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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
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January 27, 2023

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Administrative Services (DAS) to accept and expend $15,000,000 of American Rescue Plan Act (ARPA) State and Local Recovery Funds (SFRF) for necessary technology upgrades to ensure the sustainability of the State's Financial, Payroll and Budgeting System, effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. This is an allowable use of ARPA SFRF funds under Section 602 (c) (1) (C) for the provision of government services to the extent of the reduction in revenue. **Funding Source: 100% Federal Funds.**

Funds will be budgeted in FY2023 in a new accounting unit as follows:

01-014-014-142010-26XX0000 CloudSuite Implementation [1]

Class/Account	Description	FY23 Total Requested Budget
000-400338	Federal Funds	$15,000,000
	TOTAL REVENUE	**$15,000,000**
041-500801	Audit Set Aside	$15,000
034-500099	Major Capital IT System	$14,985,000
	TOTAL EXPENSES	**$15,000,000**

[1] All direct program costs will be accounted for using activity 00FRF602GS1402A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1402Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

EXPLANATION

Pursuant to US Treasury 31 CFR Part 35, RIN 1505-AC77, the Coronavirus State Fiscal Recovery Fund, established under the American Rescue Plan Act, authorizes the use of funding for governmental services. The requested funds are necessary to ensure the future sustainability of the State's Enterprise Resource Planning (ERP) system, named NHFIRST. NHFIRST is the statewide system that provides agencies with budgeting; financial processes and reporting; purchasing and contract management; human resources and employee benefits; and timekeeping and payroll functionality. DAS' request of $15 million in ARP FRF funds, combined with an additional $7.8 million requested in the FY 24-25 budget, will support moving NH FIRST from an antiquated on-premise hardware environment to a cloud-based environment, along with the most recently supported version of the product called CloudSuite.

The costs associated with our 14-year-old on-premise system, for architecture maintenance and storage requirements, continue to rise and we struggle to keep up with the latest supported version. As of April 2026, the current on-premise version will no longer be supported by the state's ERP vendor, INFOR, as it transitions its product line to the cloud, putting the State at significant risk. In the cloud-based environment, NHFIRST would receive software-as-a-service (SaaS), or regular software updates, allowing the state's ERP to remain up-to-date and state-of-the-art.

DAS will use the funding to procure the services from a variety of functional and technical experts to ensure a successful implementation. INFOR, under the direction of DAS and with the engagement of agency stakeholders, will review the State's business processes, confirm necessary requirements, build, test, train, and facilitate the transition from the current on-premises version to SaaS cloud-based solution. Additional vendors and consultants will be hired to finalize the completion of the Work Force Management (WFM) timekeeping upgrade to ensure functionality within NHFIRST; ensure overall contract compliance and quality assurance through independent validation and verification; and provide on-going subscription licenses. This investment in these services is necessary to enable DAS to undertake this project while also maintaining day-to-day operations and acceptable service levels statewide to departments, employees, and decision makers.

I respectfully recommend approval of this item.

Respectfully submitted,

Charles M. Arlinghaus,
Commissioner
Department of Administrative Services