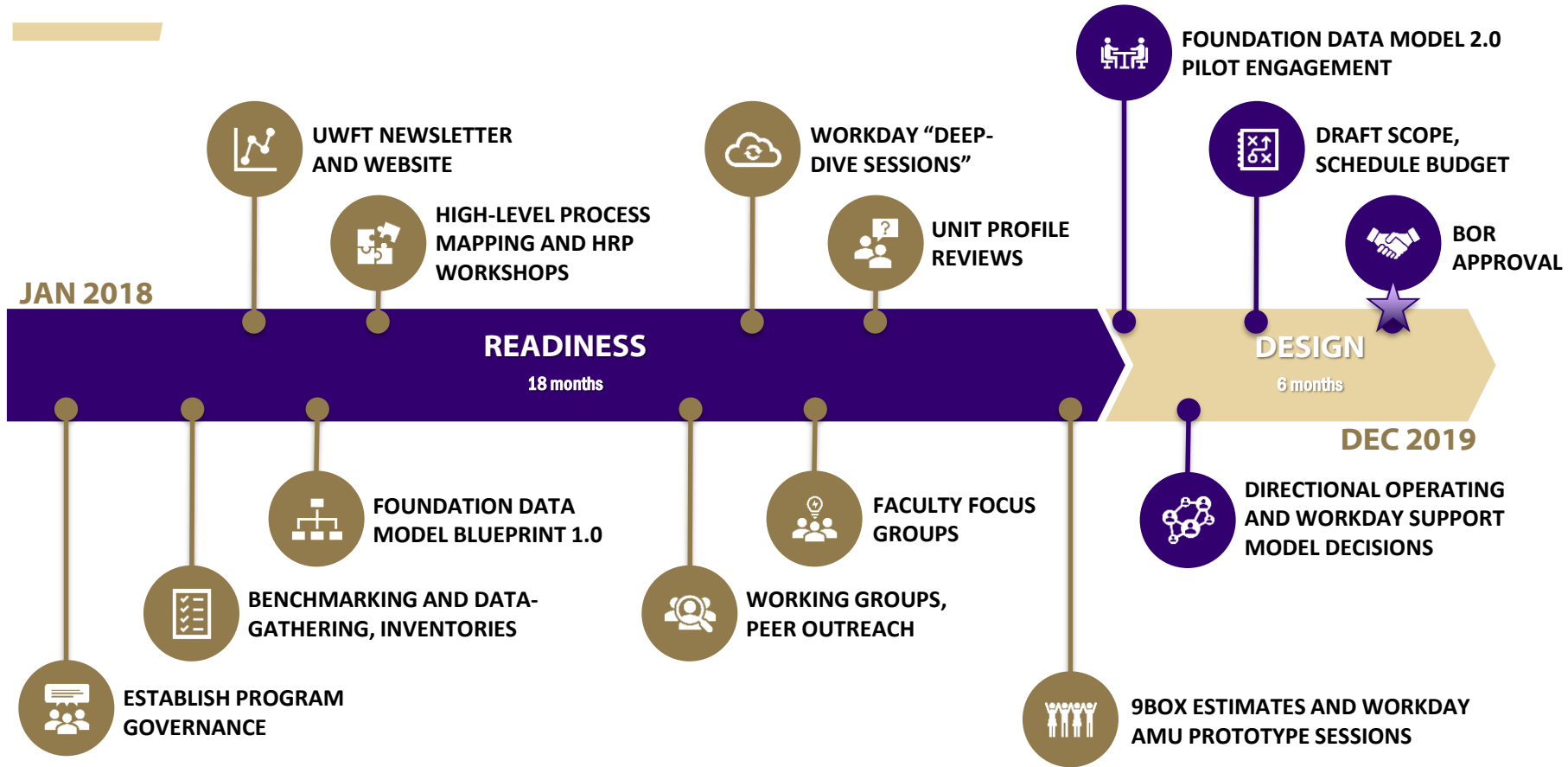
“A boundaryless transformation strategy is the very opposite of ripping-and replacing core systems every few years. Instead, it empowers organizations to evolve and refresh systematically, enabling the flexibility to incorporate rapid technology changes as they arrive.”

