Virginia Information Technologies Agency

Recommended Technology Investment Projects (RTIP) Report For the 2012-2014 Budget Biennium, September 1, 2012 Submission

To the Governor and The General Assembly of Virginia

From

The Commonwealth Chief Information Officer

September 1, 2012

www.vita.virginia.gov

Table of contents

1.0 RTIP Report 4

1.1 Report background and purpose 4

Exhibit 1: Projects recommended for funding by oversight and governance categories. . 5

Exhibit 2: Projects recommended for funding by "business affect". 6

Exhibit 3: IT project dollars spent on new projects in FY 2007-2012 by executive branch agencies under VITA's oversight and governance. 7

Exhibit 4: IT spending trends for FY 2008 through FY 2012 for VITA in-scope executive branch agencies. 8

Exhibit 5: IT Spend for FY2012. 8

Exhibit 6: IT spending trends for FY 2007 through FY 2012 for VITA in-scope executive branch agencies. 9

1.2 Summary of CIO project recommendations 10

Exhibit 7: Summary of projects by investment approval status. 10

Exhibit 8: Summary of 2012 major IT projects recommended for new or continued funding. 11

Exhibit 9: Total percent of project cost by Secretariat as of June 30, 2012. 12

Exhibit 10: Funding source by Secretariat for the 48 projects in the CTP. 13

Exhibit 11: Summary of 23 recommended for funding projects by funding source. 13

Exhibit 12: Summary of forecasted expenditures for the 23 new projects recommended for funding. 14

Exhibit 13: Summary of new mandatory and non-mandatory projects. 15

1.3 Projects recommended for funding, for continued funding, or identified for preliminary planning 15

1.3.1 Projects recommended for continued funding 15

Exhibit 14: Projected ongoing operations and maintenance costs for the 25 current active major projects. 17

Exhibit 15: Summary of Change Control requests approved in FY 2012. 18

1.3.2 Projects recommended for new funding 18

1.3.3 Projects identified for preliminary planning 19

Exhibit 16: Projects in Identified for Preliminary Planning status. 19

1.4 Recap of 2011 key recommendations and actions taken 19

1.4.1 Commonwealth Project Governance 19

1.4.2 Program Management 20

Exhibit 17.A: Summary of HIT/MITA related programs and projects. 21

Exhibit 17.B: Summary of Programs and Projects. 21

Exhibit 18: Program cost as a percentage of total cost under program management. .. 22

Exhibit 19: Percent of projects (by cost) that are under program management. 22

1.4.3 Improved Service Delivery to Citizens 23

1.4.4 Data Standards 23
1.5 RTIP 2012 key recommendations 24
1.6 Report development process 24
Exhibit 20: Summary of 2011 RTIP process. 25
1.7 Status of 2010 RTIP recommended projects, a reconciliation 25
1.8 Project Performance 27
1.9 Enterprise Applications Division (EAD) categorization of Major IT Projects approved for planning 27
Exhibit 21: Summary of EAD categorization. 28
Exhibit 22: Comparison of EAD categorization of projects recommended for funding. .. 29
1.10 Contact information 29
2.0 Appendices 30

1.0 RTIP Report

1.1 Report background and purpose

This year marks the tenth annual submission of the RTIP Report by the Commonwealth's Chief Information Officer (CIO), as directed by § 2.2-2007(10) of the *Code of Virginia*. During the past decade $2.3 billion in information technology (IT) projects have been reviewed, approved, and reported as part of the RTIP process.

To better ensure the RTIP report adds value to the Commonwealth's technology investment decision-making process, the current report reflects the CIO's emphasis on ensuring that IT investments directly align with the Commonwealth's strategic goals and objectives. As in previous years, this strategic direction is based on the Governor's initiatives and priorities established by the Council on Virginia's Future. In addition, the current report also takes into account the technology business plan which was adopted by the IT Advisory Council (ITAC). Although consideration of these strategic goals and directives played an important role, only those projects which were also supported by a strong business case, based on established selection and ranking criteria, were considered as priorities for funding. Appendix J contains an overview of the IT project governance, assessment, and approval processes. Further information is available in the Project Management Standard (http://www.vita.virginia.gov/uploadedFiles/VITA_Main_Public/Library/PSGs/Project_Management_Standard_11203.pdf).

This year's report recommends that 23 new projects, with an estimated cost of $218,600,172, be funded and selected by the Secretary of Technology into the Commonwealth Technology Portfolio (CTP) as required by § 2.2-225(11) of the *Code of Virginia*. In addition, 25 active projects, with an estimated cost of $259,254,706, are recommended for continued funding. The report also presents an update on last year's key recommendations and actions, along with this year's recommendations, and summarizes changes to the CTP since the publication of the 2011 RTIP report. Finally, the report documents a major shift in project oversight and governance over the past two years with the implementation of Program Management offices.

As described in last year's report, in fiscal year (FY) 2011 the Virginia Information Technologies Agency (VITA) successfully implemented the Commonwealth Project Governance Assessment (CPGA) model. With the goal of 'just enough governance, just in time', the Commonwealth IT Project Complexity Model was revised to analyze risk and complexity over the life of Commonwealth projects, to determine the appropriate levels of governance and oversight. Projects of $250,000 or more are evaluated, assessed and assigned into one of four oversight and governance categories based on the project's risk/complexity score. Projects assigned to Category 1 require the most oversight and governance as they are highest risk projects; Category 4 projects require the least oversight and governance.

The breakdown of the 23 projects recommended for funding by risk and complexity can be seen in Exhibit 1. Note that only one project, the Virginia Department of Transportation's Financial Management System Sun Set and Data Marts, has been classified as a Category 4 project. Because this project's score indicates it has a low risk and low complexity, once active it will be overseen by the agency and will only have to report quarterly progress updates to VITA's Project Management Division and will not have to conduct Independent Verification and Validation (IV&V) reviews.

Based on estimated project cost, 53 percent of the projects in the recommended for funding portfolio are Category 1 projects, while 40 percent are Category 2. Accordingly, a significant percent of the portfolio can be characterized as "high risk", a designation which increases resource demands on those participating in oversight and governance activities. To place this in perspective, two points are noted. First, the category assignment is based on the initial CPGA risk/complexity assessment taken when the project is submitted for Investment Business Case approval. As project planning takes place, subsequent assessments are made when the project seeks project initiation approval and detailed planning approval. These subsequent assessments may result in a lower CPGA risk/complexity score. Second, 11 of the 19 projects that are recommend for funding in category 1 or 2 are under program management, and not just project management. As discussed later in this report, the use of program management provides an additional layer of oversight to mitigate project risks.

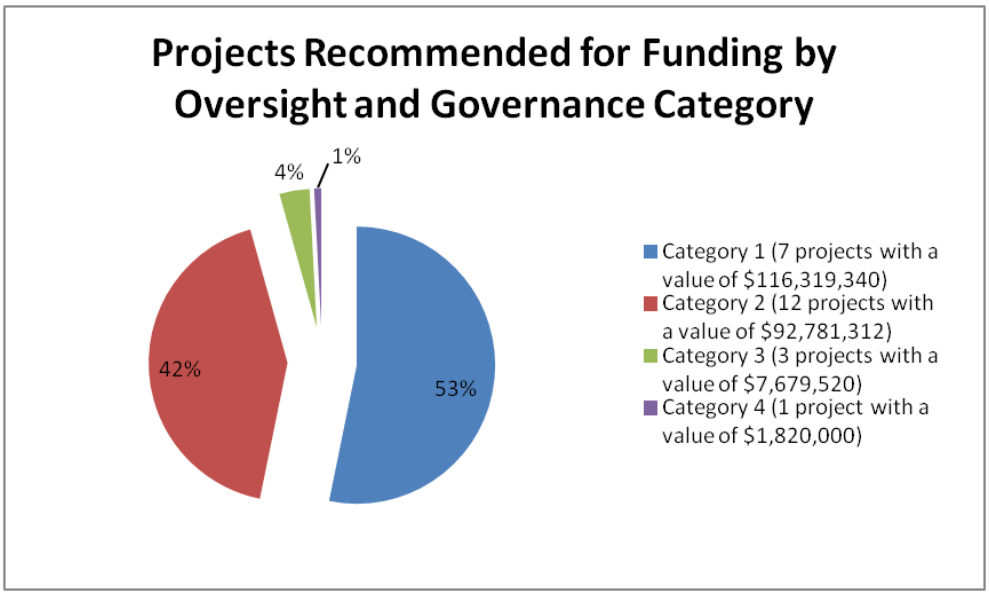


Exhibit 1: Projects recommended for funding by oversight and governance categories.

