Recommendations to Select Committee on Efficiency in Government (SCEG)

The SCEG and the subcommittee on information technology have solicited ideas for increased efficiency in state government. Since the committee began work, 24 clear suggestions have been provided for consideration. The items, as listed below, include recommendations for increased participation in the state data center, procurement changes, budget and funding changes and updating the Montana Information and Technology Act.

1. Migration of state agencies to state data center
2. Leverage data centers for state and local government, schools and the university system.
3. Review model legislation to migrate free standing centers to the data center
4. Address GSD rental rates to assure entities receive benefits of energy cost savings
5. Use multi-state purchasing solutions to create better economics
6. Develop a long-term strategy for mobile computing inside state government
7. Develop a long-term strategy and funding stream for GIS as a tool for communication with citizens and increased government planning
8. Dedicated IT funding to retire legacy systems, and operations/maintenance for existing systems
9. Road map for IT development that is funded consistently with accountability such as benchmark
10. Inventory IT assets, including systems with life expectancy data
11. Examine IT in the terms of marginal costs, change budget structure to match
12. Periodic re-engineering for efficiency – improvements along the way instead of rip/replace at the end
13. Research incentives, tax policy that other governments use to lure IT businesses to them
14. Action plan for enhancing state cyber security
15. Cyber risk and security issues should be addressed and managed at the enterprise level
16. Review procurement process, use of best and final offers
17. Define the public-private partnerships for IT – contractors could offer some solutions if this concept was defined.
18. Increase customer service to the public through increased use of IT tools such as kiosks, e-commerce and social networking
19. Increase middle mile connectivity to increase access for rural MTs to dependable internet and state government
20. Examine the possibilities of utilizing cloud computing as part of state operations
21. Dedicated bandwidth
22. Establish requirements for project governance, via MITA or State CIO
23. Update the Montana information Technology Act
24. Examine CIO responsibilities and subsequent powers and tools to assure IT work is accomplished
    Added at the January 9, 2012 meeting:
25. Expand electronic opportunities- online applications, document imaging and electronic signature capability to apply for services

During the December meeting of the subcommittee, Mr. Dick Clark, Chief Information Officer, categorized IT opportunities for increased efficiency and effectiveness in three major areas; Connectivity, Consolidation and the Montana Information and Technology Act (MITA). The recommendations above may be easier to address if they are re-grouped into the three areas and analyzed in such a way to provide the subcommittee options to address the issues. A fourth group was been established to capture the budget and funding recommendations which did not fit within the other three. The remainder of this report attempts to classify the 24 items and detail any already known issues or concerns. The subcommittee would need to make decision regarding which items to follow up on, any additional research and what to move to the full committee for discussion. Those options are summarized at the end of this report.

Connectivity

Connectivity can be defined as "Measure of the extent to which the components of a network are connected to one another and the ease Speed) with which they can converse." This category would include items that would increase the ability for state government to be inter-connected, capacity for the citizens of Montana to be interconnected and the availability of bandwidth capacity to support such connectivity. Connectivity can also relate to the ability to access information based accessibility to reliable internet access to participate in state government programs.

Recommendations that relate to connectivity include:

6. Develop a long-term strategy for mobile computing inside state government

- The Information Technology Manager's Council created a working group to discuss mobile computing policy with the goal of creating policy that will support forward looking movement on mobile computing.

13. Research incentives, tax policy that other governments use to lure IT businesses to them

- Examine HB 988 of the 2011 Texas legislature which created an advisory council to find ways to expand the cyber security industry within Texas.

18. Increase customer service to the public through increased use of IT tools such as kiosks, e-commerce and social networking

- CIO policy regarding social networking was released on August 3, 2011, allowing for some uses within specific guidelines. Since this is a new policy the subcommittee may wish to examine the success of this policy in the summer of 2012
- Oversight of ecommerce is provided by the Electronic Government Advisory Council (created in 2-17-1105, MCA) advises on the creation, management, and administration of electronic government services and information on the Internet. As part of council activity, the activities of Montana Interactive, the state contractor, are routinely reviewed. Information regarding the use and success of ecommerce is available for review.

19. Increase middle mile connectivity to increase access for rural Montanans to dependable internet and state government

- The middle mile is there, could contract with local telecoms to create the access. Discussions regarding how this would be completed, who would provide the oversight and funding requirements need to occur.

21. Dedicated bandwidth

- This recommendation did not come with additional details. The subcommittee could consider working with SITSD to determine current bandwidth utilization for state government, and provide a recommendation for future needs.

25. Expand electronic opportunities- online applications, document imaging and electronic signature capability to apply for services

- Determine the prevalence of on-line services, provide recommendations/direction/funding for expanded services; specifically for public health programs.

Consolidation

Consolidation is a term used in relation state government IT shops to describe combining one or more IT functions for the purpose of efficiency and effectiveness. This can range from a particular application such as state e-mail to consolidation of all IT functions within state government into one single administrative agency. In reviewing recent legislation of Colorado, Iowa, Indiana, Florida, Minnesota, Oklahoma, Oklahoma, Texas, and Utah; proposals for consolidation are varied, states are or have considered the realm between consolidation of a function, such as data center participation to a whole reorganization of the function into a single unit complete with schedules to transfer budgets and FTE. A summary of the legislation is attached for review.