Accenture

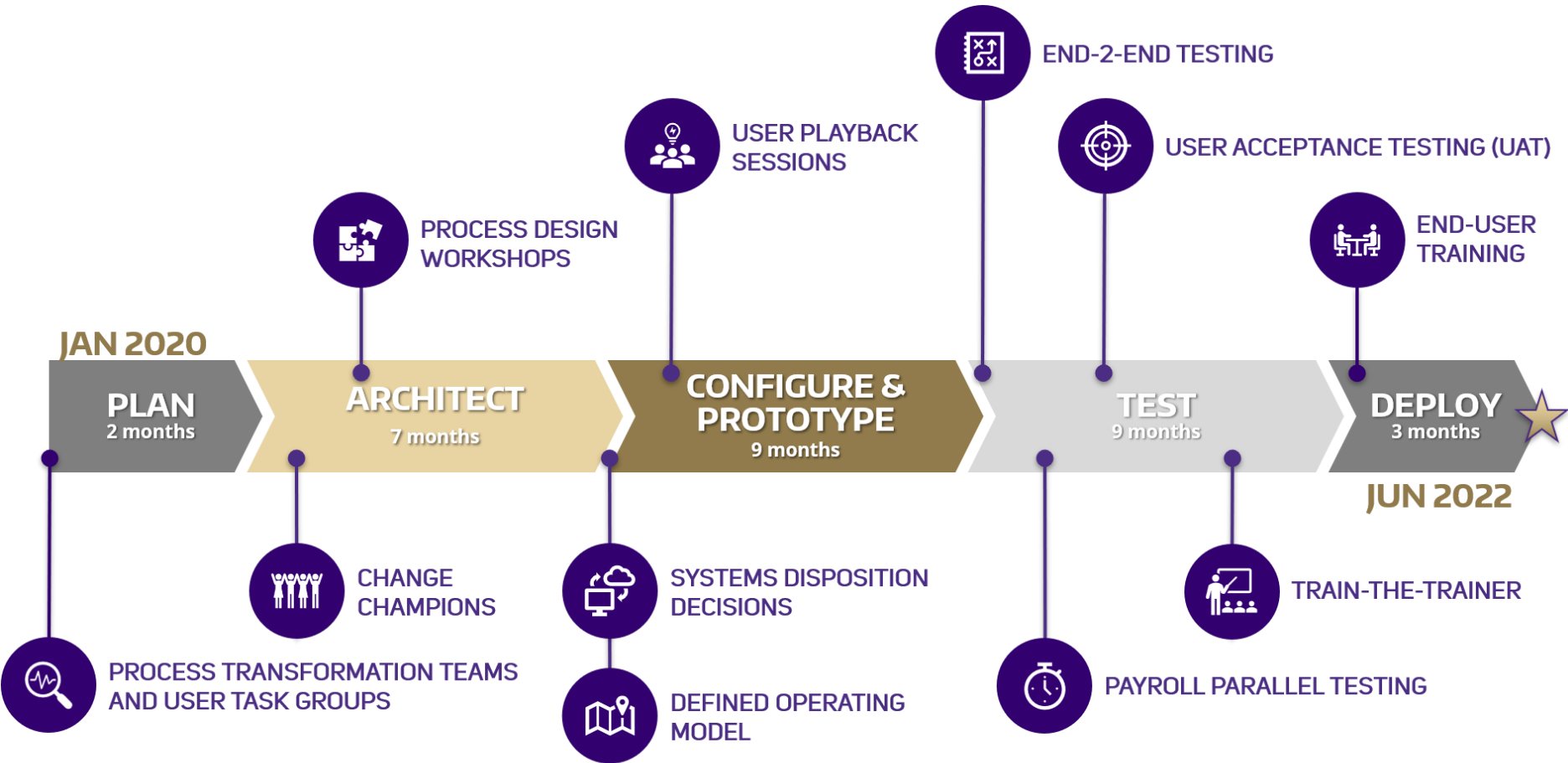
SINCE WE LAST MET...

- > In early summer, leadership from UWFT, UW-IT, UW Finance and UW Medicine went before the Board of Regents twice to review the work completed in Readiness, and secure approval to proceed to Design
 - The Design Phase was a 6-month period of time devoted to firming up this multi-year program’s scope, schedule and budget
 - UWFT went before the Board of Regents on December 12 to ask for Stage 2 funding. It was unanimously approved; we have a go-live date of July 1, 2022
- > Engagement with stakeholders so far has been steady, but will grow significantly in frequency, and broaden in reach, beginning in 2020
 - Envisioning what could be: The program engaged in 45 workshop-style sessions in 2019
 - Efforts have been underway on the FDM, Operating Model and business process redesign
- > New members of the UWFT Sponsor team include Mia Tuan and Bob Stacey. In addition, Mary Lidstrom joined for the duration of Design

