

Pandemic ‘after action’ report

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The Legislature directed Washington’s Military Department to review and report on Washington’s pandemic response and recovery ([ESSB 5092](#)). This report contains ‘lessons learned’ from the Office of Financial Management (OFM).

Summary: What we learned

Historically, the state has only included OFM in emergency planning efforts as a support agency with little to no ‘operational drill’ roles to play. During the COVID-19 pandemic response, OFM mainly allocated fiscal resources and consulted with other agencies. Although we typically consult on a wide collection of topics, we weren’t prepared to direct statewide entities in so many business impact areas. **That means we experienced a strain on staffing resources and the drawn-out nature of this response effort highlighted many areas where we – and other agencies – can improve.** We can do this through better planning, documenting processes, developing policies, and improving the flexibility that we build into our emergency authorizing environment.

This report specifically focuses on our wins and opportunities in the following areas:

- Communications and technology
- Fiscal processes and contracting
- Labor practices and policy
- Estimates and research

While most of the sections below list the ‘problems we found’ and the ‘ways we can improve’, a few sections don’t include both.

Focus area: Communication and Technology

Who this affected at OFM: *Directors Office, Budget, Fiscal, Information Technology, Legal and Legislative Affairs and State Human Resources*

What we did right with leadership communication:

We held weekly meetings with governor’s federal staff, Legislative staff, Attorney General Office (AGO), and the Special Assistant Attorney General (SAAG) to answer questions, elevate concerns, and provide information. OFM used the governor’s federal staff to gather information and clarification from federal partners.

What we did right with subject matter experts:

Our agency’s executive leadership identified needs that we couldn’t fulfill internally due to lack of internal subject matter expertise. Then, we brought in experts to fill these needs.

The problem we found: We should have added resources earlier in the pandemic response instead of assuming our existing staff could deal with the workload *and* maintain their daily job responsibilities. The pandemic emergency developed slowly so we didn't see this need from the beginning.

How we can improve: The OFM Fiscal Office is developing an indirect cost model to better understand how emergency response workloads impact our agency's operations. One important outcome of this work is that we can better estimate how supporting emergencies will impact our resources, helping us divided the resources more appropriately.

What we did right with the SEOC:

The State Emergency Operations Center (SEOC) leadership group quickly made decisions to move forward on priorities.

The problem we found: The SEOC focused on physical logistics such as hospital resources and stockpiling personal protective equipment. The group made decisions from a tactical perspective that sometimes lacked more strategic thinking. This left a large gap in how state operations should coordinate. OFM and the Governor's office took this roll on to make sure there was a cohesive framework for agencies to follow.

How we can improve: One, the state's Comprehensive Emergency Management Plan (CEMP) needs to better articulate the expectation that OFM takes on for these operational roles. Two, we need to further develop OFM's continuity plan to document this expectation. And three, OFM needs to plan for staffing so that we can take on such a large operational role during emergencies.

What we did right with OFM IT and statewide application support

Our OFM applications support team made 14 separate updates to support pandemic response, which kept the group extremely busy. (This is many more updates than we do in the same, typical timeframe.) These changes included adding new leave types for employees, creating 'work separation' codes, consistently updating furlough changes, changing how we issue paper checks, and many more.

The problems we found:

- The pandemic greatly impacted the supply chain. IT felt this more than other areas given the chip shortage, shipping delays, and added steps in our purchasing process due to a purchasing freeze. At first, we could only send limited equipment home, which made working at home less efficient. We started to better plan for future IT equipment orders and needs to mitigate supply chain issues.
- We had to pause our computer network migration project because the supply chain issues limited equipment availability. Staying on the WaTech network instead of moving to OFM's own network complicated how we determined 'root cause' for issues and slowed our ability to fix issues within our hosted statewide applications. When services went down, it became extremely difficult to determine why.
- We saw an increase in IT security issues, which means we had to add additional cyber security resourcing.

- Call volumes to the Gov’s office surged early in the pandemic due to community concerns. OFM administrative staff and IT staff stepped up to provide additional coverage support answering the governor’s main phone line.

How we can improve:

- Continue to mature our Enterprise Security Program to increase our response capability when security issues arise. We need to improve our monitoring tools to mitigate these incidents.
- Complete the WaTech/OFM network separation so that we can better determine what happens when the network goes down and get to a solution faster.

What we did right with data privacy, reporting and policy

The problems we found:

- OFM waited too long to formally identify what information we needed agencies to report on. While we should always consider privacy and the risk of creating records, we need to assume that we should always collect data for analysis and reporting. As it often happens in government, we built the plane as we flew it because we didn’t have the right resources early on.
- OFM jumped to a data tool solution (Excel) before it identified data business requirements. While creating Excel spreadsheets is quick and easy, we know there are inherent data integrity issues when we rely on manual input and updates. The information we collected from agencies kept changing. This constant shift in priorities and what data we needed made the process difficult for agencies and internal analysts to keep up.
- As part of the initial plans, OFM State HR should have partnered with IT Services to see what systems we could use to help us gather data statewide in a more efficient manner.