Another view into portfolio risk can be seen by the breakdown in what Gartner calls "business affect", as seen in Exhibit 2. Projects that are "transformational" in nature are higher risk as they transform the way an entire agency does business and involve the reengineering of business processes. Projects that "improve the business" also can impact business processing, although these changes tend to be more localized to divisions within an agency. As shown in Exhibit 2, 73 percent of projects in the recommended for funding portfolio will impact business processing to some degree. Note that one of the two projects categorized as "run the business", the $58 million Financial Management Enterprise Rollout (Cardinal Project Part 3), is classified as a Category 1 project.

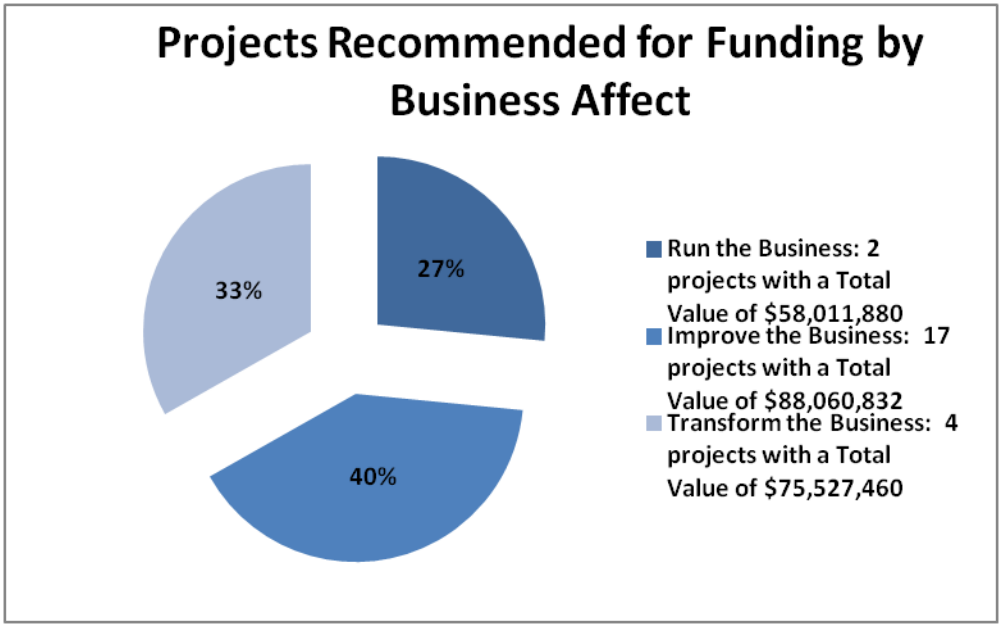


Exhibit 2: Projects recommended for funding by "business affect".

Several changes in recent years have increased the transparency and effectiveness of the IT project oversight process. FY 2010 marked the first year that active major IT projects were included as separate expenditures in the Governor's Budget and in the Appropriation Act. Additional oversight is provided by the CTP, which provides for regular quarterly portfolio reviews. This enhanced scrutiny of the portfolio by the oversight and governance process has significantly reduced, but not eliminated, the number of last-minute agency projects being submitted for planning and development approval between RTIP reports.

Capturing and retaining project information in the CTP over time also provides the means to begin charting spending trends. Exhibit 3 shows IT project dollars spent on new investments for fiscal years 2008 through 2012. These cost figures were taken from the data reported by agencies on the Commonwealth Major IT Projects Dashboard each month. FY 2011 is much higher than the other years because of unusually large expenditures in the now completed Virginia State Police's Statewide Agencies Radio System (STARS) project.

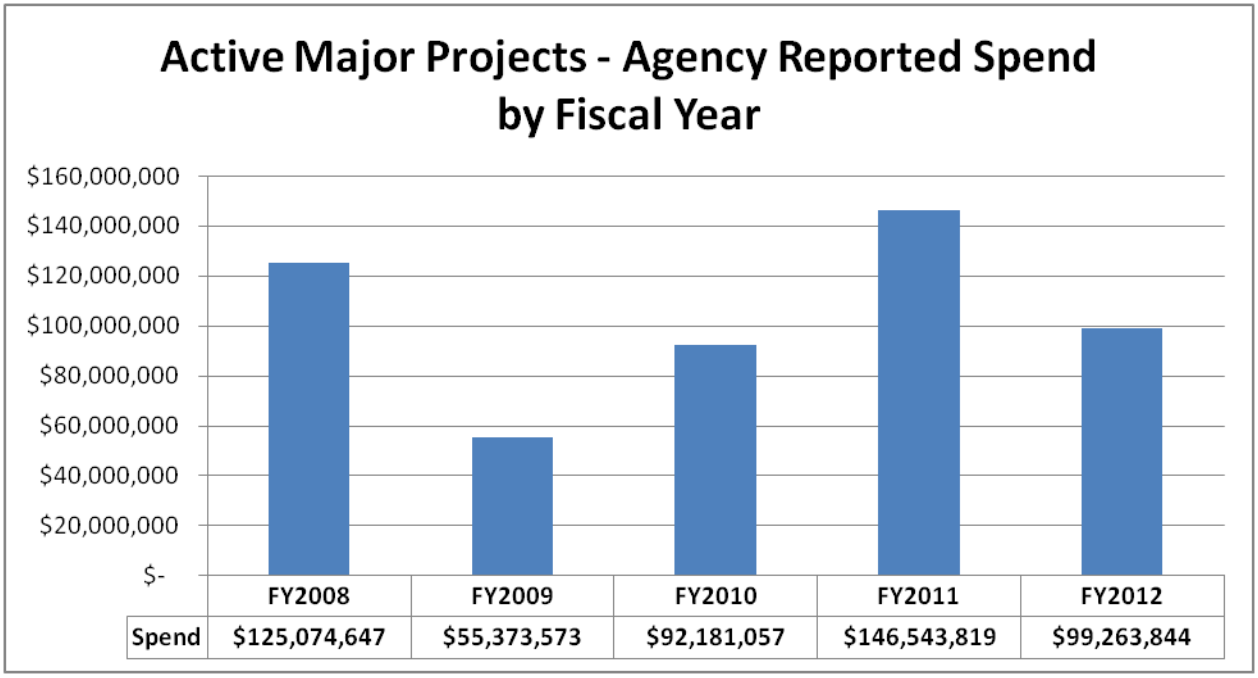
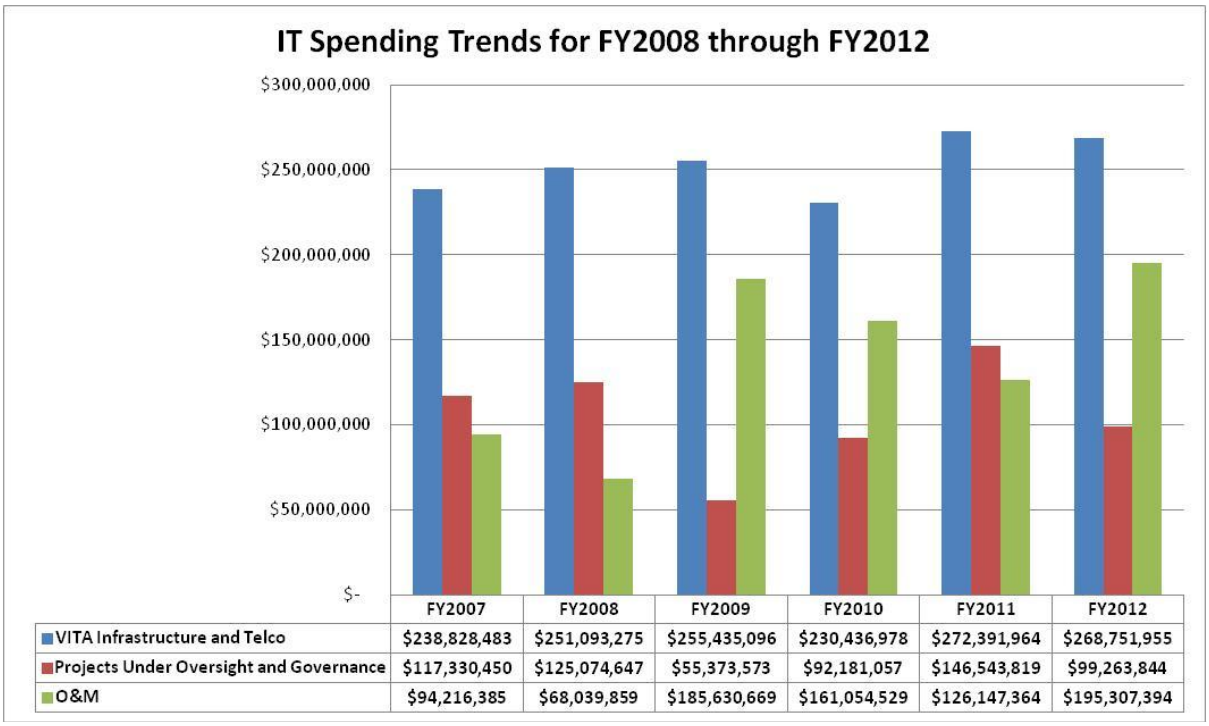