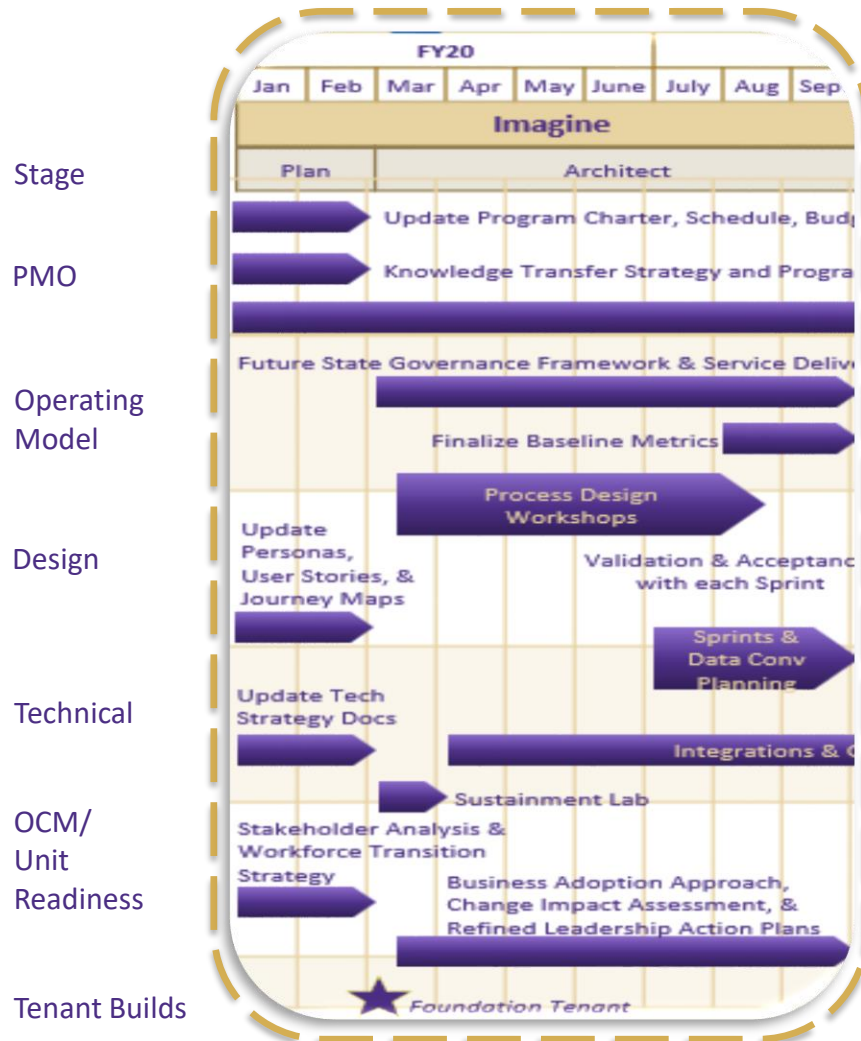
PROGRAM ACCOMPLISHMENTS



IMPLEMENTATION TIMELINE



YEAR 1: PLAN AND ARCHITECT APPROACH



Plan Stage Objectives:

- > Develop key foundational documents, such as the Program Management Plan, Work Plan, and Tenant Management Plan
- > Plan the dates, duration and sequence of activities throughout the Architect stage
- > Defines the team members (UW and Deloitte), roles and responsibilities, and communication plans to be used throughout the project

Architect Stage Objectives:

- > Document Workday business processes design, integration, conversion and report requirements as well as organizational change impacts
- > Process design workshops, led by the Design Team, and follow up further discovery sessions for integrations, conversions and report are critical path
- > Discuss process requirements and current pain points
- > Initiate knowledge transfer process with the System project team on Workday terminology and concepts

OPPORTUNITY: RE-THINK 9 BUSINESS PROCESS AREAS

- To truly *transform*, we will step out of our comfort zone and reconsider every aspect of the nine end-to-end business process areas
- Transformation goals have been developed for each
- Process Transformation Teams have been set up

NINE END-TO-END BUSINESS PROCESS AREAS	
Asset Acquire to Retire	Customer Requisition to Payment
Hire to Retire (HRP Remediation)	Grant Award to Close
Manage Cash and Financial Assets	Procurement and Supply Chain
Project Inception to Close	Plan and Manage the Business
Record to Report	

END-TO-END TRANSFORMATION GOALS

Overall, the University is aiming to achieve simplified, standardized and streamlined business processes



WHAT IS AN OPERATING MODEL



AN OPERATING MODEL ANSWERS THE QUESTION:
“WHAT IS THE BEST WAY TO ORGANIZE AND DISTRIBUTE FINANCE WORK?”

Our new operating model seeks to achieve the following transformation goals:

- > Achieve greater efficiency and productivity
- > Support higher value activities aligned with the mission
- > Enable savings and other productivity gains
- > Increase compliance
- > Provide high quality, consistent customer service across units

FUTURE STATE OPERATING MODEL

The University has made a high-level directional decision to move toward an operating model where more business processes take place in a shared environment, where logical.

Specific financial processes will belong in one of three levels:

1. Enterprise-wide level (across the entire UW, including Academy and Medicine)
2. Organization-wide level (across Academy or Medicine)
3. Regional hub level

Some processes will still remain at the unit level

GO-LIVE IS NOT THE END...