How we can improve:

- We need to develop a standard data strategy and an operating procedure for when we work with multiple agencies or work on an issue with statewide impact. When we can accurately capture and report on data, this improves our decision-making process and should be part of the work we do. Key stakeholders should meet to discuss business requirements and identify tools and systems that we need to support data capture, analysis, and reporting.
- There may have been an opportunity to use ServiceNow platform for data gathering. For example, ServiceNow implemented [a Safe Workplace suite, Contact Tracing and Emergency Response Management](#) applications. We should have done a ‘cost-benefit’ analysis to see if adding a module onto our existing ServiceNow application would have been more efficient and effective than continuing our manual process.
- OFM needs to further capture its ‘lessons learned’ and establish a plan to address what we learned.

‘Lessons learned’ examples from our employee paycheck and leave system:

- We couldn’t identify 24/7 employees in the system.
- We couldn’t identify essential personnel.
- We couldn’t identify licensed medical personnel.

What we did right with the statewide COVID webpage:

OFM funded the statewide COVID-19 page instead of using these resources for previously prioritized OFM web projects. The WaTech web staff built this site.

OFM also coordinated WaTech to build a webform and database system for the public to report violations to public health orders. Agencies then used this information to investigate, when appropriate.

What we did right with interagency communication:

We found that good outcomes happened because leaders and subject matter experts got together virtually and figured it out. These leaders tested decisions during online stakeholder conversations before they were deployed. The time they put into problem solving really helped move this forward. In this way, we leaned on strong relationships among agency executive leaders through deputy meetings, State Agency Safety Professionals Alliance, State HR Safety Group and HR leaders (among others). This helped state agencies be more agile as they worked up and down the hierarchy to make decisions.

Focus area: Fiscal processes and contracting

Who this affected at OFM: *OFM Directors Office, Budget, Fiscal, Legal & Legislative Affairs, and Statewide Accounting*

What we did right with federal funds distribution:

We need legal expertise to determine how to distribute and spend federal resources. We didn't have sufficient in-house legal resources and the AGO did not have this specific expertise. So, we had to contract with a private law firm to supplement our legal resources. While using the state's special assistant attorney general helped fill some of the legal gap, we still couldn't keep up with the ever-changing federal guidance or determine where we had flexibility and where we didn't to distribute federal funds.

The problem we found: The U.S. Treasury gave out money during the pandemic without established processes or procedures. Fiscal terminology can have different definitions from a state versus federal perspective, and this got in the way of how we followed certain processes. Plus, rules for how we could use federal funding was not clear and kept changing. Our budget and Legal staff spent a large amount of time wading through the rules. We anticipate there will be audit findings, despite our best efforts to get consulting as we made decisions along the way.

How we can improve:

- Our success will improve if we have more expertise available earlier in the process. Unfortunately, it did not exist at the time.
- We need to propose changes to the law to help us better access the Budget Stabilization Account and Disaster Response Account in an emergency to speed up fund dispersal. We also need to explore ways we can act faster and make sure these new processes are documented and ready to deploy, as needed.

What we did right with pre-payment authorization:

OFM Statewide Accounting gave agencies emergency authorization to pre-pay for goods and services instead of only paying once they receive the goods. This flexibility was key to getting what we needed.

What we did right with accrual authorization:

OFM gave agencies emergency authority to pay for goods and charge these goods to the previous fiscal year instead of closing the fiscal year at the typical timeline.

What we did right with Zoom licenses for at-home school:

The group that manages the state's high-speed and high-capacity network for our education needs (called the K-20 network) quickly realized schools didn't have enough Zoom licenses to provide at-home schooling statewide. Educational staff worked with our contracts team to quickly increase Zoom licenses and help all Washington students access online school options.

What we did right with the purchasing freeze:

The state couldn't move forward with contracts because the governor implemented a contract freeze. That meant someone still had to approve the essential contracts. The strong relationships we had with state agency contracting programs helped us speed up what we needed to do to support the freeze exemption approval process.

The problem we found: OFM staff absorbed the additional, statewide workload that was needed to support the contract freeze exemption approval process.

What we did right with the pandemic contract exemption:

We implemented the Department of Enterprise Services (DES) contract exemption for pandemic goods and services, which proved to be very helpful.

The problem we found: We quickly signed contracts for pandemic response needs but often without taking the typical steps (emergency contracts vs. emergent needs for contracting). We need to do some clean-up work to determine how to fix inefficiencies and extra processing. While we haven't seen specific negative outcomes, this risk remains. We also expended additional resources to gather the right information for FEMA reimbursements.

How we can improve: We recommend making a change to contract law (38.26) to allow state agencies a contract exemption to access pandemic goods and services. This would greatly improve access and efficiency for emergency response purchasing. Making changes to contract laws would help us offer automatic emergency procurement (39.26).