Exhibit 3: IT project dollars spent on new projects in FY 2007-2012 by executive branch agencies under VITA's oversight and governance.

Overall IT expenditures for executive branch agencies for FY 2008 through FY 2012 can be seen in Exhibit 4, which shows the breakout between infrastructure, project spending under VITA'S oversight and governance, and ongoing operations and maintenance (O&M) COSTS over the five-year period. These expenditures do not include higher education, the Judicial Branch or Legislative agencies. The data for each of these years are from year-end reports from the state general ledger system and Commonwealth Accounting and Reporting System (CARS), which are provided to VITA by the Auditor of Public Accounts (APA).

CARS captures agency-reported data, making spend numbers wholly dependent upon accurate sub-object coding of expenditures by agencies. As a result, VITA has some reservations about using CARS expenditures as a surrogate for "IT costs" and the CARS reported data may differ from data captured in VITA's internal PeopleSoft application. However, CARS data are used because the information is provided from a reliable, independent source and the methodology is consistent from year to year.

In the past, agencies have not reported against baselines for projects of less than one million dollars on the Commonwealth Major IT Project Status Report Dashboard or in the Commonwealth Technology Portfolio. Accordingly, VITA does not have a method for determining dollars spent in a given fiscal year for those projects. These dollars are embedded within the O&M category at this time.



	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
VITA Infrastructure and Telco	$238,828,483	$251,093,275	$255,435,096	$230,436,978	$272,391,964	$268,751,955
Projects Under Oversight and Governance	$117,330,450	$125,074,647	$55,373,573	$92,181,057	$146,543,819	$99,263,844
O&M	$94,216,385	$68,039,859	$185,630,669	$161,054,529	$126,147,364	$195,307,394

Exhibit 4: IT spending trends for FY 2008 through FY 2012 for VITA in-scope executive branch agencies.

Exhibit 5 shows expenditure breakouts by percentages for each expenditure category for FY 2012. The percentages for VITA infrastructure and Telco and Projects are less than the previous year, while the percentage for O&M increased.

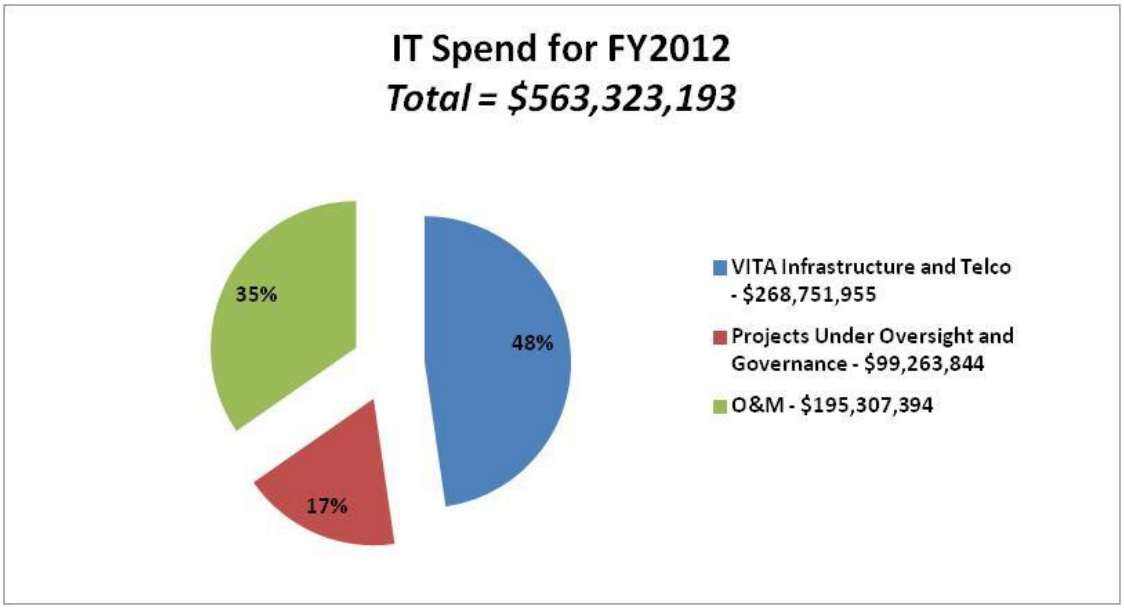


Exhibit 5: IT Spend for FY2012.

The chart shown in Exhibit 6 displays the trend in agency expenditures for Project, Payroll O&M, Non-payroll O&M, and VITA Infrastructure and Telco activities and services over the last six fiscal years. The most variance occurs in the Project and Non-payroll O&M expenditures. The FY 2010 increase in VITA infrastructure and telecommunication service fees resulted from the GA approved rate increase approved by the Joint Legislative Audit and Review Commission (JLARC).

