

## 1. BACKGROUND

The 2010 General Assembly made substantial revisions to the governance of Virginia's centralized information technology (IT) operations. Among those changes was the creation in the *Code of Virginia* of the IT Advisory Council (ITAC), which is responsible for advising the Commonwealth's Chief Information Office (CIO) and the Secretary of Technology on the planning, budgeting, acquiring, using, disposing, managing, and administering of information technology in the Commonwealth.<sup>1</sup>

The 11<sup>th</sup> enactment clause of the aforementioned 2010 legislation also tasked ITAC with the development by December 31, 2011 of a Technology Business Plan, in consultation with the Council on Virginia's Future. This document constitutes that plan for the 2012-2014 biennium.

Briefly stated, the Technology Business Plan is intended to be the link between the Commonwealth's business priorities and the Statewide Strategic Plan for Information Technology, providing business guidance and direction to executive branch agencies' collective technology initiatives.

## 2. ENVIRONMENTAL CONSIDERATIONS

Any planning effort logically begins with consideration of those significant environmental factors which affect its development and will substantially impact how the plan is actually carried out. In the context of this Technology Business Plan, four such "external realities" have been identified and are outlined below.

### Financial Outlook

The global financial turmoil of the last several years continues to unfold, with its impacts upon government at all levels a matter of ongoing debate and discussion. What appears likely, if not certain, is that the increasing revenue trends of the not-too-distant past will not continue for the foreseeable future. Between FY 1996 and FY 2006, the Commonwealth's inflation and population-adjusted revenue growth was 28.8 percent, an average annual growth rate of 2.6 percent.<sup>2</sup> By contrast, the overall state budget went from \$39.0 billion in FY 2011 to \$39.6 billion in FY 2012, a non-adjusted increase of only 1.5 percent.

***"When will we be back to normal? By the end of the decade. And even then it won't be the old normal."***

*John Thomasian, Director  
Center for Best Practices  
National Governors Association*

<sup>1</sup> The legislation that created the Council is codified in [Va. Code § 2.2-2699.5](#), and the majority of its powers and duties are set forth in [Va. Code § 2.2-2699.6](#).

<sup>2</sup> September 2007 Senate Finance Committee Staff Report, <http://sfc.virginia.gov/pdf/frequently%20requested/FY96%20to%20FY06%20Budget%20Growth%20Analysis.pdf>

### Continued Population Growth

In terms of its population, Virginia continues to be one of the fastest growing states in the nation. The state's 2010 Census count of 8,001,024 was almost one million greater than in 2000, a 13% increase (as compared to the overall US increase of 9.7%). The long-term trend for significant state population growth is expected to continue. US Census Bureau projections estimate Virginia could add close to another one million residents by 2020.

Population growth inevitably adds to demands for public services. Over the next 20 years, as the "Baby Boom" population cohort reaches retirement age, the increasing percentage of older Virginians will further add to service requirements. Coupled with the aforementioned bleak state revenue outlook, pressures upon state agencies to "do more with less" are likely to only increase.

### Aging of the State Government Workforce

As a corollary to the aging of Virginia's population in general, the state government workforce is also on average getting older. Data from the Department of Human Resource Management (DHRM) yield the following telling statistics:

- The average age of a state worker has increased 10.4% in last 20 years.
- State workers' average years of service has increased 17.6% in last 20 years.

***10.7% of the state workforce is currently eligible for unreduced retirement. In five years, that percentage will jump to 23.9%.***

When an experienced state worker retires or otherwise leaves state employment, more than just manpower is often lost. All too frequently substantial institutional knowledge and in-depth understanding of long-standing systems and processes leaves as well.

### Attractiveness of Government Careers to Younger Generations

One impact of state government's response to current economic conditions is an overall reduction in the state's workforce. DHRM statistics indicate that the number of full-time-equivalent (FTE) state positions has decreased by eight percent over the past three years. That decrease, coupled with the above-noted exodus of knowledge and experience, puts even greater emphasis on the need to bring qualified younger workers into the state workforce.

However, trends also show increasing difficulties in attracting younger workers to public service. "Gen-X" (ages 30-45) and "Millenials" (under 30) have distinctly difference workplace goals than the Boomers. Millenials (also known as the Net-Generation or "Net-Geners") in particular are looking

for challenges (knowledge work, not rote tasks), flexibility in and outside of the workplace, collaboration (and lots of cool technology to support that), and (potentially good news for government) a chance to make a difference by solving real problems.

Virginia state government faces similar issues in attracting and keeping younger workers. Attracting and keeping new workers is in fact an overall challenge for the Commonwealth. DHRM data indicates that the highest turnover rate among state employees is in the first five years of service, when 53% of all separations occur.