Recommendations that relate to consolidation include:

1. Migration of state agencies to state data center

2. Leverage data centers for state and local government, schools and the university system.

3. Review model legislation to migrate free standing centers to the data center

- The above three recommendations can be consolidated into one issue area. Transition update is attached to this report.
- If the legislature is interested in pursuing the migration of all state agencies to the data center, the following decision points need to be discussed:
  - Definition of agency – all agencies, including boards, commissions, Montana State Fund and the University System, or a specific pre-defined stet of agencies
  - Transition plan – required by all agencies, or established by statute
  - Funding – require transition costs to be borne from current budgets, establish funds for SITSD to manage for this purpose, examine potentials for rebates

14. Action plan for enhancing state cyber security

15. Cyber risk and security issues should be addressed and managed at the enterprise level

- The above two recommendations can be consolidated
- The CIO released policy regarding Information Security Access Control and Information Security Identification and Authentication in August of 2011 with a July 1, 2012 implementation date. The policy is predicated on standards established by the federal government for such purpose. The federal policy is 237 pages long and does not include an executive summary; the subcommittee may wish to receive an update on the implementation of these two policies to determine security impacts to the state.
- Current statute assigns responsibility for cyber security to the head of the department

20. Examine the possibilities of utilizing cloud computing as part of state operations
- Currently SITSD is examining the options for utilizing the cloud. An update on this activity could be delivered to the committee.

Montana Information and Technology Act

The Montana Information and Technology Act (MITA) was created through the passage and approval of SB 131 of the 2001 legislative session. The purpose of the act is to provide statutory guidance regarding the use of information technology within state government; specifically promote system management and coordination between agencies. Information technology has advanced rapidly in the last decade and therefore MITA may no longer provide adequate support for a managed and coordinated approach to IT. The Legislative Audit Division is currently conducting a performance audit related to the implementation of MITA within state government. Due to this activity, potential issues or resolutions are not detailed in this section of the report, rather the subcommittee may wish to wait to address these items until the MITA audit is completed and reviewed.

Recommendations that relate to updating MITA include:

5. Use multi-state purchasing solutions to create better economics

10. Inventory IT assets, including systems with life expectancy data

12. Periodic re-engineering for efficiency – improvements along the way instead of rip/replace at the end

17. Define the public-private partnerships for IT – contractors could offer some solutions if this concept was defined.

22. Establish requirements for project governance, via MITA or State CIO

23. Update the Montana information Technology Act

24. Examine CIO responsibilities and subsequent powers and tools to assure IT work is accomplished

Budget and Funding Issues

While policy and finance are inter-related, a number of recommendations were provided to make changes to the way IT is funded. These recommendations could require changes to the budgeting process or require statutory changes to implement financial policy related to IT.

Recommendations that relate to budget and funding issues include:

4. Address GSD rental rates to assure entities receive benefits of energy cost savings
   - Rental rates include energy costs. When an agency moves to the data center and experiences energy savings, the rental rate is not adjusted. The rental rate is set by the legislature as part of the budgeting process. The legislature could consider separating the actual rent charge and the energy charge to reflect actual costs to the agency. In doing this, those agencies that have moved to the data center will see a decrease in operational costs.

7. Develop a long-term strategy and funding stream for GIS as a tool for communication with citizens and increased government planning
   - The legislature could require a strategic plan for GIS and consider ways to fund such a plan.

8. Dedicated IT funding to retire legacy systems, and operations/maintenance for existing systems

9. Road map for IT development that is funded consistently with accountability such as benchmark
   - The above two recommendations suggest set aside funds for IT for both infrastructure and operations. To begin to determine the amount needed to support the recommendation, a completed inventory of IT systems with payment sources would need to be developed. Then a funding mechanism established. This could be tied to the strategic planning process.

11. Examine IT in the terms of marginal costs, change budget structure to match

   - Research would need to be completed in this area.

16. Review procurement process, use of best and final offers

   - Procurement allows for the use of best and final, however it is not done often. The Legislature could establish statutory requirements on the utilization of best and final offers in the IT procurement process.

Summary

The subcommittee has the opportunity to determine which recommendations, if any, should be further developed to forward to the full committee. There are few ways in which this can be accomplished, including but not limited to:
   - Select recommendations from the list for further review or research to provide adequate information to determine feasibility to move forward
   - Evaluate the recommendations in terms of the statewide strategic plan for IT. This plan is required to be provided to the LFC at the first meeting following March of an even year. The LFC will receive a cursory review by the staff of the LFD. This document could

also be cross walked to the recommendations to determine if any of these items will be addressed in the management of state wide IT resource.

- The changes to MITA could be considered when the performance audit is completed. The subcommittee may wish to be present when the audit is presented to the Legislative Audit Committee.