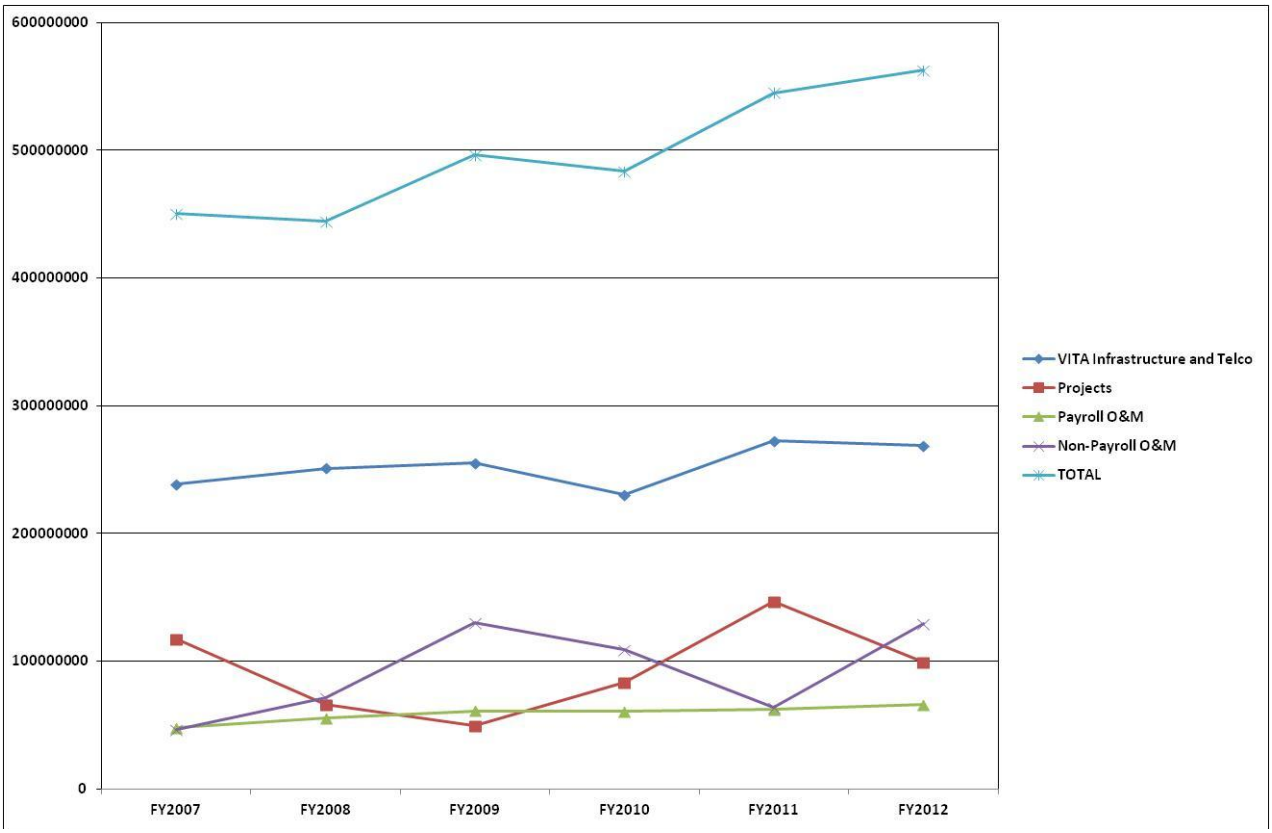


Exhibit 6: IT spending trends for FY 2007 through FY 2012 for VITA in-scope executive branch agencies.

1.2 Summary of CIO project recommendations

The Commonwealth CIO recommends that the 48 technology investment projects listed in Appendices A and B of this report, with a total estimated project cost of $477,854,879, be approved for new or continued funding. Twenty-five of the 48 projects currently are active (see Appendix B), with an estimated total project cost of $259,254,707, and are recommended for continued funding. All active projects are fully funded. Twenty three new projects are also recommended for new funding (see Appendix A). All new projects have received Commonwealth CIO investment business case approval, and the estimated total investment to complete all 23 new projects is $218,600,172. As noted in Exhibit 2, 21 of the 23 projects are improving or transforming the way agencies operate in order to increase efficiency or enhance services to citizens. Exhibit 7 summarizes the 48 projects by investment approval status.

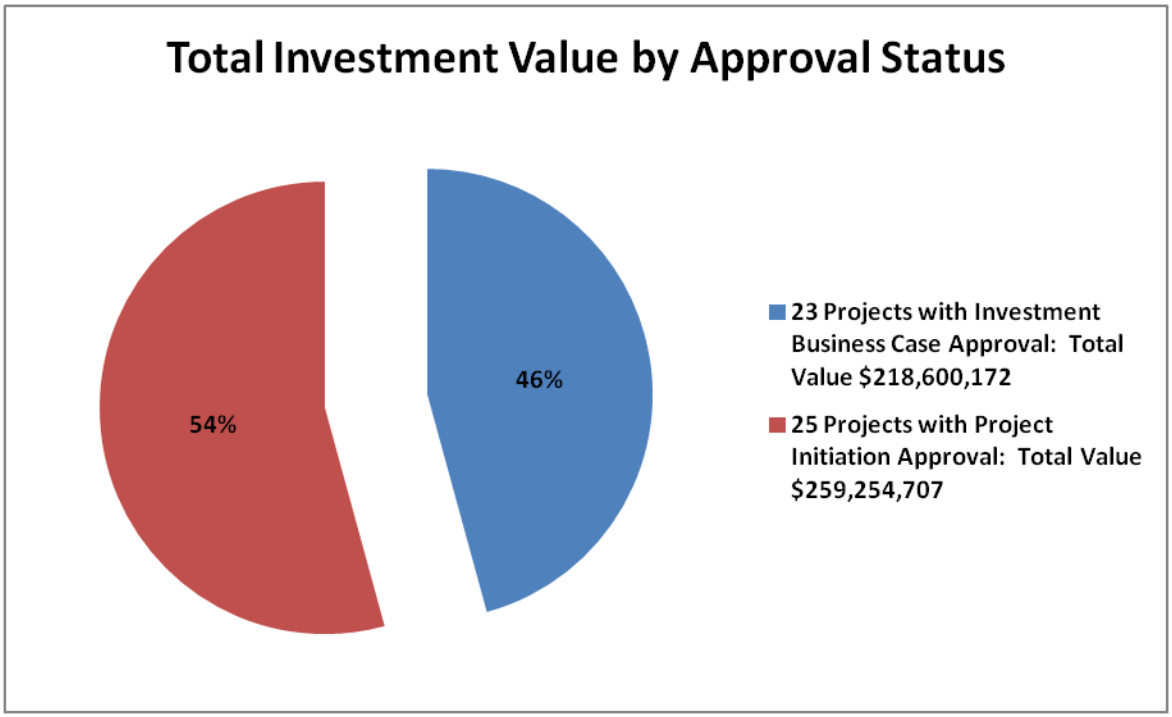


Exhibit 7: Summary of projects by investment approval status.

Exhibits 8 and Exhibit 9 summarize the CIO-recommended 48 technology investment projects for new or continued funding by Secretariat. Comparison of Exhibits 8 and 9 to those in last year's RTIP report reveal a significant change in the value and composition of the CTP from last year, which was driven by two primary factors:

- First, the STARS project closed out, significantly reducing the overall value of the CTP and the Public Safety portfolio. In FY 2011 the Public Safety Secretariat project portfolio comprised 53 percent of the CTP by cost, but in FY 2012 it accounts for only nine percent.
- Second, the Health Information Technology/Medicaid Information Technology Architecture (HIT/MITA) program in the Health and Human Resources (HHR) Secretariat has established seven new projects, valued at $28,429,660. Also within

the HHR Secretariat, the Department of Social Services (DSS) has initiated four projects, valued at $69 million, under their Enterprise Development System Program (EDSP) program. As a result, this year the HHR Secretariat contains the largest percent of projects in the CTP based on cost.

	Recommended for Continued Funding		Recommended for Funding		Total Recommended Projects		
Secretariat	**No.**	**Project Cost**	**No.**	**Project Cost**	**No.**	**Project Cost**	**Percent of Cost**
Administration	0	$0	0	$0	0	$0	0
Agriculture and Forestry	0	$0	0	$0	0	$0	0
Commerce and Trade	3	$71,252,848	0	$0	3	$71,252,848	15
Commonwealth	0	$0	0	$0	0	$0	0
Education	4	$21,953,834	0	$0	4	$21,953,834	5
Finance	2	$17,100,312	1	$56,991,880	3	$74,092,192	15
Health and Human Resources	4	$29,217,359	12	$131,109,660	16	$160,327,019	34
Public Safety	4	$29,765,893	4	$11,220,000	8	$40,985,893	9
Technology	2	$16,237,040	0	$0	2	$16,237,040	3
Transportation	6	$73,727,421	6	$19,278,632	12	$93,006,053	19
Veterans Affairs and Homeland Security	0	$0	0	$0	0	$0	0
Totals	25	$259,254,707	23	$218,600,172	48	$477,854,879	100

Exhibit 8: Summary of 2012 major IT projects recommended for new or continued funding.

