

Virginia Information Technologies Agency



Information Technology Investment Board

Recommended Technology Investment Projects
(RTIP) Report
For the 2010-2012 Budget Biennium,
September 1, 2009, Submission

To the Governor and
The General Assembly of Virginia





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1.0 RTIP Report

1.1 Summary of Board project recommendations

The Commonwealth Information Technology Investment Board (Board) recommends 42 technology investment projects listed in Appendices A and B of this report for new or continued funding. Seventeen new projects are recommended for funding (Appendix A). All new projects have received Commonwealth Chief Information Officer (CIO) planning approval and the estimated total investment to complete all new projects is \$110,877,826. Twenty-five of the 42 projects are currently active (Appendix B), with an estimated total project cost of \$576,577,912, and are recommended for continued funding.¹ All active projects are fully funded. Exhibit 1 summarizes the 42 projects and total project costs by investment approval status.

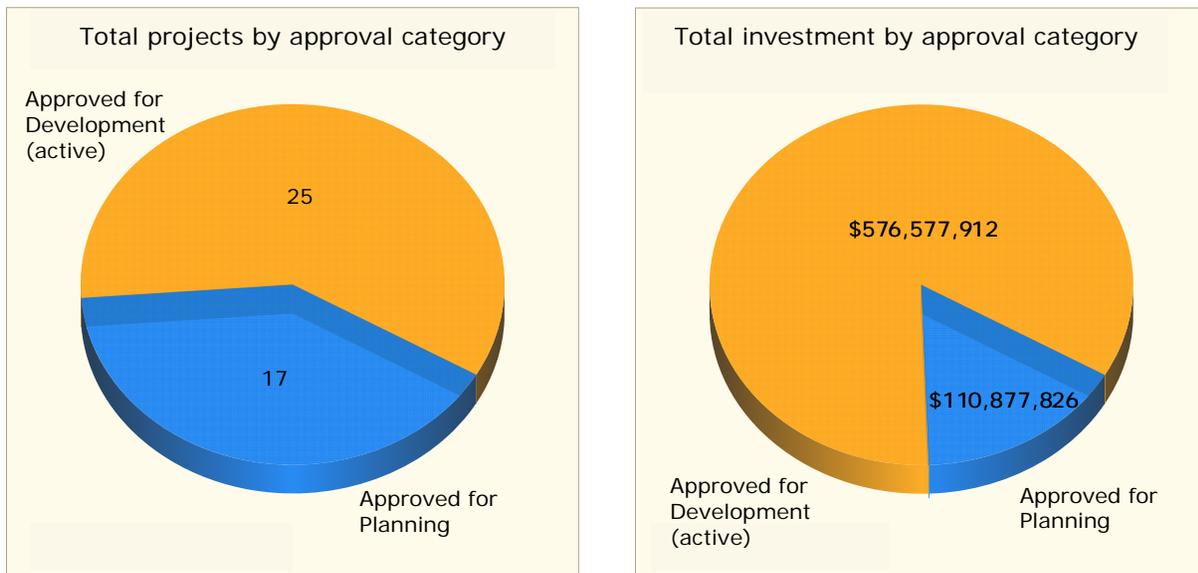


Exhibit 1: Summary of projects by investment approval status

Exhibit 2 summarizes the Board-recommended 42 technology investment projects for new or continued funding, by Secretariat. As agreed to by the Board, the recommended list of active projects does not include planned investments being managed by the Virginia Information Technology Infrastructure Partnership, which implements the Commonwealth contract with Northrop Grumman for IT support services. In recognition of the complexity, cost and significant impact of the infrastructure transformation on the operation of state government, the Board has established a dedicated committee to provide direct program governance and oversight.

¹ At the time of publication of the 2009 RTIP report, the Secretary of Transportation requested a change to the VDOT Financial Management System project that, if approved, has the potential of increasing the active portfolio cost by \$20,398,501.

