

ORIENTATION: LFC AS OVERSIGHT OVER INFORMATION TECHNOLOGY MANAGEMENT

A Report Prepared for the
Legislative Finance Committee

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ORIENTATION: LFC AS OVERSIGHT OVER INFORMATION TECHNOLOGY MANAGEMENT

State law lists duties of the Department of Administration and Legislative Finance Committee associated with information technology (IT) governance. The state chief information officer (CIO), in the Department of Administration, is the primary contact between the executive and legislature for statewide IT issues. During the legislative interim, the Legislative Finance Committee is the key legislative committee for oversight of statewide IT systems, policies, and standards. IT issues specific to a single agency receive interim oversight primarily by the legislative interim committee statutorily assigned oversight of the respective agency. So, what are the duties of the Department of Administration and Legislative Finance Committee (LFC) for statewide IT governance and how do, or should, the two interact during the 2009/2010 interim?

DEPARTMENT OF ADMINISTRATION

The Montana Information Technology Act, found in Title 2, Chapter 17, part 5, MCA, lists the duties of the Department of Administration regarding governance and strategic planning of statewide IT resources. The key duties of the department for IT resources are:

- Plan for and operate statewide IT equipment and networks (computing, telecommunication, and data)
- Facilitate updates to statewide IT strategic plans
- Develop and enforce statewide IT policies and standards
- Advise, oversee, and approve procurement of IT resources
- Report to the legislature and appropriate legislative interim committee on IT activities of the department
- Facilitate and support activities for the exchange of information between users and stakeholders of state IT resources and policies (primarily through the activities of the IT board and as a representative for the state on IT issues)

The department interacts with the LFC to fulfill the key duty of reporting to the appropriate legislative interim committee on IT activities of the department as follows:

- Reports to the committee at regularly scheduled meetings on the status of major IT projects, changes to IT policies and standards, and exemptions granted to IT policies, standards, or requirements of the Montana Information Technology Act
- Provides the updated state strategic information technology plan to the committee at its next scheduled meeting after March 1 of each even-numbered year (the state strategic information technology plan establishes the strategic direction for how state agencies develop and use information technology resources to provide state government services)

During previous interims, the department presented regular reports to the LFC on the status of major IT projects. The department worked with a previous LFC to develop a presentation that addressed committee concerns. The presentation has subsequently been modified by the department with the intent on improving the quality of the presentation and includes:

- A dashboard provides summary information on the portfolio of all active IT projects
- A series of detailed project status reports for all projects in the IT project portfolio

LEGISLATIVE FINANCE COMMITTEE

State law, Title 5, Chapter 12, MCA, lists powers and duties of the LFC. These duties include the requirement to monitor IT policy issues to:

- Identify IT issues likely to require future legislative attention
- Evaluate proposed IT policy changes and the fiscal implications of the proposed changes

Hand-in-hand with its IT policy monitoring function, the LFC is required to provide written responses to the Department of Administration communicating the committee's position and concerns on proposed policy changes.

Beyond its monitoring and reporting duties, the committee has the power to:

- Accumulate, compile, analyze, and provide information relevant to existing or proposed
- legislation on how information technology can be used to impact the welfare of the state
- Prepare legislation to implement any proposed changes involving information technology

Committee Opportunities and Objectives

LFC oversight of statewide IT provides two opportunities for the committee regarding IT policy changes and statewide IT strategic planning:

- 1) An up-front legislative reality check; and
- 2) Legislative contacts for communicating IT policy issues to other legislators and legislative leadership.

The committee can provide written comments of any concerns it may have over changes to IT policies and the state's strategic direction for IT and any fiscal constraints associated with that policy change or strategic direction. As key legislative members for state fiscal policy, the committee members can also function as conduits for communicating to other legislators and legislative leadership the issues surrounding IT policy changes and strategic initiatives.

PROCESS FOR LFC AND DOA INTERACTION – IT GOVERNANCE

In previous interims, the LFC has adopted a process for interacting with the department in fulfilling its IT oversight duties. The LFC may wish to adopt the same or a similar process described below and developed with the following goals:

- Have a single source of official consolidated information on IT policy issues
- Provide written information in time to allow staff review and be included in committee mailings
- Determine committee consensus through a vote
- Review IT policy issues
- Review potential legislation

The previous process is as follows:

- All issues and information coming before the committee should be funneled through Montana's chief information officer (CIO)
- When bringing an IT policy issue before the committee, the CIO should assess the policy as it relates to the most current statewide IT strategic plan and determine the fiscal impacts of the issue
- The CIO should document the evaluation and fiscal impacts in a written report to the Legislative Fiscal Analyst (LFA) one week in advance of committee mailings that occur prior to each regularly scheduled committee meeting (mailings occur two weeks prior to committee meetings). Therefore, the CIO should schedule report delivery so the LFA receives it three weeks prior to the LFC meeting
- The mailings to committee members prior to LFC meetings should include any report prepared by the CIO and an accompanying summary, prepared by committee staff, that highlights key issues for committee deliberation and comment
- When deemed appropriate, the committee should deliberate the identified issues and reach a committee consensus on concurrence or concerns regarding the issues. The consensus position of the committee on IT policy issues shall be recorded in the committee minutes
- Following the committee meeting, staff shall, when the committee directs, prepare and distribute a written response to the CIO documenting committee concurrence or concerns regarding the IT policy issues discussed at the meeting
- The CIO shall update the committee, when appropriate, on the status and actions taken in regard to IT policy issues with which the committee raised concerns
- Updates should follow the process proposed above for CIO report mailings to the LFC

- For IT related legislation, the CIO should present proposals to the second regularly scheduled LFC meeting of each even-numbered year
- A copy of all communications sent to LFC members regarding IT policy issues shall be provided to the Legislative Fiscal Analyst

LFC Action

A formalize process between the LFC and the Department of Administration for interactions on IT policy issues would clarify the expectations of the committee for dealing with IT policy oversight during the 2009/2010 interim. The LFC may wish to consider the following options for adopting such a formalized process:

Option 1: Adopt the process described above (or a different process defined by the committee) for interacting with the Department of Administration on IT policy issues.

Option 2: Do not adopt a formalized process for interacting with the Department of Administration on IT policy issues.