***“Net-Geners are not patiently working their way through the organizational hierarchy, but are instead moving on quickly when they see no clear cut advantages – personally, professionally, or financially – to staying.”***

Federal CIO Council

### 3. DESIRABLE PLAN ATTRIBUTES

The above-outlined environmental considerations strongly suggest a Technology Business Plan that is pragmatic, focused, and takes advantage of available resources and initiatives for optimum impact, including the following attributes:

- *Leverage the Work of the Council on Virginia’s Future (COVF)*—The legislative charge to create the Technology Business Plan includes the directive to work in collaboration with the COVF. That council has, in turn, created the Commonwealth’s award-winning Virginia Performs website, organized around the state’s seven long-term goals, as well as working with the Department of Planning and Budget on agency and secretariat strategic planning and performance-based budgeting.
- *Drive off of recognized business priorities*—The state has a well-established process in place for developing and maintaining agency-level strategic (business) plans. Working from a higher-level summary of the Commonwealth’s overarching business priorities would be a key to creating a supportive, yet focused, Technology Business Plan.
- *Focus on key leverage points*—State agencies cover an extremely wide range of missions and associated constituent services. Finding common points of interest that could then be leveraged for a variety of specific purposes would enable a select number of initiatives to have positive impacts on the broadest array of business priorities.
- *Create an action agenda – with follow-through*—To be worthy of further time and attention, the plan must describe a clear path to meaningful, measurable benefits. Approaches for monitoring progress and results, as well as ensuring adherence to enterprise standards, such as those for security, privacy, and accessibility, should also be incorporated.

## 4. PLAN DEVELOPMENT

Development of this Technology Business Plan took place in several phases: Determination of the Commonwealth's high-level business priorities; identification of key initiatives that could become technology focal points in support of those business priorities; and development of the plan document, including action steps for implementation.

In a fortunate coincidence of timing, in the spring of 2011, COVF was beginning a collaborative effort with Cabinet secretaries that would provide a business-oriented bridge between the state's agency-level strategic plans and the Commonwealth's long-term goals previously developed by the Council. That effort culminated in the September 2011 publication of the "Commonwealth of Virginia Enterprise Strategic Priorities"<sup>3</sup>. That document arranges the cabinet secretaries' designated business priorities according to the COVF's seven long-term goals, as well as providing the strategies for implementation associated with each priority.

During the summer of 2011, staff of the COVF and the Virginia Information Technologies Agency (VITA) analyzed early drafts of those Enterprise Strategic Priorities to determine how they could be effectively used as the business basis for this Technology Business Plan. As part of that exercise, the two staffs defined several candidate plan initiatives and evaluated them in terms of the desirable plan attributes outlined above.

At its quarterly meetings in May and August, the IT Advisory Council received updates on this process from COVF and VITA staff. To facilitate further work on the plan between ITAC meetings, the ITAC chair, Secretary of Technology Jim Duffey, asked ITAC's Enterprise Solutions & Governance Workgroup to work with staff on completion of a plan document for recommendation to the full ITAC.

## 5. TECHNOLOGY BUSINESS PLAN INITIATIVES

The five Technology Business Plan initiatives outlined below are the result of the vetting process outlined above. The relationship of each initiative to the Commonwealth's Enterprise Strategic Priorities, and to specific strategies associated with those business priorities, is provided in the table in Appendix A. Each initiative is directly related to more than one priority and to multiple associated strategies as well. That said, Appendix A should be considered as illustrative, not prescriptive. As efforts are undertaken to implement these initiatives, participants may want to peruse the Enterprise Strategic Priorities and associated strategies and establish their own views on initiative/priority relationships from the perspectives of the stakeholder groups they may represent.

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<sup>3</sup> See <http://www.dpb.virginia.gov/forms/20110901-1/EnterpriseStrategicPrioritiesforAgencyStrategicPlanning.pdf>

**Initiative 1—Improve information-sharing to optimize current business functions and supporting systems**

*Background:* A number of the Commonwealth’s Enterprise Strategic Priorities and their associated strategies emphasize improving the efficiency and effectiveness of government services through improved sharing of information, both across state agency boundaries and among all levels of government and associated non-governmental organizations. In the current and projected economic environment, major funding sources to invest in new applications supporting such efforts are not likely to be forthcoming.

Finding and implementing ways to improve data sharing and information flows among existing/legacy systems can significantly improve the effectiveness of such systems while also extending their useful lives. Emphasis should be placed on determining where improved data flows can lead to streamlining processes, providing opportunities for such improvements to pay for themselves.