...IT IS THE BEGINNING OF THE REST.

QUESTIONS



UWFT is Hiring – Help Share the News!

- > Customize your own or send our message and links to your network
 - We have a template and images that can be used
 - Share via email or social networking apps

- > Spread the word about our upcoming recruiting event (being held in partnership with UW-IT) at the end of February

UWFT is Hiring!

> We are looking for smart, driven, creative problem solvers who thrive in a fast-paced and constantly changing program environment:

- Project Management (PM) Analyst
- Senior Project Manager
- Senior Financial Business Analyst (multiple positions)
- Change Manager (multiple positions)
- Process Manager
- ERP Business Process Lead - Grant Award to Close
- ERP Business Process Design Lead - Order-To-Cash
- ERP Business Process Lead - Record to Report
- ERP Business Process Lead - Customer Requisition to Payment

Technology Recharge Fee FY 2021 Recommendation

Linda Rose Nelson

Director of Finance and Administration, College of Arts &
Sciences



TRF Advisory Committee Recommendation

- > Maintain current TRF rate model/methodology for next 3 years
 - Recognizing:
 - > Current model is out of date and requires workarounds
 - > Future impact of FT including: new Foundational Data Model (FDM) and ongoing operating costs related to integrations (EDW)
- > Defer major TRF revamp until implementation of FT – either for FY 2023 or FY 2024
 - Larger committee – reconfigure model/methodology
 - Include impact of FT on cost of services
 - Incorporate new service costing model – major changes to FDM will impact ability to do cost accounting (UW-IT will not maintain a side system)

Cybersecurity - Investment for FY 2021

“How much investment is needed to reduce the UW cyber-security threats to a minimum level of acceptable risk?”

- > Investment Plan to address cybersecurity risk with 2.1M in increased funding, phased in over the 3 years (FY 2020-2022):

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
CISO Budget	\$2.4M	\$2.6M	\$3.3M	\$4.0M	\$4.7M

- > New Funding in FY 2020 – \$700k
 - Provost Reinvestment Funds \$500k + UW-IT \$200k
- > Propose TRF Investment in FY 2021 - \$250K
 - + Provost Reinvestment Funds \$250k + UW-IT \$200k = \$700K

Additional Cybersecurity Funding	FY 2020	FY 2021
Provost Reinvestment Funds	\$500K	\$250K
UW-IT	\$200K	\$200K
Technology Recharge Fee (TRF)		\$250K
Total	\$700K	\$700K

Recommended TRF Rate for FY 2021

- > Minor adjustments to base rate due to changes in cost allocation
- > Include new permanent investment of \$250K for Cybersecurity

TRF Monthly Rate Comparison	FY20 TRF Rate	FY 2021 Base Rate	FY 2021 w/ CISO \$250K	Increase
Med Ctr Employee	51.75	51.58	52.18	\$0.43/0.8%
Campus Employee	57.53	57.62	58.28	\$0.75/1.3%

Impact of UW Medicine Growth

- > Addition of NW Hospital and UW Physicians implemented in Workday 1/1/2020
 - Headcount ~1,950 – UWMC and ~550 – School of Medicine (approx. 20% increase)
 - UW Neighborhood Clinics – date TBD (approx. 250 people)
 - Impact on cost of basic services is incremental across UW-IT

- Recommendation:
 - Integrate into TRF model/methodology after Finance Transformation
 - Short Term – UW Medical Centers to directly fund 2 FTE to support biggest impact areas: Identity & Access Management, Windows Engineering, and Microsoft Collaborative Applications

Addendum: TRF Rate History

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Medical Center	\$53.43	\$53.43	\$53.43	\$50.00	\$50.00	\$50.91	\$51.34	\$51.34	\$52.20	\$51.75	\$52.18
Campus	\$52.68	\$52.68	\$52.68	\$54.50	\$54.50	\$55.51	\$56.13	\$56.13	\$57.28	\$57.53	\$58.28

Rebalancing of Rate

Incr. to Campus: 1% 0% 2% 0.5% 1.3%

- > TRF supplements existing GOF/DOF resources to provide Basic Services
- > Medical Centers are excluded from GOF/DOF subsidy and billed separately for Network & Telecom resulting in an effective rate ~\$85/mo.
- > The initial TRF coincided with a \$20/month reduction of the Dial Tone rate, a \$6M annual savings to campus

ACTION:

**Endorsement of this
Recommendation**



Evolving Privacy and Security Compliance Environment



Privacy and Compliance

Ann Nagel

University Privacy Officer

Associate Vice Provost for Privacy

Data Protection Officer for EU GDPR

UW Privacy Office / Academic and Student Affairs



Privacy, Information Security and Compliance

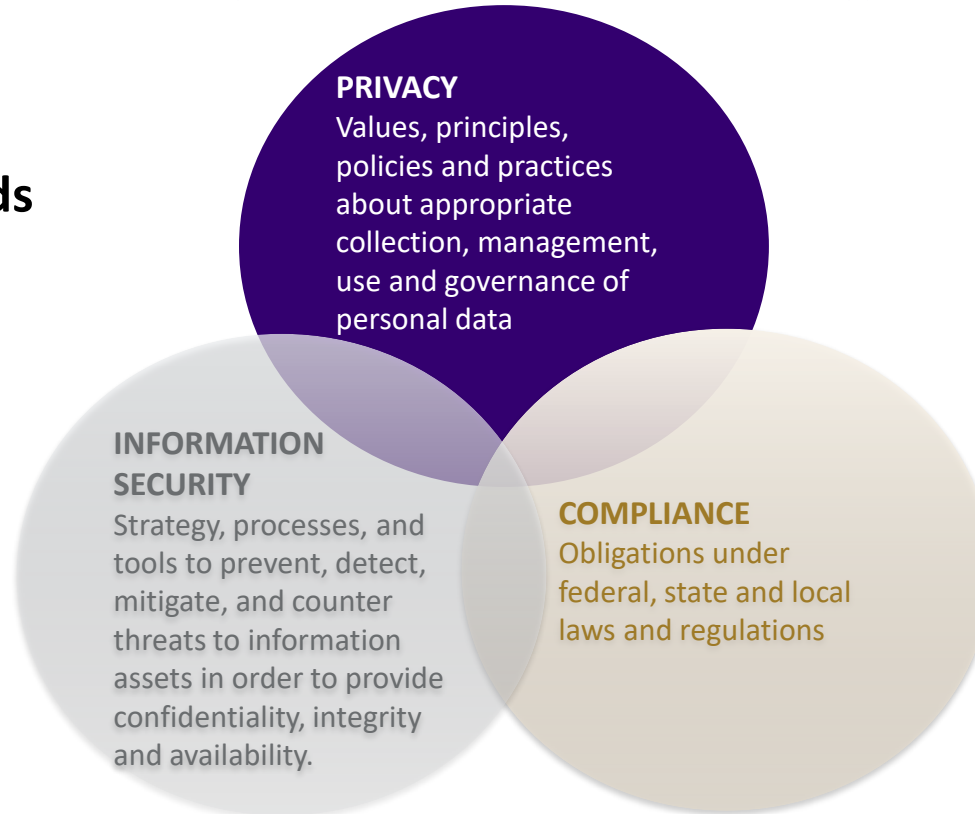
- > **Creating consistent understanding of distinct concepts**
- > **Embracing evolving needs**

UW Privacy Office

- Strategy and policies for appropriate collection, management, and use of personal data
- Privacy and data governance
- Privacy impact and risk assessments
- Privacy by design advising
- Management of incidents and data breaches involving personal data

UW Office of the CISO

- Advising
- Education and Awareness
- Forensic Analysis and Incident Management
- Governance and Policies
- Threat Intelligence and Risk Mitigation



UW Compliance Services

- Structural support and coordination for institution-wide compliance efforts

Privacy Landscape

Privacy Around the Globe

- > Emerging laws and regulations with significant fines or penalties (e.g., European Union General Data Protection Regulation)
- > Evolving public sentiment
- > Varying expectations
- > 2018 “...four of the world’s 10 largest economies with new data protection laws...”*
- > 2019 Statutes/Bills – 17 states proposed new privacy legislation
- > Talk of new Federal privacy law/regulation