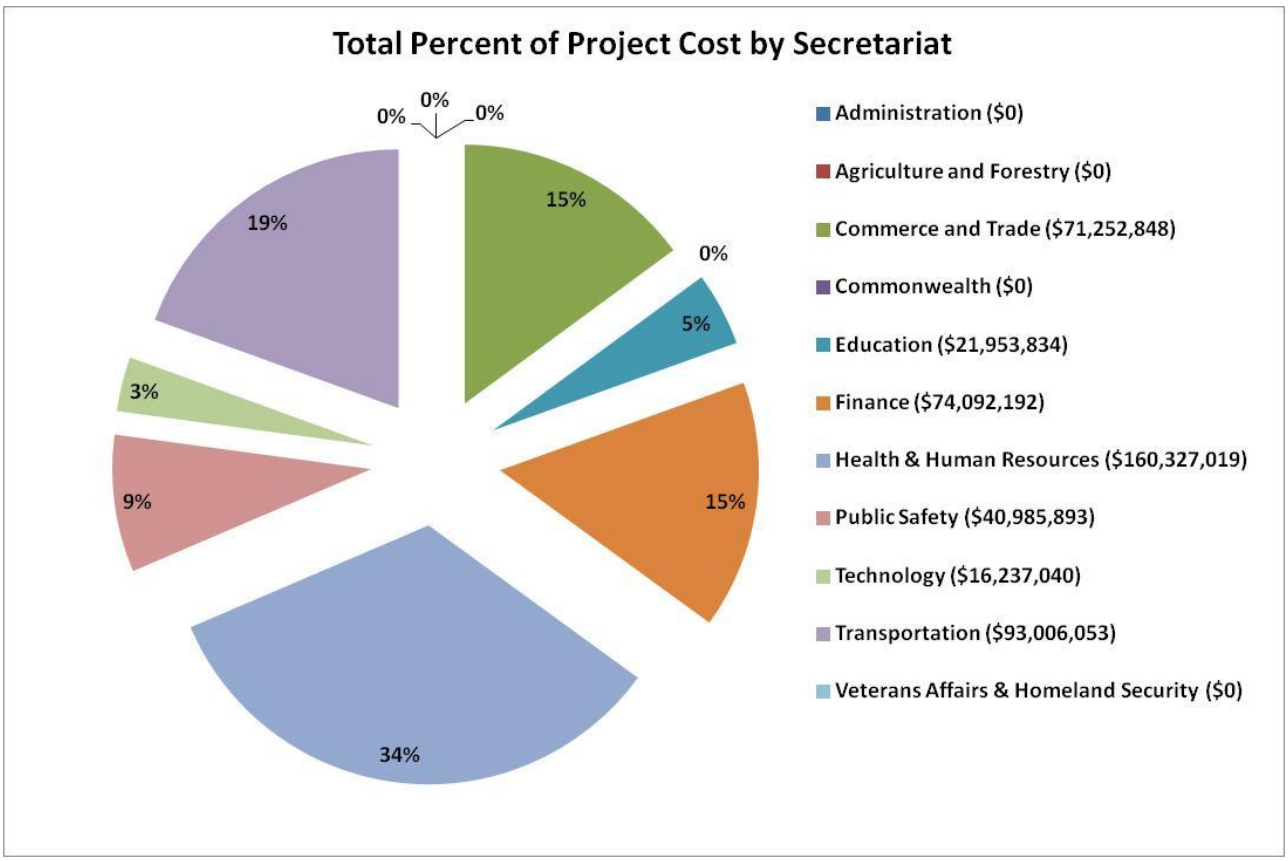
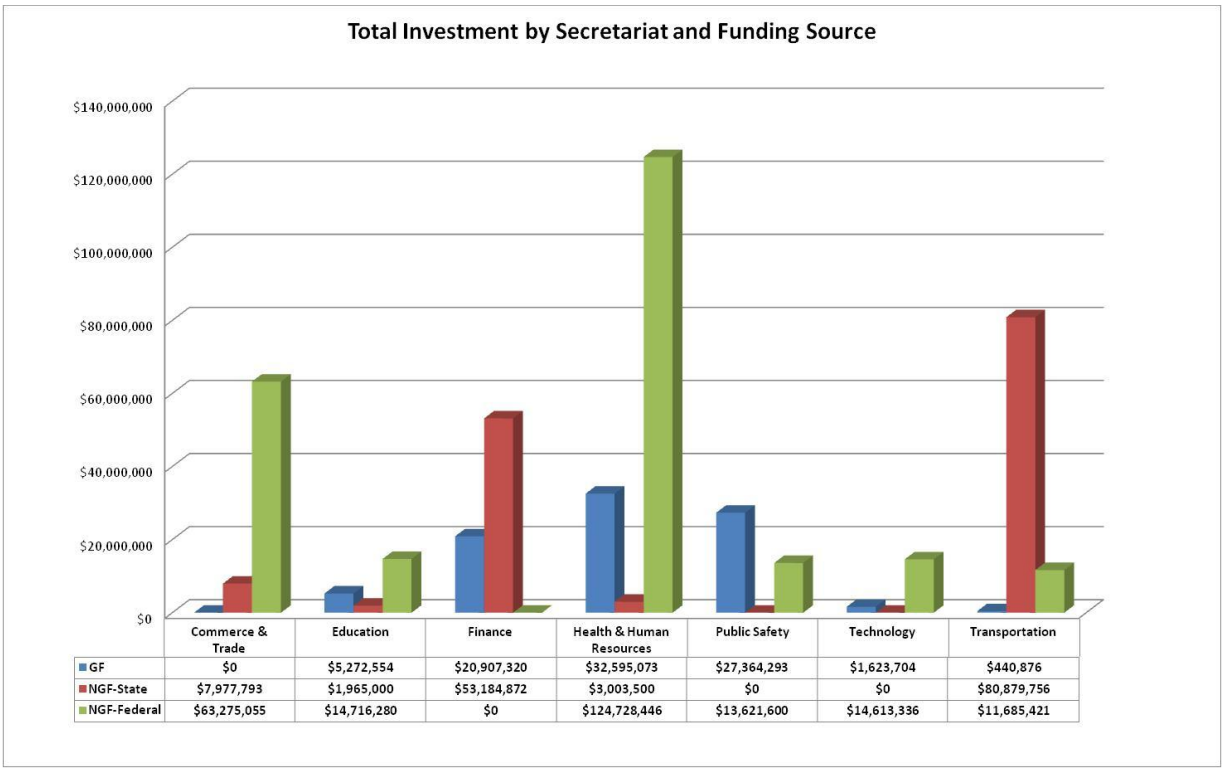


Exhibit 9: Total percent of project cost by Secretariat as of June 30, 2012.

Exhibit 10 summarizes the funding source by Secretariat for the 48 projects approved for new or continued funding. The exhibit illustrates the variation in funding source across the Secretariats. For example, the majority of funding for Health & Human Resources projects comes from federal sources, while the majority of funding for Transportation projects comes from non-general state funds. The variety of funding sources employed by most of the Secretariats is reflective of the challenge facing agencies in assembling funding for an IT project. Over three quarters of the 48 projects are funded from more than one source.



	Commerce & Trade	Education	Finance	Health & Human Resources	Public Safety	Technology	Transportation
GF	$0	$5,272,554	$20,907,320	$32,595,073	$27,364,293	$1,623,704	$440,876
NGF-State	$7,977,793	$1,965,000	$53,184,872	$3,003,500	$0	$0	$80,879,756
NGF-Federal	$63,275,055	$14,716,280	$0	$124,728,446	$13,621,600	$14,613,336	$11,685,421

Exhibit 10: Funding source by Secretariat for the 48 projects in the CTP.

A closer look at funding sources for the 23 projects recommended for funding is provided in Exhibit 11. The majority of funding for these projects comes from federal sources, with general funds accounting for slightly less than a quarter of the funding.

