

PROPOSED PROCESS FOR COMMITTEE INVOLVEMENT WITH INFORMATION TECHNOLOGY ISSUES

Prepared for the
Legislative Finance Committee

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Persistent legislative concerns over state agencies' investments in and expenditures for information technology (IT) hardware, software, and services initiated an interim study of the governance and management of IT in the state. HB 2 approved by the 1999 legislature required the Legislative Finance Committee (LFC) to undertake a study to review and assess Montana's governance, policy, planning, and budgeting structures and processes associated with the state's investment in IT and to recommend appropriate changes and processes that **would enable the legislature to make policy decisions relevant to IT budget issues**. The study led to LFC recommendations that eventually culminated in passage of SB 131 by the 2001 legislature. The 2001 legislature added duties and powers regarding IT policies of the Department of Administration to the existing powers and duties of the LFC.

These duties were added to more formally and regularly engage the LFC in interim IT policy changes so the committee can stay aware of IT budget issues. Specifically, the LFC is required to monitor IT policy issues to:

- Identify IT issues likely to require future legislative attention
- Evaluate proposed information technology 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 positions 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

PROPOSED PROCESS FOR INTERACTION WITH THE CIO

The committee may wish to adopt the following process to facilitate interactions between the committee and key participants involved in the committee's new oversight role regarding IT policies of state government. The process was 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 inclusion in committee mailings
- Determine committee consensus through a vote
- Review IT policy issues
- Review potential legislation

The process would entail the following elements:

- 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 one week in advance of committee mailings that occur prior to each regularly scheduled committee meeting (mailings occur two weeks prior to committee meetings)
- 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
- During committee meetings, 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, on behalf of the committee, 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 regards 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

IT POLICY ISSUES - MARCH 2002

The first significant opportunity for the committee to participate in its new IT policy oversight and monitoring roles will occur at its March 2002 meeting, when the CIO will present Montana's first IT strategic plan developed under the new requirements of SB 131.

This represents a key milestone in implementing the changes SB 131 made to IT management in Montana. SB 131 added the requirement that updates to the state strategic IT plan must be provided to the Governor by March 1 of each even-numbered year and to the LFC at its next scheduled meeting after March 1. This plan distribution was timed to allow the LFC an opportunity to provide a written response of committee concurrence or concerns to DOA prior to the statutory required April 1 distribution to state agencies for use in developing agency IT strategic plans.

STATEWIDE IT STRATEGIC PLAN

This statewide plan forms the umbrella under which agencies must develop and use IT resources to provide state government services. The statewide plan is a visionary and directional document with broad guidelines and initiatives. The State of Montana Strategic Plan for Information Technology 2002 – 2005 contains statements of vision, goals, strategies, and strategic initiatives. Vision, goal, and strategy statements are directional and provide guidance to steer agency IT planning as intended by the legislature. Strategic initiatives are statewide initiatives that cross agency and jurisdictional boundaries and, according to the statewide plan, “provide a foundation for setting the future technology direction for the State of Montana.” The legislature documented its intent for how IT resources should be utilized in a legislative policy statement contained in substantive law.

LEGISLATIVE POLICY GUIDANCE FOR IT

The statewide plan was developed under legislative policy guidance contained in a section of law titled, “the Montana Information Technology Act.” This policy statement is attached for your reference.

Some key principles of this act, which came out of the LFC interim IT governance study, are:

- Development of IT resources in the state must be conducted in an organized, deliberative, and cost-effective manner
- Data and IT systems should be shared across state government to minimize unwarranted duplication
- There is a linkage between the planning and development of IT systems and budget development and approval
- Accountability for IT resource planning and development is placed with the Department of Administration
- Aggressive deployment of IT systems whenever it can be shown that it will provide improved services to Montana citizens

It is this last legislative policy that has the potential to have the greatest fiscal impact. If IT systems are deployed aggressively to provide services, the legislature could potentially see many requests for budget authority to plan and develop these systems as agencies see this policy as a legislative directive to use IT systems to provide services. Careful evaluations will need to be made when deploying IT so that IT solutions aren’t deployed just to use IT, but are deployed as a cost effective approach to improve the quality of life for citizens.

THE STATEWIDE IT STRATEGIC PLAN AND THE LFC

The statewide IT strategic plan provides two opportunities for the LFC regarding IT planning in the state: 1) 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 the state’s strategic direction for IT and any fiscal constraints associated with that 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 strategic initiatives.

ISSUES – STATEWIDE IT STRATEGIC PLAN

The statewide IT strategic plan was developed under the guidance of the statutory Information Technology Board, which includes the legislative membership of Senator Taylor and Representative Holden. The plan is a directional document meant to guide the development of agency plans. As such, specific details are not available to accurately identify fiscal implications of the plan. However, it can be assumed that future information technology projects could cost more to deliver, or at least could have higher upfront price tags. The basis for this assumption is the goal titled “Well-Managed.” A key element behind the goal is to implement processes and practices that mitigate project risks.

Developing and maintaining project management training and certification programs could increase costs of doing business. Including an independent validation and verification process in IT projects could also increase project costs. The legislature could see upfront funding requests for IT projects that are higher than for previous projects with similar scope. However, through reduced risks and more effective project administration, the final costs of these projects should be lower when the projects are completed.

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ATTACHMENT 1

POLICY STATEMENT OF THE MONTANA INFORMATION TECHNOLOGY ACT

“2-17-505. Policy.

(1) It is the policy of the state that information technology be used to improve the quality of life of Montana citizens by providing educational opportunities, creating quality jobs and a favorable business climate, improving government, and protecting individual privacy and the privacy of the information contained within information technology systems.

(2) It is the policy of the state that the development of information technology resources in the state must be conducted in an organized, deliberative, and cost-effective manner. The following principles must guide the development of state information technology resources:

(a) There are statewide information technology policies, standards, procedures, and guidelines applicable to all state agencies and other entities using the state network.

(b) Whenever feasible and cost-effective, common data is entered once and shared among agencies.

(c) In order to minimize unwarranted duplication, similar information technology systems and data management applications are implemented and managed in a coordinated manner.

(d) Planning and development of information technology resources are conducted in conjunction with budget development and approval.

(e) Information technology systems are deployed aggressively whenever it can be shown that it will provide improved services to Montana citizens.

(f) Public-private partnerships are used to deploy information technology systems when practical and cost-effective.

(g) State information technology systems are developed in cooperation with the federal government and local governments with the objective of providing seamless access to information and services to the greatest degree possible.

(h) State information technology systems are able to accommodate electronic transmissions between the state and its citizens, businesses, and other government entities.

(3) It is the policy of the state that the department must be accountable to the governor, the legislature, and the citizens of Montana.”