Secretariat	Recommended for Continued Funding		Recommended for Funding		Total Recommended Projects		
	No.	Project Cost	No.	Project Cost	No.	Project Cost	Percent of Cost
Administration	0	\$0	1	\$900,000	1	\$900,000	0.1
Agriculture & Forestry	1	\$1,345,014	0	\$0	1	\$1,345,014	0.2
Commerce and Trade	1	\$2,959,705	3	\$50,000,000	4	\$52,959,705	7.7
Education	1	\$14,786,694	1	\$11,056,098	2	\$25,842,792	3.8
Finance	1	\$10,000,000	0	\$0	1	\$10,000,000	1.5
Health & Human Resources	6	\$23,713,914	6	\$35,921,728	12	\$59,635,642	8.7
Public Safety	5	\$391,434,964 *	3	\$9,250,000	8	\$400,684,964	58.3
Technology	0	\$0	1	\$750,000	1	\$750,000	0.1
Transportation	10	\$132,337,621	2	\$3,000,000	12	\$135,337,621	19.7
Totals	25	\$576,577,912	17	\$110,877,826	42	\$687,455,738	100.0

Exhibit 2: Summary of 2009 Major IT Projects recommended for funding

* The Recommended for Continued Funding amount for Public Safety includes the STARS project, accounting for \$357M of the total cost for that Secretariat.

The Board recognizes that the upcoming 2010-2012 budget biennium is of special interest to the Commonwealth. To that end, a more focused look at planned project expenditures in the 2010-2012 budget biennium is presented below. If all new projects are fully funded, \$60,289,599 will be required to support planned expenditures in the 2010-2012 budget biennium as outlined in Appendix A of this report and summarized in Exhibit 3.

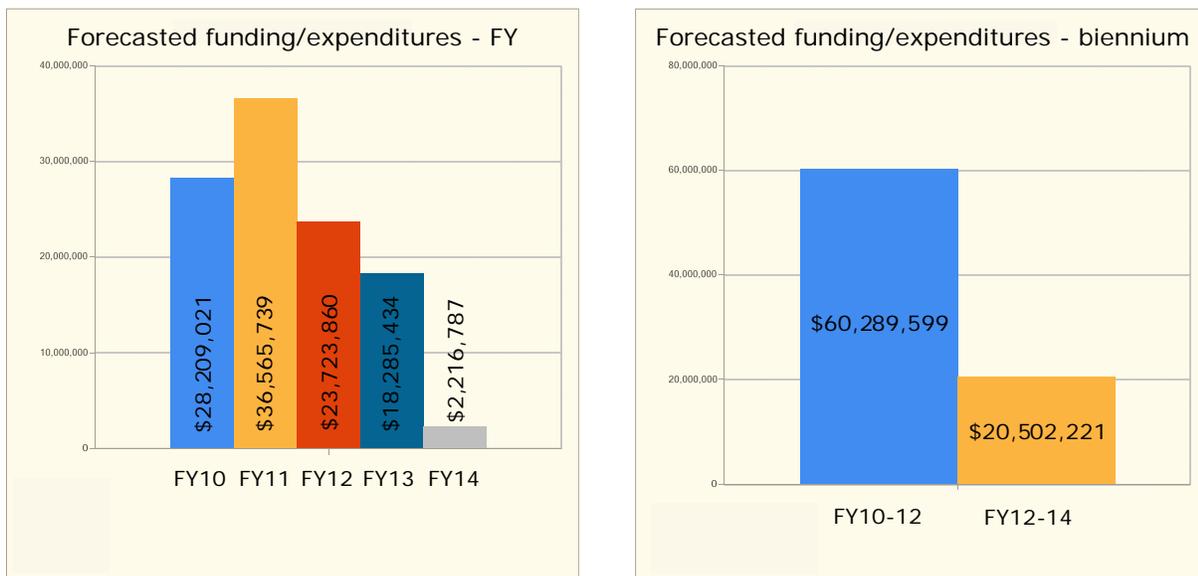


Exhibit 3: Summary of forecasted expenditures for new projects

Again, focusing on the 2010-2012 budget biennium, there is currently only one project (Department of Behavioral Health and Developmental Services - Clinical Apps/EMR) out of the 17 recommended new projects that is not funded. Clinical Apps/EMR accounts for

\$7,911,431 out of the \$60,289,599 required to support planned expenditures in the 2010-2012 budget biennium. Eleven projects are fully funded from either general or non-general funds and five are partially funded, accounting for the remaining \$52,378,168 planned new project expenditures in the 2010-2012 budget biennium. Partially funded projects are identified in Appendix A. Exhibit 4 summarizes the 17 new projects by funding status.