Privacy in Washington

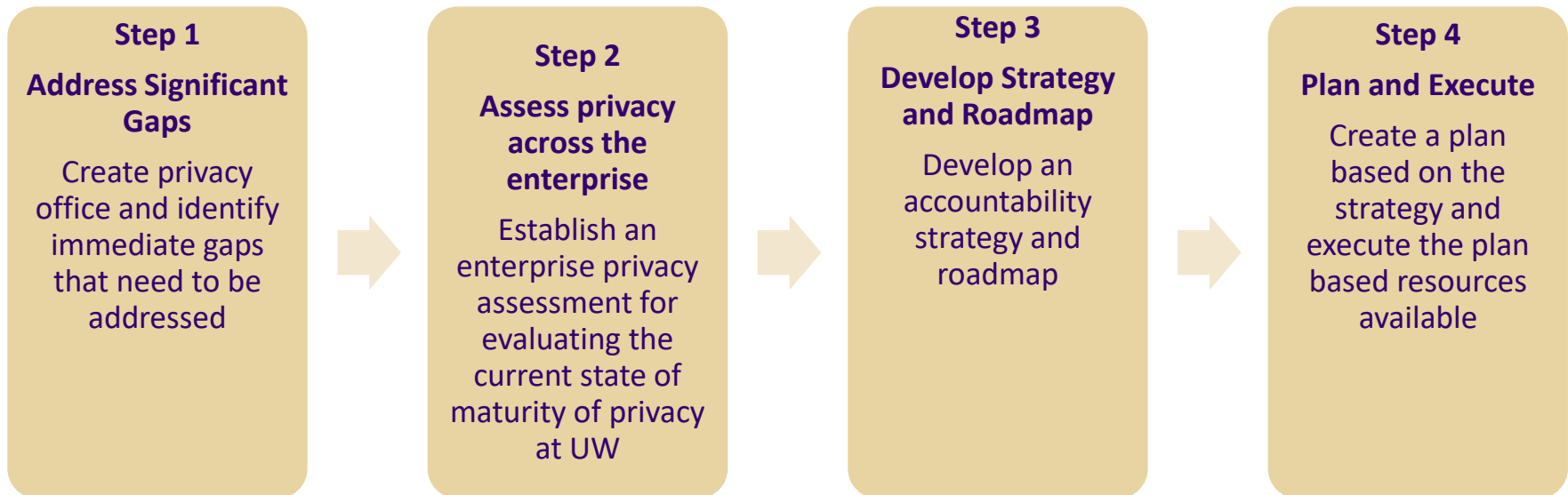
- > 2019 Changes to Data Breach Notification Requirements
- > 2020 Legislative Session – 14 bills introduced as of 1/16/20
- > Proposed Privacy Act was lead story for International Association of Privacy Professionals on 1/14/20

**International Association of Privacy Professionals – EY Annual Privacy Governance Report 2018*

Privacy at UW

UW Privacy Office

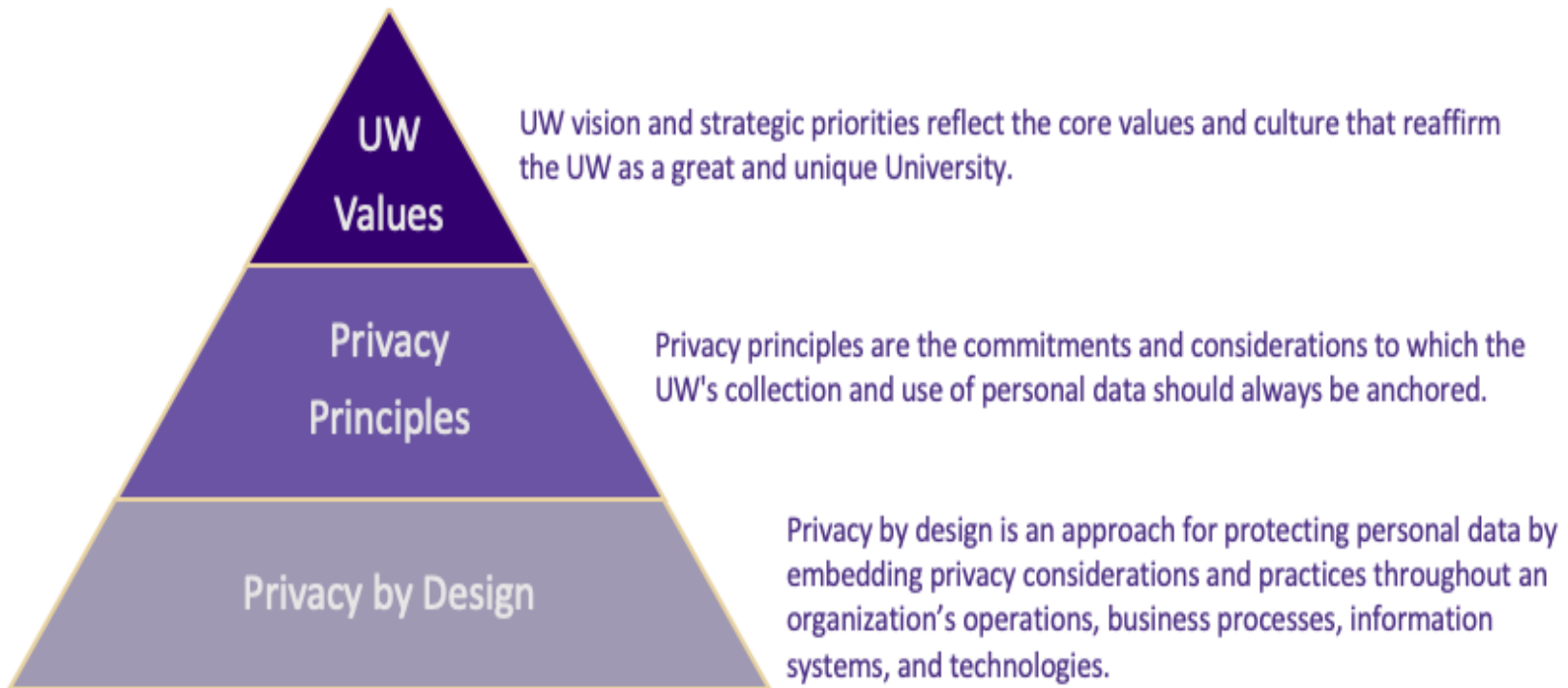
- > Established: 2017
- > Reporting Relationship: VP Academic and Student Affairs
- > FTE: 3 (including AVP for Privacy)
- > Goal: Create a University-wide strategy and structure for aligning UW's approach to protecting privacy of personal data at all UW locations.