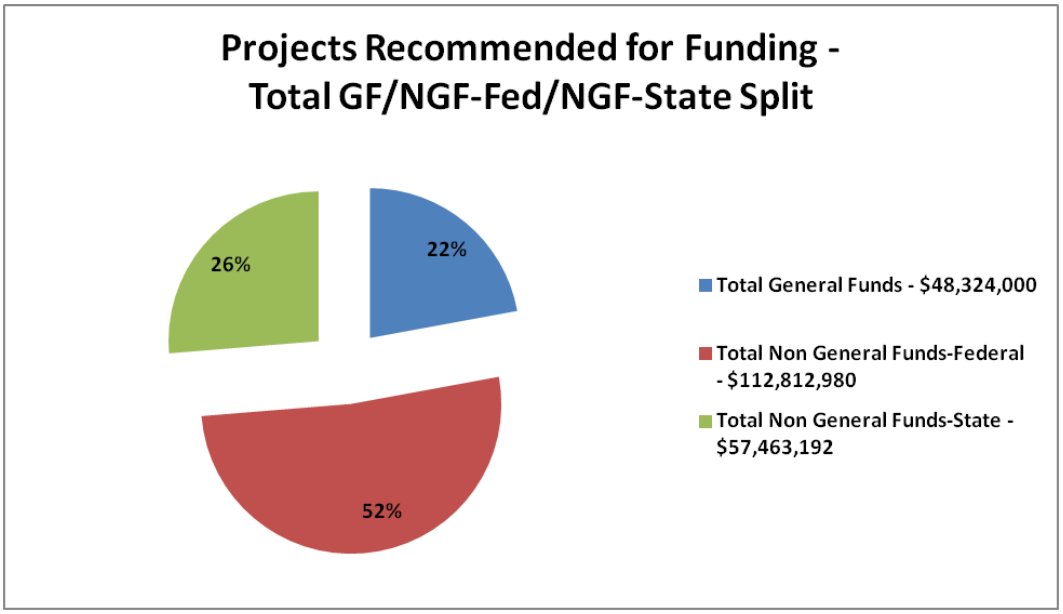


Exhibit 11: Summary of 23 recommended for funding projects by funding source.

The planned project expenditures by fiscal year for the 23 projects recommended for funding are presented in Exhibit 12. If all proposed projects remain fully funded, $218,600,172 will be required to support planned expenditures in FY 2013 through FY 2018, as outlined in Appendix A of this report.

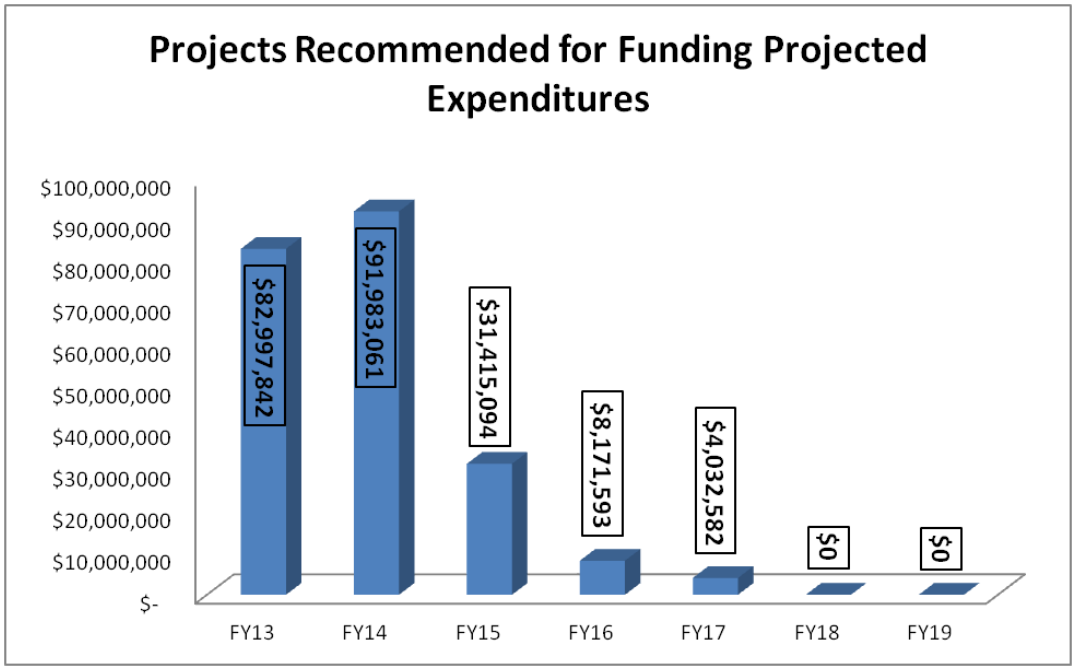


Exhibit 12: Summary of forecasted expenditures for the 23 new projects recommended for funding.

As illustrated in Exhibit 13, 69 percent of the current portfolio of projects recommended for funding is considered mandatory and valued at $151,260,172. Mandatory projects are those projects that support legal or regulatory requirements such as executive orders, state legislation, federal mandates, or other outside requirements such as the Payment Card Industry standards issued by MasterCard or Visa for electronic payments. The split between mandatory and non-mandatory projects and value is similar to last year.

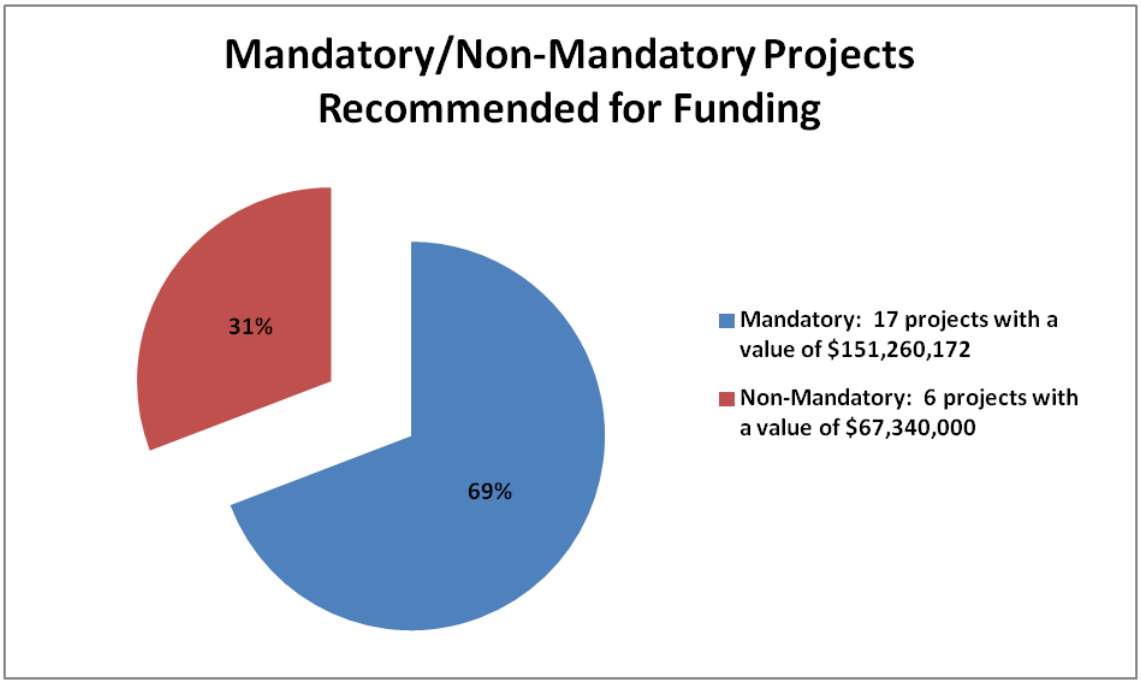


Exhibit 13: Summary of new mandatory and non-mandatory projects.

1.3 Projects recommended for funding, for continued funding, or identified for preliminary planning

1.3.1 Projects recommended for continued funding

The CIO recommends funding be continued for 25 currently active major projects, as listed in Appendix B. The estimated total investment in active projects is $259,254,706. As of July 31, 2012, all active projects are fully funded and have reported cumulative expenditures of approximately $165,947,694, or 64 percent, of the estimated total investment.

The CIO reviews the status of active projects quarterly through the Major IT Project Status Report. The August 2012 status report shows 29 projects with a green status, 7 with a yellow status, and no projects with a red status.