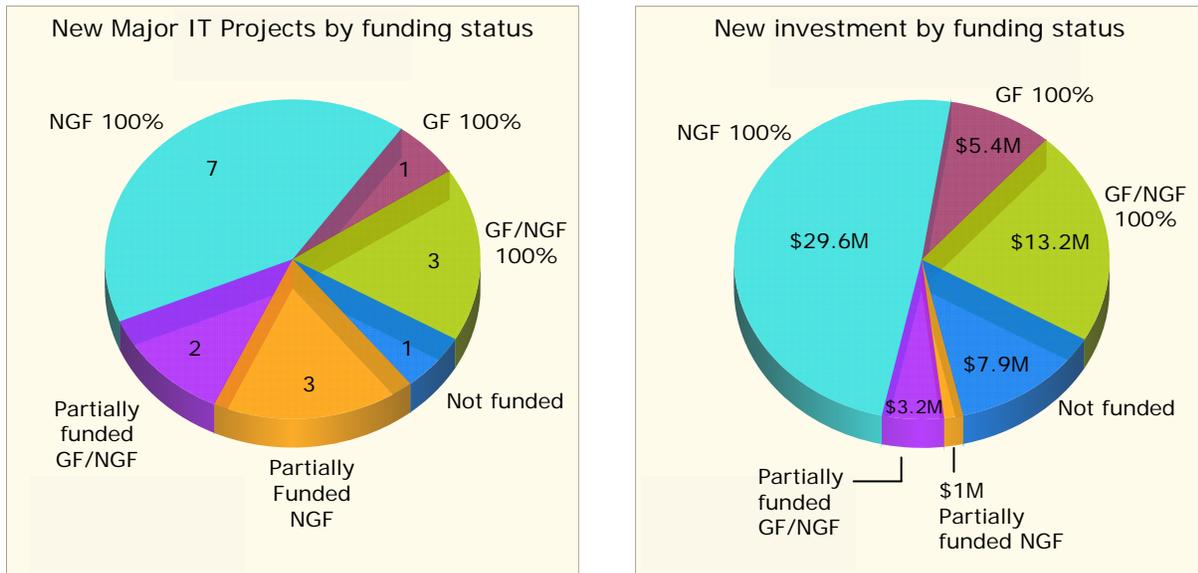


Exhibit 4: Summary of new projects by funding status

1.2 Report background and purpose

The Board serves as the supervisory board for the Virginia Information Technologies Agency (VITA). The Board is also assigned responsibility for the planning, budgeting, acquiring, using, disposing, managing and administering of information technology in the Commonwealth. In this role, the Board is required to submit a prioritized list of recommended technology investment projects for funding to the Governor and General Assembly by September 1 of each year.

In developing the 2009 Recommended Technology Investment Projects (RTIP) Report, the Board employed IT Investment Management (ITIM) best practices to select the right mix of technology investments (projects) from the Commonwealth Major IT Project Portfolio. Only projects supported by a strong business case, based on Board-established selection and ranking criteria, were considered as priorities for funding.

This year marks the seventh annual submission of the RTIP Report by the Board. It is the Board's desire that the report add value to the Commonwealth's technology investment decision-making process. To this end, the report reflects the Board's increased emphasis on strong investment alignment to the Commonwealth's strategic goals and objectives as established by the Council on Virginia's Future, the Governor and the 2007-2011 Commonwealth of Virginia Strategic Plan for Information Technology.

The Commonwealth's strategic planning process continues to improve each year as collaboration among agency business leaders and their supporting IT staff becomes more consistent. The end result of this collaboration is a more tightly integrated agency strategic plan and IT strategic plan. An agency strategic plan sets priorities for an organization's technology investments and directs development efforts based on an organization's mission, goals, and objectives. Only two projects were not included in the 2008 RTIP report that were subsequently granted both CIO planning and ITIB development approval:

- Virginia Department of Health (VDH) Women, Infants, and Children (WIC) Electronic Benefits Transfer (EBT) Project
- Virginia State Police (VSP) Enhancement of Communications Along Secondary Evacuation Routes I95

Supported by the Commonwealth portfolio management system (ProSight), the Board is now able to maintain better visibility into the Commonwealth IT investment portfolio, including regular portfolio reviews conducted as part of the Board's quarterly meeting agenda. Closer, regular scrutiny of the portfolio by the Board has significantly reduced the number of last-minute agency projects being submitted for planning and development approval between RTIP reports.