UW Privacy Office

Success Stories

- > Established values and principles for privacy

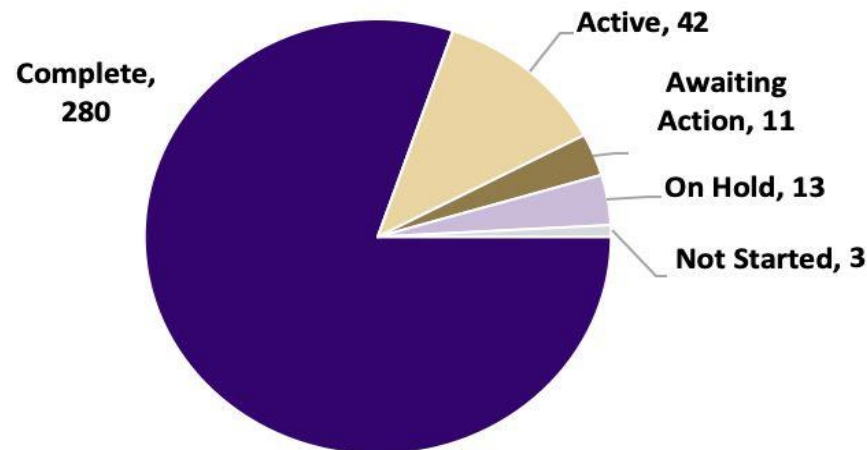


UW Privacy Office

Success Stories

- > Completed an enterprise privacy assessment and prioritization effort
- > Developed various policies and supporting resources
- > Supported data sharing with vendors, contractors, and other third parties
- > Increased privacy literacy
- > Managed various incidents and data breaches
- > Advised UW departments with numerous privacy by design related matters

**UW Departments
Privacy Advising Requests
Mid-September 2018 - Mid-January 2020**



Privacy at UW

Risk: Insufficient resources to address high priority activities

- > Appropriate collection and use of sensitive/special categories of personal data
- > Data processing registry (e.g., what types of personal data are held where and for what purpose)
- > Data flows (e.g., between systems, processes, countries)
- > Data privacy in research practices
- > Records retention practices
- > Data classification (i.e., confidential, restricted, public)
- > Valid consent for processing personal data
- > Interoperability of public records, privacy laws, and/or UW values and principles for privacy
- > Secondary uses of personal data
- > De-identification, anonymization, and pseudonymization
- > Emerging laws for biometric data, facial recognition software, etc.

PRIVACY OR PRIVACY RELATED COMPLIANCE

QUESTIONS

CISO Security and Compliance

Braden Vinroe

Director, CISO Cybersecurity Advising, UW-IT



Information Security and Compliance

Changes from Olympia:

- > 2020 legislative session
- > WA Office of the CIO
 - Nationwide Cybersecurity Review (NCSR)
 - National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF)

Changes from Washington DC:

- > Cybersecurity Maturity Model Certification (CMMC)
 - All companies doing business with the DoD
 - Level 1: Defense Federal Acquisition Regulation Supplement (DFARS) 252.204-7012
 - Level 3: NIST SP 800-171 – minimum for Controlled but Unclassified Information (CUI)
- > NIST SP 800-171

Other changes:

- > European Union General Data Protection Regulation (GDPR)
- > California Consumer Privacy Act (CCPA)

Information Security and Compliance

What are we going to do?

