



Understanding the Executive Order: Improving State Information Technology Management

Background

Information Technology (IT) is a critical tool for state government. The State of Colorado currently has a highly decentralized model for managing information technology investments, systems, and personnel. Decentralization has increased the cost of information technology and put mission-critical systems at risk. Recent internal and independent third party findings have concluded the decentralized approach has resulted in wasteful IT spending, under-performing projects, inadequate service delivery, and increased security risks across the state.

Purpose

The Executive Order (Executive Order # D 016 07) is the first step in centralizing IT strategy and decisions for the State of Colorado to make IT more effective and efficient. Specifically, the order mandates key changes in the operational role of the Governor's Office of Information Technology (OIT) with the intent to reduce wasteful spending, improve service delivery and security, and implement projects more effectively.

Summary and Benefits of the Executive Order

The following table outlines the fundamental policy changes along with the intended benefits of the Executive Order:

Executive Order	Description	Benefits
State CIO Designation	The State CIO is designated as a member of the Governor's Cabinet.	<ul style="list-style-type: none">• The state-wide information technology strategy will be represented at the executive level and will improve cooperation and coordination across agencies.• The State CIO will be better positioned to collaborate with Department Senior Management to meet business needs through technology.

Executive Order	Description	Benefits
OIT Project Approval	OIT will review all IT project requests on an annual basis. OSBP will not fund an IT project without OIT approval.	<ul style="list-style-type: none">• Departments will have a better chance of adequately funding higher priority projects that are beneficial to the State.



		<ul style="list-style-type: none"> • Projects that could serve multiple Departments may be consolidated. This will help to reduce implementation costs across the state.
OIT Budgetary Approval	OIT approval is required for all IT spending requests greater than \$10,000.	<ul style="list-style-type: none"> • OIT will be able to proactively identify spending requests that do not serve the best interests of the State. • OIT will be able to identify redundant funding requests and services that could be provided by existing entities (such as DoIT). • The state will be able to identify specific needs that can be leveraged across the State, and take advantage of consolidated buying power for software licenses, hardware, and professional services.
Centralization of Enterprise Services	<p>OIT will work with Departments to centralize enterprise services. Specifically:</p> <ul style="list-style-type: none"> • Departments will assist in identifying services and systems that should be maintained by DoIT. • Departments will identify and maintain a list of IT assets. This list will be provided to OIT. • OIT may assist Departments in optimizing their IT organizations in a consistent manner. 	<ul style="list-style-type: none"> • Centralization of enterprise services will reduce IT spending, help establish architectural standards, and improve service delivery for the Departments. • An accurate list of IT assets will establish the baseline for improving security, reduce risks to the State, and optimize existing assets. • Departments will improve internal IT service delivery by better leveraging their personnel to meet the business needs.
Procurement Reform	OIT will work with the Department of Personnel and Administration (DPA) to improve IT procurement and contracting.	<ul style="list-style-type: none"> • Improvements in state-wide licensing and contracting will significantly reduce wasteful IT spending by reducing redundancies, managing risk, and taking advantage of the State's consolidated buying power. • Better contract controls will reduce the risk of major project failures.

Executive Order	Description	Benefits
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<p>Accounting Code Evaluation</p>	<p>OIT will work with DPA to evaluate the need to standardize accounting codes for IT. These standard codes would be used by Departments to capture IT resource costs.</p>	<ul style="list-style-type: none"> • The standardization of accounting codes would allow for consistent evaluation of IT staffing across the enterprise.
<p>IT Project Management</p>	<p>OIT will have a larger role in IT projects, specifically:</p> <ul style="list-style-type: none"> • OIT approval is required for all new major projects as they are defined by the certification statute. • OIT and the Departments must agree on the project plan and milestones for major projects. • Departments will have to provide more detailed and timely status reports for major projects. • OIT will have the authority to independently assess project health and direct Departments to provide mitigation strategies to address risks and issues. There is a 10-day turn-around period for Departments to provide a mitigation plan to OIT. • OIT will help identify resources and assets from the enterprise that may be used to support major projects. 	<ul style="list-style-type: none"> • Earlier identification and mitigation of risks and issues will help to reduce the chance of a major project failure. • OIT will partner with the Departments to help them identify strategies for correcting project issues. • Project performance should improve as seasoned IT resources from across the state are identified to assist with major projects. • Improved visibility into the project, with an effort to collaboratively address issues facing projects, will improve the project's chances for success.
<p>Utilization of IT Staff</p>	<ul style="list-style-type: none"> • OIT will be more actively involved in the identification and hiring of senior IT personnel within the Departments. • OIT may assess current state government IT staffing to determine alternatives in structuring IT organizations across the enterprise. 	<ul style="list-style-type: none"> • OIT will help to ensure the most qualified candidates are selected for leadership roles, and that the optimal span of control is determined for IT leadership resources. • Completing the assessment would enable OIT to improve how IT staff are deployed to better meet the needs of the State.



Frequently Asked Questions

1. Who does this Executive Order impact?

All executive agencies must comply with this Executive Order.

2. When does the Executive Order go into effect?

The Executive Order is effective as of May 25, 2007.

3. How was this Executive Order implemented?

Following an analysis of the State's decentralized IT structure, the State CIO identified key foundational issues and risks. Continuing with the status quo was viewed as too risky. A thorough review of statutes was completed to establish the foundation for the Executive Order. The Governor signed the Executive Order on May 25th upon recognizing the benefits that could be achieved with these policy changes.

4. How are DoIT and OIT working together?

OIT and DoIT have agreements in place to help build and improve DoIT's enterprise IT capabilities. OIT will assist DoIT in the identification of enterprise level services within the Departments and will help plan and migrate these services to DoIT. OIT will work closely with Department Executive Directors to ensure critical business functions and services are not compromised.

5. Why does OIT want to review and approve IT spending requests above \$10,000?

Previously, only IT spending requests at or above \$100,000 required approval; however, this amount was lowered to allow OIT more insight into how the Departments are investing capital. The new budgetary review process will identify unnecessary spending and provide a better understanding of the IT needs within each department.

6. How will OIT manage the process for \$10,000 or above IT budget requests?

OIT is looking into tools that will enable efficient budget request submissions and will continue to update all parties as more information becomes available. At this time the budget review and approval process will be handled via email. OIT does not want to negatively impact the business operations of any organization so it will continue the practice of passively approving department requests if approval has not been explicitly granted within five (5) days.

7. How will OIT determine if it needs to be involved in managing a specific project?

Major projects shall be defined as in Section 24-37.5-102(3.7), C.R.S., – this is considered the statutory authority that allows OIT to define and assess if a project should be certified. OIT will update the certification standards that help the Departments and OIT determine which projects are high risk and require active monitoring and support from OIT. These projects will be identified in the project review and prioritization sessions that will occur in late Summer 2007.



8. Are there exceptions to the Executive Order?

There are no exceptions to the Executive Order at this point. Departments may inquire with the State CIO if they have issues or concerns.

9. What services are considered enterprise?

Key functions that should be integrated into DoIT over time include the following:

- *Data center management*
- *Information / Cyber Security*
- *Desktop support*
- *Data and telephone networks*
- *Geographical Information Systems (GIS)*
- *Enterprise architecture and standards*
- *Enterprise applications and services*
- *Storage solutions and architecture (ILM)*
- *Archives and imaging services*