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. The seven projects with a yellow status are as follows:

- Department of Alcoholic Beverage Control: CORE Rewrite - FY11
- Department of Motor Vehicles: Driver's Licensing Quality Assurance Examiner Tablets
- Jamestown Yorktown Foundation: Yorktown Museum Replacement - Technology

- Virginia Employment Commission: Unemployment Insurance Modernization
- Virginia Employment Commission: Financial Management System
- Virginia Information Technologies Agency: Commonwealth Enterprise Data Management
- Virginia Information Technologies Agency: Commonwealth Service Oriented Architecture

Appendix C contains descriptions of these projects. Remediation details for each project can be found in the August 2012 Commonwealth of Virginia Major IT Project Status Report for August 2012 which can be found at: http://www.vita.virginia.gov/oversight/projects/default.aspx?id=14016. Note that this report includes Category 4 as well as major active projects.

It is anticipated that 11 of the projects recommended for funding, with a total projected cost of $49,032,328, will obtain project initiation approval and become active by the end of the September 2012.

One of the legislative requirements for the RTIP report is to show the projected cost of each reported project for the three biennia following project implementation. Exhibit 14 illustrates the new ongoing operations and maintenance costs that will be added to agency budgets over the next six years as the current active major projects close out. This averages out to approximately $68,950,000 per year. The sharp increase in costs starting in FY 2014 is the result of the scheduled completion of several active projects during FY 2013 and the project expenditures "rolling" into O&M from the active portfolio.

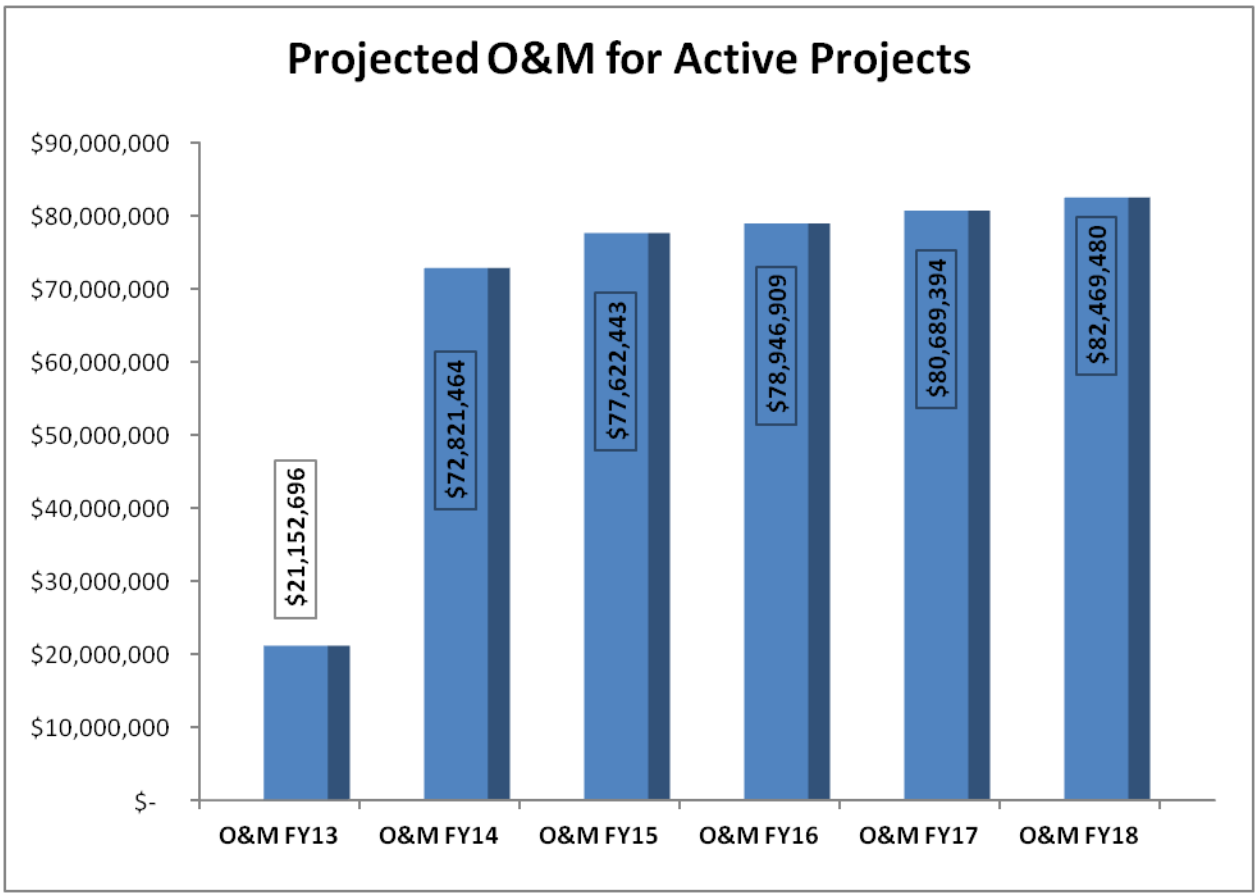


Exhibit 14: Projected ongoing operations and maintenance costs for the 25 current active major projects.

The Commonwealth of Virginia uses a Managed Baseline approach to executing a project's schedule, budget and scope (deliverables). For active major projects, if a change greater than 10% of the approved baselines is required, a Change Control Request must be approved by the Commonwealth CIO based upon recommendation from the Internal Agency Oversight Committee and Secretariat Oversight Committee. During FY 2012 four active major projects submitted and received approval for Change Control Requests. These requests are summarized in Exhibit 15.

Agency/ Project	Change Date	Budget Change	Completion Date Change	Description
ABC: CORE Rewrite - FY11	3/13/12	From: $600,000 To: $986,612	From: 6/2012 To: 8/2013	The cost baseline increased to include internal resources in addition to external resources. The schedule baseline was adjusted because the project started later than expected and the scope of the project has expanded.
DPB: Performance Budgeting Solution	7/31/12	No change	From: 8/2011 To: 9/2012	Scope increase; DPB management has identified several additional items which they would like to have completed and in place for the next budget development cycle
DOC: Phase 2 and 3 Virginia Correctional Information System (CORIS)	4/5/12	From: $17,781,554 To: $24,267,039	From: 12/2009 To: 11/2012	Change request decreases scope by removing functionality (to be implemented in separate project) and revises cost and schedule baselines.
VDH: Women, Infants, and Children (WIC) Electronic Benefits Transfer (EBT) Project	12/29/11	No change	From: 2/2013 To: 8/2013	The project is part of a Department of Agriculture (USDA) State Agency Model (SAM) WIC management information system currently under development by the Crossroads Consortium (Alabama, North Carolina, Virginia, West Virginia). The change request aligns the project schedule with the revised Crossroads schedule.

Exhibit 15: Summary of Change Control requests approved in FY 2012.

1.3.2 Projects recommended for new funding

The CIO recommends funding for 23 new investment projects, as listed in priority order in Appendix A. These projects, which have received investment business case approval from the CIO, represent a potential investment of $218,600,172. The estimated expenditure for the 23 planned projects for FY2013 is $83 million, which accounts for about 38 percent of the planned investment. For detailed information on planned expenditures through the 2012-2014 budget biennium, please refer to page two of Appendix A – 2012 Major IT Projects Recommended for Funding (Approved for Planning) – Expenditure Detail.

Appendix A also identifies the funding source distribution of the 23 projects for the 2012-2014 biennium across general funds and non-general funds. Regardless of funding status

or type, none of the projects can proceed until they are granted development approval by the Commonwealth CIO. An agency initiates the process of obtaining 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 VITA's 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 review and recommendation. Projects must be fully funded to receive development approval from the CIO.

1.3.3 Projects identified for preliminary planning

Projects that have been approved by the CIO for inclusion into the agency's IT strategic plan but which need to complete or strengthen the investment business case before obtaining investment business case approval are placed in Identified for Preliminary Planning (IPP) status. These projects are not officially recommended for funding by the CIO in this report but are acknowledged in an agency's IT strategic plan. Exhibit 16 is a list of the five projects, with a total value of $15,600,000, that were in IPP status at the time this report was drafted.