Good security leads to better compliance

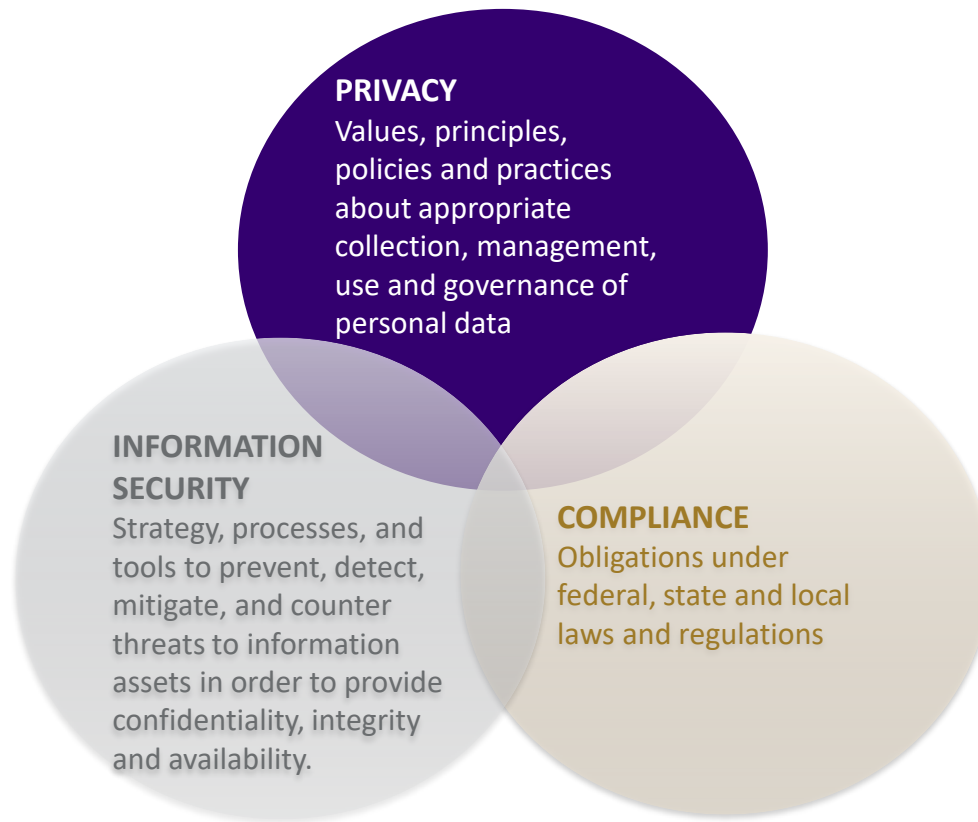
- > Revise APS 2.6 Information Security Controls and Operational Practices
 - Create a security standard
 - Revise security guidelines and templates
 - Promote UW-IT security related services
- > Implement security and compliance for Hyak supercomputer
- > Implement security and compliance in cloud environments (Amazon, Google, Microsoft)
- > Training and awareness

Information Security and Compliance

What is the minimum investment needed to reduce UW cybersecurity risks to an acceptable level?

- > Security by design
- > IT Vendor Risk Management Program
- > Back to basics – implementation of best practices
- > Security Community of Practice
- > Risk: insufficient resources
 - Hire security staff
 - Train security staff
 - Retain security staff

Collaborative Leadership – Privacy, Information Security and Compliance



QUESTIONS



IT Project Portfolio Executive Review


Erik Lundberg

Assistant Vice President, Research Computing & Strategy,
UW-IT



UW Enterprise IT Projects

Project Portfolio Executive Summary - Dec 31, 2019

Project	Sponsor	Oversight Level*	Overall Risk & Project Health*	Budget Rating	Schedule Rating	Scope Rating	Resource Rating	Issues Rating	Actual Cost	Budget
Destination: One	Tim Dellit	3 - UW							\$56,202,000	\$159,500,000
Finance Transformation Readiness	Mark Richards	3 - OCIO	 (A) <i>Final</i>						\$23,956,000	\$25,535,000
UW Finance Transformation Implementation	Mark Richards	3 - OCIO							\$0	\$245,044,000
Advancement CRM Replacement	Julie Brown Dan Peterson	3 - OCIO	 (B)						\$1,108,065	\$4,000,000
Clinical Trials Management System	John Slattery	2 - UW							\$9,034,000	\$15,704,000
Northwest Hospital HR & Labor Integration	Nicki McCraw	2 - UW	 (C)						\$9,653,000	\$14,974,000
Pharmacy Inventory Management System	Shabir Somani	2 - UW	 (D) <i>Final</i>						\$14,619,000	\$14,911,000
HFS Point of Sale	Pam Schreiber	2 - UW	 (E) <i>Final</i>						\$755,000	\$900,000
F&A Space	Sue Camber	2 - UW							\$49,500	\$246,000
Transportation System Improvement Project	John Chapman	1 - UW							\$3,144,384	\$3,371,300
Finance E-Commerce/Touchnet	Brian McCartan	1 - UW							\$245,588	\$1,000,000
Audit/Compliance of Unstructured Network Data	Xiao-Ping Chen	1 - UW	 <i>new</i>						\$55,000	\$55,000
ICA Group Sales	Erik Jones	1 - UW	 <i>Final</i>						\$0	\$500

Wrap Up



QUESTIONS AND DISCUSSION

INFORMATION TECHNOLOGY

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