**Initiative 2—Leverage technology to improve worker productivity and make state employment more attractive to the future workforce**

*Background:* As noted above, documented trends show a clear pattern of an aging state government workforce, with large percentages at or near retirement eligibility, and increasing difficulties attracting younger workers to state employment. Virginia’s continued robust population growth, and the corresponding increasing demands for state services, will inevitably place additional workload pressures on the state workforce.

A more “Millennial-friendly” work environment will help state government compete with private sector organizations already instituting such changes. In addition to keeping current with such trends as telework and uses of consumer technology, improvements in various administrative systems state workers use daily could also enhance their workday experience. A concerted focus on leveraging cost-effective, productivity-enhancing technologies can increase the effectiveness of state workers while providing a more fulfilling and satisfying work environment—and thereby also contributing to improved customer service.

**Initiative 3—Support educational attainment initiatives—key to achieving state economic development and quality of life goals**

*Background:* Several Commonwealth Enterprise Strategic Priorities reference the positive impacts of educational attainment upon a broad range of the quality of life indicators in the Council on Virginia’s Future’s Long-Term Goals. Strategies that support those priorities can be enhanced by technologies that improve communication, collaboration, and information sharing among participating entities—state, regional, and local. A current example is the Virginia Longitudinal Data System, led by the Department of Education with growing participation by other interested agencies. Several agencies not originally participating in this effort are exploring the benefits of contributing to and using information from this system, and others are encouraged to do likewise.

**Initiative 4—Emphasize programs and tools that enable all citizens to interact with government 24x7—safely and securely, and when, how, and where they want it**

*Background:* As consumers, citizens are increasingly accustomed to being able to access the goods and services they require via a full range of means—walk-in, phone-in, or “surf-in”—providing the opportunity to conduct business any time of the day or night, and anywhere they might be, that suits their needs and desires. Their expectations are no less of the public sector—and government has clear efficiency and effectiveness motivations as well for meeting those expectations. Re-engineered business processes can improve internal operations as well as providing a more satisfying customer experience. Collaborative applications such as the Governor’s Business One-Stop are exemplary of these kinds of customer-centric services. Newer and expanding forms of interaction, such as social media, need to further also be explored and applied.

**Initiative 5—Expand and support back-office platforms and productivity tools that support Governor’s Reform Commission recommendations on streamlining government operations**

*Background:* As a \$38 billion a year business entity, Virginia would rank in the middle of the *Fortune 100*. Operationally, the Commonwealth’s executive branch is more akin to holding company of 64 small- to medium-sized businesses (excluding higher education). From a technology spend standpoint, the top 15 agencies account for 82% of executive branch IT expenditures, leaving the remainder spread out thinly among the remaining 49 agencies. And of those remaining agencies, 31 have less than 100 employees. Current examples of shared back-office services, such as the Department of Accounts Payroll Service Bureau and the Disability Services Agencies’ Memoranda of Agreement, illustrate opportunities to leverage common back-office functions for the benefit of agencies of all sizes.

In general, agencies should be encouraged to pursue such collaborations and productivity initiatives via incentives for gainsharing and other financial rewards—as specifically called out in Strategy 20.5 of the Enterprise Strategic Priorities.

***“Optimize the technology state government already has. Consolidate data centers and processes (like payroll), integrate and share services across agencies, use common platforms, aggregate multi-agency purchasing, and require employees to fully take advantage of the technology available to them to do their job. Also, consider how technology can be used to deliver services more efficiently and cheaply.”***

“The Big Reset: State Government After the Great Recession”  
Center for Best Practices, National Governors Association

## **6. RECOMMENDED ACTION STEPS FOR PLAN IMPLEMENTATION**

The Commonwealth has had a *Code* requirement for a statewide strategic IT plan in place in one form or another for the past two decades. In the corporate world, such an IT plan would be based on a commensurate corporate-wide strategic business plan.

In the new Commonwealth Enterprise Strategic Priorities, the state now has a state government counterpart to such a corporate-wide strategic business plan. This Technology Business Plan, and the five initiatives therein, provide a logical link to, and a business-based launching platform for, the 2012-2014 version of that statewide strategic IT plan.

To launch that strategic IT planning effort, the Commonwealth CIO should:

- Form a stakeholder workgroup around each of the five Technology Business Plan initiatives, with a representative cross-section of interested agency participants.
- Task each workgroup with the following:
  - Conduct an expedited scan of state government for technology opportunities related to their assigned initiative.
  - From the most promising opportunities recommend an action plan and schedule for pursuing same.

To provide ongoing business oversight and communications with ITAC, the Secretary of Technology should designate one or two ITAC members as liaisons to each initiative workgroup.