1.3 Projects recommended for funding

The Board recommends funding be continued for 25 currently active projects, as listed in Appendix B. The estimated total investment in active projects is \$576,577,912. As of June 30, 2009, all active projects are fully funded and have reported cumulative expenditures of approximately \$314 million, or 54 percent of the estimated total investment.

The Board reviews the status of active projects at each meeting through the ITIB Major IT Project Status Report. The July 2009 status report shows 16 projects with a green status, seven with a yellow status, and one reported as red. The Performance Budgeting project was Approved for Development at the beginning of the July Board meeting and was not listed on the July 2009 status report of active projects.

Projects with a yellow status are considered under control but are being closely watched by the CIO as agencies address minor project performance, schedule, cost, risk or scope issues. Projects with a red status indicate a problem that requires immediate corrective action. The one project reported as red in the July 2009 status report (Department of Professional & Occupational Regulation – EAGLES) has encountered significant schedule delays. The Internal Agency Oversight Committee (IAOC) associated with this project is in the process of adjusting the baseline schedule. In addition, the Commonwealth Project Management Division (PMD) is working with the Auditor or Public Accounts (APA) to complete a special project assessment and expedite the required agency Independent Verification and Validation (IV&V) report. Because all active projects are under control or appropriate corrective actions are being taken, the Board recommends their continued funding. The Board retains the right to terminate any active project, based on the recommendation of the CIO, if the situation warrants.

The Board recommends funding for 17 new investment projects, as listed in priority order in Appendix A. The projects, which have received planning approval from the CIO, represent a potential investment of \$110,877,826. The 2009 Board recommendation

contains 10 projects included in last year's report, but not initiated because of funding shortfalls or delays.

The estimated expenditure for the 17 planned projects in the 2010-2012 budget biennium is \$60 million. This accounts for 55% of the \$110 million total investment. For detailed information on planned expenditures and funding needed through the 2012-2014 budget biennium, please refer to page 2 of Appendix A – 2009 Major IT Projects Recommended for Funding (Approved for Planning) – Expenditure Detail. To fully fund the estimated project expenditures for all planned projects for the 2010-2012 budget biennium, an additional \$18 million is required. Sixteen of the 17 planned projects, accounting for \$52 million of the estimated expenditures for the 2010-2012 budget biennium, are either fully funded or partially funded.

Page 2 of Appendix A – 2009 Major IT Projects Recommended for Funding (Approved for Planning) – Expenditure Detail also identifies the funding source distribution of the 17 planned projects for the 2010-2012 biennium across general and non-general funds. Regardless of funding status, none of the projects can proceed until they are granted development approval by the Board. An agency initiates development approval for a project by conducting an analysis of project solutions, preparing an economic feasibility study or cost benefit analysis, and developing a proposal and charter for the selected solution. The project documentation is reviewed by the Commonwealth Project Management Division (PMD) and the proponent Secretariat Oversight Committee, which recommend approval, disapproval or modification of the project to the CIO. Development approval follows an affirmative CIO recommendation and review by the Board. Projects must be fully funded to receive development approval from the Board.

1.4 Recap of 2008 key recommendations and actions taken

The Board proposed four process-based recommendations in the 2008 RTIP Report to improve the overall governance and oversight of technology investments in the Commonwealth:

- Alternative governance, oversight strategies and processes to improve the ROI of the Commonwealth IT investment portfolio.
- Auditable processes for reporting and review of total agency IT spend to include ongoing operations and maintenance investments.
- Deployment of enterprise solutions.
- An improved IT strategic planning process to better align technology investments to overall agency business strategy, associated goals and objectives.

During the past year, several actions were taken to address these recommendations and lay the groundwork for progress.

The Commonwealth Project Management Division and ITIM Customer Council developed and published a new Commonwealth Information Technology Investment Management (ITIM) Standard in order to improve enterprise and agency management of IT investments. The ITIM Customer Council, comprised of IT agency leaders from thirteen large and small agencies, is a body of agency business leaders chartered by the Board to provide a forum for continuous consultation on Commonwealth ITIM practices. ITIM is a

management process that provides for the pre-selection (identification), selection, control, and evaluation of business (need) driven IT investments across the investment lifecycle. ITIM uses structured processes to minimize risks, maximize return on investments, and support Commonwealth agency decisions to maintain, migrate, improve, retire, or obtain IT investments. ITIM is the basis for the Commonwealth's approach to technology management as approved by the Information Technology Investment Board. Implementation of the new ITIM Standard has improved the ITIB governance of the Commonwealth IT investment portfolio.

