Information Technology Investment Fund

Revised 9-17-12

I. Establishment of the Information Technology Investment Fund

Governor Malloy strongly believes that improving and expanding the state's use of technology is vital to creating a state government that is more transparent, accountable, efficient and effective in delivering services and meeting its responsibilities to all of its constituents.

Governor Malloy's commitment to enhancing the state's effective use of technology to improve its operations is evidenced, in part, by the merger of the Department of Information Technology (DoIT) into the Department of Administrative Services (DAS), which included the creation of the Bureau of Enterprise Systems Technology (BEST), the inclusion of funding in the October 2011 Jobs Bill for the establishment of a Business Portal and the establishment, with the approval of General Assembly in its 2012 session, of an Information Technology Capital Investment Program which includes an appropriation in FY13 of $50M. (Exhibit A: Section 2a of Public Act 12-189) The administration is committed to modernizing the State information technology infrastructure and changing the way government does business in making government more user-friendly, efficient and transparent.

A) BACKGROUND AND GOALS OF THE INFORMATION TECHNOLOGY INVESTMENT FUND

The State's Information Technology (IT) infrastructure consists of a wide array of systems, many of which are aging and no longer meet all modern-day business needs. These vast decentralized systems are complex and fragmented and are very challenging to maintain securely. In addition, these systems often cannot work and communicate effectively with each other. Historically, funding for information technology projects or initiatives has been approached at the program or agency level. This has inhibited the ability to promote collaboration between common business functions which often span several agencies and/or programs.

The rapidly changing pace of technology provides significant opportunities to transform how government provides its services. Cloud computing, mobility and social networks are just a few of the technologies that are reshaping the competitive landscape at an unprecedented pace.

The challenge for the State has been that it is too costly to seek to fix or upgrade all of its technology systems on an individual basis. The state must seek to leverage its investments in technology by taking an enterprise-wide approach, wherever extent possible, to funding projects. Therefore, a major goal of the Information Technology Capital Investment Fund (the

"Program") is to invest in and create systems that are interoperable and that involve shared services and applications.

B) **BUSINESS PRIORITY AREAS: INFORMATION TECHNOLOGY INVESTMENT FUND**

With respect to Governor's highest business priorities for the Fund and other initiatives, the Governor is seeking high rate of return investments in technology that will result in more:

1) **Efficient and easily accessible and timely services** for all constituents. Projects addressing this priority would make state government more user-friendly and efficient for citizens, business and municipalities when transacting business with the state, including in the areas of obtaining permits and licenses, payment of taxes and accessing services.

2) **Open and transparent engagement** with citizens and businesses. Projects that make information about services and state government more available and easy to find on-line would be among those that would address this priority.

3) **Efficient, modern business processes** that result in more cost-effective operations. Projects addressing this priority would result in the implementation of efficient, modern business processes that result in clear and identifiable savings and service delivery improvements for state agencies.

4) **Accurate and timely data** for policy making, service delivery. Projects addressing this priority would result in increased transparency for the public and policy makers regarding the cost, effectiveness and outcomes of services within and across state agencies.

5) **Efficient use, implementation, and management of technology systems**. Projects addressing this priority would reduce the cost to the state regarding its implementation, use and management of technology systems through shared services or other means.

6) **Technology needs and initiatives related to health care**. This is a critical area given federal health reform and the significant portion of the State's budget involving health-care related expenses.

7) **Improved Security**. Ensure the appropriate confidentiality, integrity, and availability of the State's valuable electronic or digital data information resources in order to provide an environment in which the State's user community can safely conduct State business.

II. Role of the Governor's Executive Information Technology Strategy and Investment Committee

On July 20, 2012, there was established and Executive Information Technology Strategy and Investment Committee (the "Committee") to oversee and implement the state's activities and investments in technology. A major activity of the Committee will be oversight and implementation of the Fund.   The

Committee is charged with ensuring that the goals of the Fund, which is to implement technology solutions across agencies that will meet the State's highest priority business needs. The Committee is co-chaired by the Secretary of the Office of Policy and Management and the Commissioner of Administrative Services. The other members of the Committee are the State's Chief Information Officer, the Commissioners of Economic and Community Development and Social Services, a representative from the Governor's Office and three other agency heads selected by the co-chairs. The Committee will be staffed by the Office of Policy and Management, with assistance of project advisors from DAS-BEST.

