

Special Committee on the Utilization of Information Technology in Government

Meeting Minutes

DAY/DATE: Thursday, December 10, 2015
TIME: 9:00 AM – Noon
LOCATION: 208 Hurricane Lane, Williston (Secretary's Conf. Room B)
MEMBERS: Mike Schirling, John Burton, and Tim Kenney
STAFF: Sue Zeller, Steve Klein, Catherine Benham, and Joy Livingston and Donna Reback – Flint Springs Assoc.
PURPOSE: Regular Meeting

Item Number	Item Description	Action By
1.1	Call to Order	Chair
2.0	Review and amend Agenda, if necessary	Committee
3.0	Prior meeting minutes approved	Committee
4.0	<p>Sarah Clark – AHS CFO joined by Richard Boes, CIO and Commissioner of DII and Rob Lyman, AHS</p> <p>Presentation regarding Integrated Eligibility (IE) and ABC methodology</p> <ul style="list-style-type: none"> • Discussion of ABC form – used with projects exceeding \$500,000 <ul style="list-style-type: none"> ○ Forms are updated by DII annually ○ Discussion of steps/timeline engaged in filling out the ABC form for IE • Discussion of costs of IE, fed/state share = 90/10 • Discussion of impact of federal incentives (e.g., A-87) on prioritization of projects • Discussion of development and scope of IE • Clarification of roles/responsibilities and decision making process around HHSE and specific IE project <ul style="list-style-type: none"> ○ Sue Zeller will distribute graphic of project developed by Sarah Clark • Timeline described <ul style="list-style-type: none"> ○ August – updated ABC form submitted to DII from AHS • Discussion of IE Cost factors and assumptions surrounding them <ul style="list-style-type: none"> ○ Implementation DDI costs ○ Ongoing Annual Operating Costs ○ Funding concerns ○ Current costs • Discussion of RFP process, weighting of factors for decision making and assumptions about contract negotiating project 	

	<ul style="list-style-type: none"> • Discussion of communications issues and challenges in development of large, complex IT development projects and gaining support for those projects • Discussion of specifications and potential costs of project configurations – related to ongoing annual operating costs 	
5.0	<p>Richard Boes, CIO and Commissioner of DII – close out discussion</p> <p>Presentation of recommendations re:</p> <ul style="list-style-type: none"> • RFP development and review • Acquisition of capital • Strategic centralized funding for IT • Sustainability policy <p>Identification of additional issues needing attention:</p> <ul style="list-style-type: none"> • Data governance policy • Privatization • ABC form • Outcomes and functional measurements of success <p>Discussion of what is needed to achieve economies of scale and DII's efforts</p>	ce
6.0	<p>Comments from Staff (Sue Zeller)</p> <p>Sue Zeller – concurs with Commissioner Boes' recommendations. Additional concerns needed attention:</p> <ul style="list-style-type: none"> • Business process improvement • Outside project management • Back-fill SME positions (employees can't do both the project and normal job) • Public understanding of IT's role in all service delivery <p>Steve Klein - identification of issues to be addressed:</p> <ul style="list-style-type: none"> • centralized delegation of authority • roles of CIO and Commissioner <ul style="list-style-type: none"> ○ management and vision 	
7.0	New Business	
8.0	Adjourn meeting	Chair

Submitted by: Donna Reback and Joy Livingston, Flint Springs Associates

Attachment: Steve Klein, JFO

Information Technology System - Considerations 12/10/15

1. During testimony received by the Special Committee on the Utilization of Information Technology a number of themes emerged, including the following:

- First: the potential for changes in IT processes is huge and still developing. The use of cloud based systems and integrating data will allow for increasingly effective systems management. The adoption and implementation of new technology requires agencies and departments to change how they operate.
 - In order for changes in how information technology is provided to be successful change processes should reflect agency and department goals and not build systems to do what was done in the past.
 - There is also a change in how IT projects are expensed as we move away from upfront purchases of IT systems to purchases being funded through charges to clients in a service based environment
- Second: there is no clear approach to dividing control of IT systems between a central authority and at the agency level. The various presenters talked of successful and unsuccessful projects with varying degrees of centralized control.
 - Success was more tied to a clear project plans including strong project management and project sponsors that manage system change to enable the use of Commercial off-the-shelf (COTS) products where possible.
 - Creating greater centralized control may be less valuable than instilling clear criteria for project development, which can be carried out in a variety of ways
- Third: the state is involved in many projects, not all of which become the focus of legislative attention.
 - The DII reports that there are over 40 projects which exceed \$1,000,000 and many of smaller size.
 - While attention is focused on the critical failures, the Committee has pointed out value of talking about successes.
- Fourth: the financing of information technology is an issue.
 - The lack of a source for system wide financing creates challenges when decisions are made about which projects to pursue. Often it comes down to which projects have funding rather than which projects are of greatest need.
 - The State should address the development of a funding source for IT.
- Fifth: The relationship with the federal government brings both opportunities and peril.
 - On the one hand, federal match has been critical to funding IT projects.
 - On the other, changing regulations and IT requirements have led to project development on sometimes shifting grounds. It is challenging to design and implement technology solutions that require connections to federal systems when the federal systems themselves are undergoing change.
- Sixth: the environment of large scale information technology processes is not one in which legislators, agency folk, and Vermonters generally have experience.
 - It is critical that people who are tasked with implementing changes in IT pay special attention to both the need for clear communication and education about the change, its goals and values, and the specific processes that will be needed to effectuate change.
 - Without clear communication, problems grow in providing the funding to the people responsible for implementing the new system changes, threatening success.

2. The Legislative role and committee structures – Due to the oversight role of the Legislature it may be more effective to focus on education of key standing committees rather than form a special committee

- The key legislative role is in three areas that are diverse and do not lend themselves to a special committee:
 - System Funding
 - Institutions and Appropriations Committee jurisdictions
 - Possible changes to procurement practices
 - Institutions Committee, Government Operations

- o Privacy issues that may come up with newer integrated systems
 - Government Operations, Other?
- Throughout the work of the Special Committee presenters have held that IT systems are essentially business process changes and that IT systems are not a “thing” in itself. Successful projects are integrated into existing work.
- Increasingly IT systems themselves enable agencies and departments to move away from silo based activity to greater integration and system wide functionality.
- IT in the State context is increasingly concerned with service brokering, use of cloud and data integration. Many aspects of this are less the concern of the legislative branch and more of the executive branch. The legislature needs to understand the importance of IT and its role and changing function but cannot manage it on a real time basis.
- Financing decisions are likely to remain with the Appropriations and Instructions Committees
- Creation of a special committee will add to legislative oversight in ways that may move to greater legislative involvement then appropriate.

3. DII role. The Chief Information Officer/Manager functions: The vision for Vermont State Government's Information Technology Future

- The split between the CIO and Manager function and health IT: There is a State Commissioner of the Department of Information and Innovation who is by statute the CIO¹. The Commissioner lists his office as the office of the CIO and the DII CIO and Commissioner. There is no defining the role of CIO. There is also separate statutory leadership for health information technology²
- In some respects dividing operational aspects of the position from strategic aspects makes sense. The dilemma is the value of the change is very dependent on the people involved and there is no guarantee that structural change will lead to better outcomes.
 - o Without assurance of value it would be hard to recommend a structural change.
 - o On the other hand, it might be useful for the committee to recognize the different functions and, in their report, make the distinction between the different roles and suggest a statutory role for a CIO.
- The Vision of Information Technology in Vermont: The presentations by Mechling and Robinson raised the potential of information technology to change the operational efficiency of Vermont Government in many ways. In some respects, one could envision a small state like Vermont moving toward a much more visionary use of technology with the right leadership and commitment. Your report could spend some time on the visions.

**For discussion only; not official adopted positions of The Joint Fiscal Office or any legislative entity*

¹ 22 V.S.A 902. Appointment of commissioner; powers and duties (a) The governor, with the advice and consent of the senate, shall appoint the commissioner of information and innovation who shall be the chief information officer of the state. The commissioner shall appoint a deputy commissioner who shall serve at the pleasure of the commissioner. (b) The commissioner shall serve as the administrative head of the department of information and innovation. (Added 2003, No. 31, 6.)

² Chapter 219: Health Information Technology And Telemedicine
 Subchapter 1: Health Information Technology, § 9351. Health Information Technology Plan
 (a) The Secretary of Administration or designee shall be responsible for the overall coordination of Vermont's statewide Health Information Technology Plan.