In order for the Board to track and oversee Commonwealth applications and associated IT spend, the CIO and Chief Applications Officer (CAO) collected, consolidated and analyzed preliminary information on the existing Commonwealth applications inventory. Recent APA audits and inquiries indicate that agencies continue to implement technology investment projects using operations and maintenance funding that is not visible to the CIO and Board. The bulk of an agency's total IT spend is attributed to ongoing operations and maintenance tasks, and without an auditable accounting of how these funds are being spent, it is difficult for the CIO and Board to make informed investment decisions. The application data collected to date represents Phase I of a continuing effort to oversee ongoing operations and maintenance investments. The CIO and CAO have initiated an Enterprise Architecture Application (EAA) project that is among the current list of new projects that are being recommended for funding in this year's RTIP report. The EAA project will allow the IT Investment Board to finish collecting Commonwealth application data, to include agency IT spend on applications, and will establish a means to provide improved governance of IT operations and maintenance investments.

During the past year, the CIO and CAO also made significant progress in promoting awareness and getting stakeholder commitment on enterprise investments. The CIO and CAO continued work with the Secretary of Finance to develop a clear funding mechanism for enterprise investments in IT. An example of this collaboration is the Performance Budgeting Solution project, which is among the current list of active projects recommended for continued funding in this year's RTIP report. The Department of Planning and Budgeting has agreed to take the lead on this project and funding was coordinated with and agreed to by the Secretary of Finance. In addition to working with the Secretary of Finance on enterprise investments, the CAO also has been coordinating with agency representatives across the Commonwealth to promote the development of competency centers, centers of excellence, and shared services. Over the past year, the CAO has spent time setting up meetings with agency representatives and educating them on shared services and applications, such as business intelligence, content management, and human resources-time & attendance. Finally, in order to ensure standard data for enterprise solutions, the CAO has established a working group to develop a data strategy and data standardization process. The working group has made great progress in working with the ITIM Customer Council and putting together a draft data strategy. The strategy is currently being reviewed by agencies in the Commonwealth.

To continue the theme of improved governance and oversight strategies over applications, the CIO and Board also have laid groundwork that supports implementation of House Bill 2539. House Bill 2539 places increased importance on overseeing the planning, development, implementation, improvement and retirement of enterprise-wide or multi-agency applications. One provision in the bill is to establish within VITA the Division of Enterprise Applications headed by the Virginia CAO. To this end, the new division has been established in VITA and the CAO is now reporting to the CIO in order to provide improved governance over applications. The CIO and CAO have also coordinated on how applications in the Commonwealth Technology Portfolio will be reviewed and categorized

for the RTIP report. This year's RTIP report marks the first year that the CAO has conducted a detailed review of new Major IT Projects that are being recommended for funding. Section 1.7 of this report goes into more detail on the CAO categorization of the Major IT Projects approved for planning. Finally, the CIO and CAO have established a working group to develop an applications strategy that provides a vision, goals, objectives and strategies for improved governance of Commonwealth applications.

During the 2010-2012 budget biennium, additional actions are planned to continue to address recommendations in the 2008 RTIP Report. In addition to meeting the code mandates outlined in House Bill 2539, the CIO and CAO will continue to work on initiatives that were outlined in the Board-approved CIO/CAO Operational Plan. The first initiative, mentioned above, is data management. Work will continue in developing a data strategy that looks at the standardization of administrative data and data exchange protocols within the Commonwealth, authoritative data sources, and ways to streamline redundant data. The second initiative, also mentioned above, is Commonwealth application portfolio management. The CIO and CAO will continue their efforts to document the applications portfolio within the Commonwealth and improve the governance of agency application operations and maintenance. A third initiative is to determine the "to be" governance and investment strategy for enterprise, collaborative and agency applications.

1.5 Report development process

The 2009 RTIP process is consistent with the process used to develop last year's RTIP report. During the month of April, the ITIB reviewed and approved the 2009 RTIP schedule. Immediately after the RTIP schedule was approved, the Commonwealth Project Management Division issued data collection guidance to agencies for Major IT Projects and collected IT strategic planning data in support of the RTIP Report. Once data was collected, an automated scoring and ranking process (based on Board-approved selection and ranking criteria) was used to derive an initial project ranking. The initial project ranking was sent to the Secretariats and CIO for their review and comment. The Interim CIO presented a final recommended ranking to the Board in July. Following review of the CIO recommended project ranking, the Board approved the projects and priorities for funding those projects listed in Appendix A for the 2009 RTIP Report. Exhibit 5 summarizes the RTIP process used to develop the September 1 report.