What we did right with FEMA reimbursements:

OFM worked with the Military Department to identify agency needs for FEMA reimbursements and to create a business process to follow.

The problem we found: The lack of have an 'end date' for the emergency complicated the process greatly.

What we did right with the contractor/vendor vaccine mandate:

Multiple subject matter experts from different state agencies came together to implement a statewide vaccine mandate for vendors and contractors doing onsite business with state agencies. OFM worked with DES to develop most of the guidance and templates for state agencies to successfully implement the mandate. We then used the larger group as a sounding board and as decisionmakers for questions and issues that came up outside the general guidance.

The problem we found: OFM led this effort even though we don't lead statewide contracting. This burdened OFM contracting resources.

Focus area: Labor practices and policy

Who this affected at OFM: State HR, Legal and Legislative Affairs

What we did right with staffing reassignments:

OFM SHR reassigned and refocused employees quickly to address many workforce issues and changes affected by the pandemic.

The problems we found:

- State government needed additional staffing resources, which were not available. Even when we tried to organize existing state agency staff from one agency to another to support the pandemic response, existing laws and policies (around pay differences and employment rules) made this difficult. We didn't have the right authority to set compensation policy for staff who worked side-by-side. Other barriers included the assault benefits statute (our ability to easily expand benefits to those who were deployed); using staff resources from different agencies that had to follow different rules; lack of clarity if we could use the same legal authority across agencies, different travel rules; and it was not clear if we could extend temporary position appointments beyond six or 12 months.
- We needed more resources to support the pandemic response on top of the typical workload.
- The shift to telework and hybrid work approaches showed us some agencies had the staff resources and money to deploy equipment and support where other agencies did not. That means state staff often felt they weren't treated equally when it came to ergonomics and telework equipment.

What we did right with statewide guidance documentation for cabinet agencies:

We created a guide for state agencies to help them comply with ever-changing pandemic response standards from the CDC, DOH, L&I, the Governor's Office, and other authorities. We performed extensive stakeholder work and vetting to help agencies adopt this pandemic guidance. This helped us maintain consistent processes and guidance, which lowered risks and mitigated many labor union concerns. It also reduced agency workload because agencies didn't have to discover and decide on their own direction.

What we did right with HR partnerships.

We forged extensive partnerships with other agencies to make sure we were meeting our legal requirements. This helped us implement key requirements such as Shared Work, Families First Coronavirus Response Act leave, furloughs, labor notices and bargaining with correlating rules revisions for non-represented employees. These partnerships helped provide a system to increase vaccine availability to essential state workers, implement vaccination mandates and reporting, elevate high risk workers' rights, implement broad-scale telework and transition to hybrid work models.

The problems we found:

- Data sharing and reporting was difficult at a statewide level (vaccine mandate, access to staff who needed to be deployed, data sharing issues with "Shared Work"). Increased data sharing ability between agencies and organizations in a state of emergency would be helpful.
- There were fiscal impacts due to expensive emergency memorandums of understandings (MOUs).
- We need strategies to ease and improve "wind down" actions that we no longer need or are relevant (e.g., eliminating "quarantine leave").
- We need to improve how our IT systems consistently collect data to help inform this type of state of emergency. While it is hard to anticipate all the data and reporting we might need, we learned lessons about data points that (if funded and authorized) we could add to our systems for future reporting. Or we could have more flexible data systems that allow quick changes to match our needs. An example is the reporting we had to do related to the vaccination mandate implementation; we primarily hand counted this data.
- We need better planning to close gaps between when an emergency rule, extensions or permanent rules expire. The constant moving target of the pandemic made it difficult to plan and pivot, which made it harder to track all the rule changes.

How we can improve:

Consider MOUs or rule changes to address emergencies so that we don't rely on labor cooperation during an emergency. Although this went relatively well with labor, there were some sticking points with some unions (such as redeployment), and labor may challenge other changes in future emergencies (screening, leave, etc.) as well.

We are working on how to make certain rules permanent to address ongoing leave options for situations where an employee's household needs to quarantine. These rules also include leave with pay for an employee to get each dose of the COVID-19 vaccine or booster.

Finally, we need stronger tools to measure the scale of how the pandemic impacted something, and tailor the pandemic response to affected regions based on the scale of that impact.

Focus area: Estimates and research

Who this affected at OFM: Forecasting and Research

What we did right with data for decision making

OFM helped DES estimate personal protective equipment needs for public and state employees. We got involved early in this process, which provided support and effective intervention.

We also compiled a list of statewide COVID-19 website resources available to the public and for internal state agency use. This produced an inventory of web resources and helped identify what technological needs agencies had to feed pandemic response data to their websites and avoid using expensive consulting services.

OFM built a health coverage model that estimated how changes to the Public Health Emergency Declaration would impact healthcare insurance coverage. The Universal Health Care Commission and Legislature used this data to look at the implications of the expiration of the Emergency Declaration, which aided policy decisions.

This team can provide vital expertise and we should use them again in the future for events such as this.