The role of the Committee with respect to the Fund shall include:

1) Establish the rules, processes and procedures associated with the Fund.
2) Recommend funding of projects for submitted under this program in accordance with the goals and priorities described in Section I. of this manual. The Committee may make modifications for projects requested as it deems appropriate.
3) Approve the budget, financial reporting system, governance model, project management approach and dashboards to be employed with respect to approved projects.
4) Meet periodically to review the implementation status of approved projects.
5) Authorize staff and/or consultants to work on its behalf to ensure the effective implementation of projects.

III. Eligible Use of Information Technology Investment Funds

Eligible projects and uses will primarily be those required for the actual implementation of technological solutions addressing the goals and priorities established for the fund; however, some level of costs associated with determining final business requirements and purchasing hardware necessary for the implementation of technology solution will be considered.

IV. Project Application and Approval Process

1) **Workshop: IT Investment Fund Policies and Procedures**

   Staff from OPM's Information Technology Planning Office and DAS-BEST shall annually conduct a workshop for appropriate agency staff regarding the Fund and its goals and funding priorities. In addition project application and management processes related to the fund will be discussed. Agency heads and IT directors will be notified as to the date, time and location of these workshops.

2) **Application Forms and Processes.**

   In Exhibit C is the IT Investment Brief to be used to apply for IT investment funds. This fillable form can also be found online at: http://ecmdmt01.ct.gov:9080/OPM/StateCT.   If you would like to have a project pre-screened by staff from the Investment Technology Planning Office at OPM and DAS-BEST, you can do so by completing and submitting Parts I and II of the attached

form to: itim@ct.gov by (date). The instructions for completing the form are also included in Exhibit C. A Project Advisor from OPM or DAS-BEST will be available to work with you on this application.

3) **Evaluation Criteria**

The Committee in evaluating applications for funding through the Information Technology Investment fund will give priority to projects that:

- Align with the goals and priorities as identified in Section I of this manual, with an emphasis on projects involving shared approaches or solutions
- Will have positive impact on services to citizens, businesses and municipalities and on operating budgets. Projects with the highest savings/benefits to cost ratios will be given priority
- Propose strong project management systems that will ensure its successful implementation
- Leverage other funding
- Reduced operating costs
- Reduce complexity of portfolio support

4) **Committee Review and Action on Project Applications**

The Committee will evaluate and make funding decisions for consideration by the Governor and the Bond Commission. Those proposing projects may be requested to appear before the Committee. The Committee may also make such scope, funding or other changes to the application as it deems necessary. The proposed governance model related to the project shall also be approved by the Committee. The Committee will work in consultation with OPM's Capital Budget Unit in making its funding decisions and arranging for agency submittal of projects to the Capital Budget Unit.

IV. Project Management and Oversight

1) **Project Management Methodology, Monthly Dashboards and Tracking of Funds**

For any project approved by the Committee and prior to the receipt of any funding under this program, the lead agency on the project must submit and receive approval from the State's CIO and the Director of OPM's IT Policy Office for the Project Management Methodology and Monthly Dashboards to be utilized during the implementation of the project. The State's CIO and the Director of OPM's IT Policy Office shall, working with the Committee and agencies,

determine the format for financial reporting of project expenditures, which may include a requirement that the expenditures be tracked in Core-CT's project module.

2) **Quarterly Reporting to the Steering Committee**

Agencies shall provide quarterly reports, including the dashboards and financial reports, to OPM's IT Policy Unit and DAS-BEST, which reports shall be shared with the Committee. The Committee will meet with agencies periodically (e.g. quarterly, semi-annually) to track the progress of projects.

3) **Process for Major Scope and Budgetary Changes re Approved Projects**

Agencies shall communicate with the State CIO and the Director of OPM's IT Policy Office, or their designees, regarding the potential need for major scope and/or budgetary changes potentially needed in regard to approved projects. OPM and the BEST shall consult, as needed, with the affected agencies, the Committee and OPM's Budget Division in this regard.