2009 RTIP Selection Process for September 1 Report

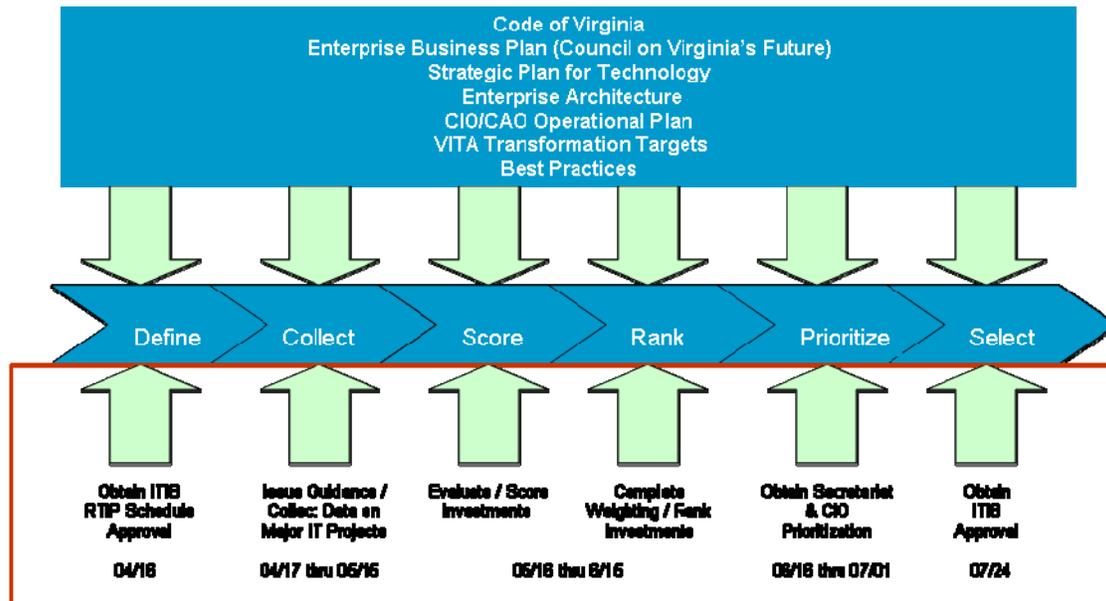


Exhibit 5: Summary of 2009 RTIP process

1.6 Status of 2008 RTIP recommended projects

Recognizing the dynamic nature of the Commonwealth IT Portfolio since the publication of the 2008 RTIP Report, the portfolio has continued to evolve:

- Five projects, with a total investment of \$21 million, were successfully completed.
- Eight projects, representing an investment of \$105 million, were granted development approval and are now active.
- Five projects, representing an investment of \$9 million, were reclassified in project category or approval status.
- Five projects recommended in the 2008 RTIP Report, with an estimated cost of \$69 million, were cancelled due to consolidation or agency response to changing business needs or opportunities.
- The status of 25 projects, representing an investment of \$565 million, remains unchanged.

Appendix D details the changes in the Commonwealth IT Portfolio from the 2008 RTIP Report to the 2009 RTIP Report.

1.7 CAO categorization of Major IT Projects Approved for Planning

This year's report includes an additional process of integrating the CAO into the evaluation of enterprise opportunities. All of the Major IT Projects that are recommended for funding have been reviewed and evaluated by the CAO to determine if they are enterprise opportunities. Agencies were asked to place each of their Major IT Projects Approved for Planning into one of the following three categories:

- **Enterprise Applications**: Centrally administered applications which act as the authoritative source of data or processing for the Commonwealth.
- **Collaborative Applications and Services**: Business applications and services which provide organizations and/or political subdivisions the opportunity to work together, in a substantive, mutually beneficial relationship, with a common integrated solution.
- **Agency Applications**: Applications which support a unique agency requirement or mission.

The CAO reviewed each agency categorization and either agreed with the categorization or recommended a change. Categorizations by the agencies and CAO are shown in Appendix E along with any applicable comments from the CAO. One Major IT Project recommended for funding was categorized as an Enterprise Application. Seven projects were categorized as Collaborative Applications and Services and nine projects were categorized as Agency Applications. The CAO agreed with the agency categorization for 13 of the 17 Major IT Projects that are recommended for funding. The CAO recommended that four of the 17 Major IT Projects be categorized as Collaborative Applications and Services instead of Agency Applications based on their potential for collaboration with other agencies. Exhibit 6 summarizes the CAO's categorization of the 17 Major IT Projects that are recommended for funding.

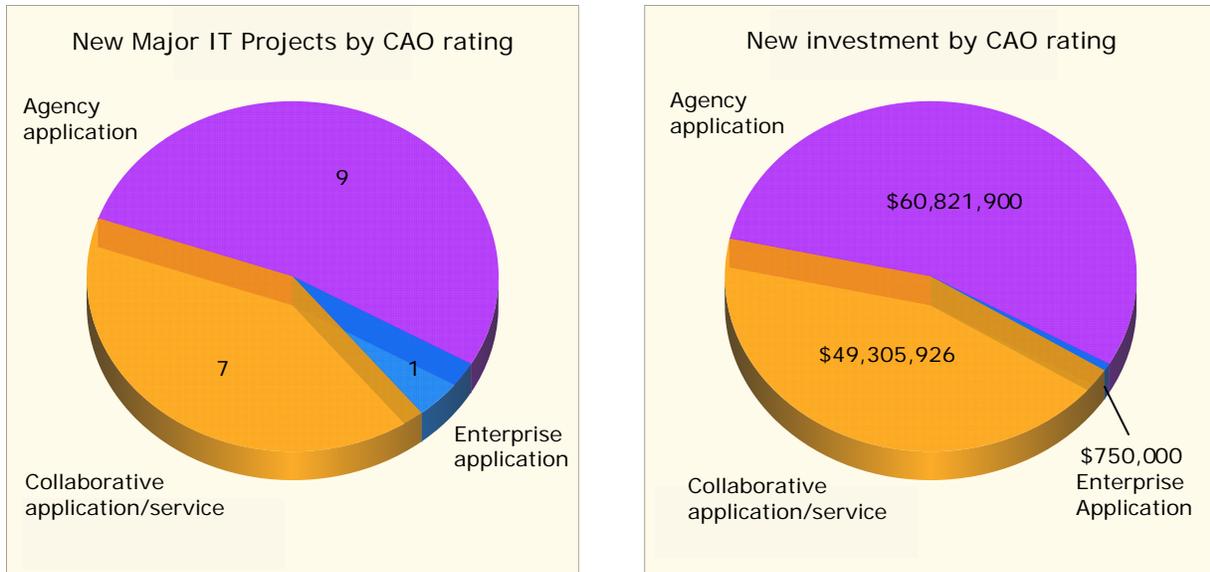


Exhibit 6: Summary of CAO categorization

1.8 Contact information

Questions or comments about the 2009 RTIP Report may be directed to Constance Scott at (804) 416-6179 (constance.scott@vita.virginia.gov) or Bob Zoppa at (804) 416-6183 (bob.zoppa@vita.virginia.gov).

2.0 Appendices

Appendices are included as separate attachments with the report. A description of each Appendix follows:

- **Appendix A - 2009 Major IT Projects Recommended for Funding (Approved for Planning):** Presents summary and detailed information on planned expenditures and funding needed through the 2012-2014 budget biennium for new Major IT Projects approved for planning (development approval is contingent upon funding).
- **Appendix B – 2009 Major IT Projects Recommended for Continued Funding (Active Projects):** Presents summary information about active projects on the Commonwealth Major IT Project Status Report Dashboard recommended for continued funding (active projects are not ranked).
- **Appendix C- 2009 Major IT Project Descriptions:** Presents the project description and investment status for each project recommended in the 2009 RTIP Report. Projects are alphabetized by Secretariat, agency and project name.

- **Appendix D - Status of 2008 RTIP Recommended Projects:** Presents the status, as of June 30, 2009, of Major IT Projects recommended for continued or new funding in the 2008 RTIP Report.
- **Appendix E - CAO Categorization of 2009 Major IT Projects Recommended for Funding (Approved for Planning):** Presents the agency and CAO categorization of new Major IT Projects approved for planning in the portfolio.