Major Projects (IPP)	Secretary	Agency	Project Cost
DataCap and FileNet Replacement	Finance	TAX	$2,000,000
Electronic Contents Management	Public Safety	DOC	$4,000,000
Electronic Healthcare Medical Records	Public Safety	DOC	$4,000,000
Financial and Human Resources ERP Package	Public Safety	DOC	$4,000,000
Transportation Planning Data Analytic Tools	Transportation	VDOT	$1,600,000
IPP Total			$15,600,000

Exhibit 16: Projects in Identified for Preliminary Planning status.

1.4 Recap of 2011 key recommendations and actions taken

1.4.1 Commonwealth Project Governance

Last year's report recommended that "It now is time to review and evaluate existing portfolio processes and reports for the executive decision-makers to ensure that the information provided is timely, accurate, relevant and useful." Based on discussion with key RTIP report stakeholders, VITA is developing a RTIP data sheet that summarizes project financial information for use by the Senate Finance Committee, the House Appropriations Committee, the Auditor of Public Accounts, the Department of Planning and Budget, and

JLARC. To achieve efficiencies and to ensure readers are viewing current project status information, the RTIP report now references the current Major IT Project Status Report. All project, portfolio and RTIP reports have been grouped together on one page of the VITA website with a hot link on the home page for ease of reference. In addition, all Quarterly Technology Portfolio reports now contain a revised 1 to *n* major project list as well as an accounting of the current state of the portfolio and are now submitted quarterly to the CIO.

1.4.2 Program Management

Last year's RTIP report highlighted the establishment of the Health Information Technology (HIT)/ Medicaid Information Technology Architecture (MITA) Program Office. (These efforts are also referred to as "eHHR".) In order to provide an additional layer of oversight beyond that found in project management, program management emphasizes the coordination and prioritization of resources across inter-related projects, management of links between the projects, and the overall costs and risks of the program. Typically such complex, integrated efforts involve multiple parallel projects, and "traditional" individual project management approaches fall short for such undertakings.

During the past year, three additional program management offices were established. As noted below, the four program offices currently manage 15 projects with an estimated cost of $116.8 million. Brief descriptions of the four programs are provided below; more detailed descriptions, as submitted by the agencies, can be found in Appendices G, H, and I. The DSS program is described within the HHR program.

- <u>DSS: Enterprise Development System Program (EDSP)</u>
  The Enterprise Delivery System Program (EDSP) represents the continued efforts to implement the DSS vision of an efficient and effective self-service benefits and services model that provides a customer friendly experience.
- <u>DMV: For All Customers and Employees (FACE)</u>
  The purpose of the FACE (For All Customers and Employees) program is to modernize, improve the usability, and lower the cost of DMV's aging systems. The approach is one that encompasses the incremental delivery of value to the organization over a period of years through a series of projects.
- <u>HHR: Health Information Technology (HIT)/ Medicaid Information Technology Architecture (MITA)</u>
  The HIT/MITA Program Office was formed under HHR Secretary, Dr. William A. Hazel, Jr., to promote and manage HIT/MITA enterprise IT projects in close coordination with federal and state government partners.
- <u>VITA: VITA MITA</u>
  The VITA MITA program is managed by VITA but reports to the HIT/MITA program office. The program manages projects that implement the MITA infrastructure and leverage that infrastructure to enable shared services across the Commonwealth.

Exhibit 17.A summarizes the programs and projects related to the HIT/MITA initiative, along with the estimated cost and percentage of the cost covered by federal funding. Exhibit 17.B summarizes the projects under the DMV FACE program, currently the only non-HIT/MITA related program. Of major importance is the high percentage of federal funding supporting the HIT/MITA related programs. The Commonwealth is devoting significant effort to leveraging the infrastructure provided by the HIT/MITA projects for use by all state agencies.

HIT/MITA Related Program/Project	IBC* Approved Or Active	Estimated Cost	Percent Federal Funds
HHR: HIT/MITA Program			
Rhapsody Connectivity (RC)	IBC Approved	$1,656,000	90.0%
Birth Reporting Interface (BRI)	IBC Approved	$2,112,000	88.3%
Electronic Lab Reporting Interface (ELRI)	IBC Approved	$2,074,248	90.0%
Immunization Registry Interface (IRI)	IBC Approved	$1,808,000	90.0%
Syndromic Surveillance Interface (SSI)	IBC Approved	$2,639,952	90.0%
Death Reporting Interface (DRI)	IBC Approved	$2,112,000	88.8%
Health Benefits Exchange (HBE)	IBC Approved	$16,027,460	100.0%
Program Total		$28,429,660	95.4%
DSS: EDSP Program			
EDSP - External Rules Engine Development	IBC Approved	$9,000,000	78.7%
EDSP - Customer Portal Enhancements	IBC Approved	$10,000,000	78.7%
EDSP - Document Management Imaging System (DMIS)	IBC Approved	$20,000,000	78.7%
EDSP - Modernization of VaCMS	IBC Approved	$30,000,000	78.7%
Program Total		$69,000,000	78.7%
VITA: VITA MITA Program			
Commonwealth Enterprise Data Management (EDM)	Active	$7,889,520	90.0%
Commonwealth Service Oriented Architecture (SOA)	Active	$8,347,520	90.0%
Program Total		$16,237,040	90.0%
Total Cost of HIT/MITA Related Program/Projects		$113,666,700	**84.5%**

*Investment Business Case

Exhibit 17.A: Summary of HIT/MITA related programs and projects.

Other Program/Project	IBC* Approved Or Active	Estimated Cost	Percent Federal Funds
DMV: FACE Program			
FACE - DMV Correspondence Transformation	IBC Approved	$1,382,400	0%
FACE - Motor Carrier Portal Phase I	IBC Approved	$1,797,120	0%
Program Total		$3,179,520	

*Investment Business Case

Exhibit 17.B: Summary of Programs and Projects.

Exhibit 18 illustrates the relative size of each program based on estimated cost.

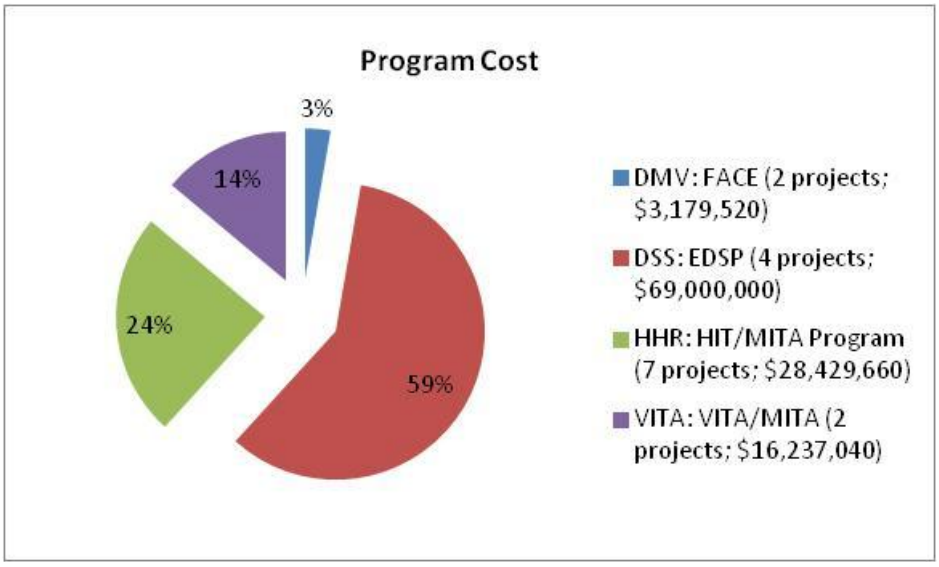


Exhibit 18: Program cost as a percentage of total cost under program management.

Almost half of the 23 new projects (by cost) recommended for funding are under program management. While this is a significant increase in the number and size of projects under program management over previous years, Exhibit 19 shows that the majority of projects in the CTP, as measured by project cost, are still managed as standalone projects.

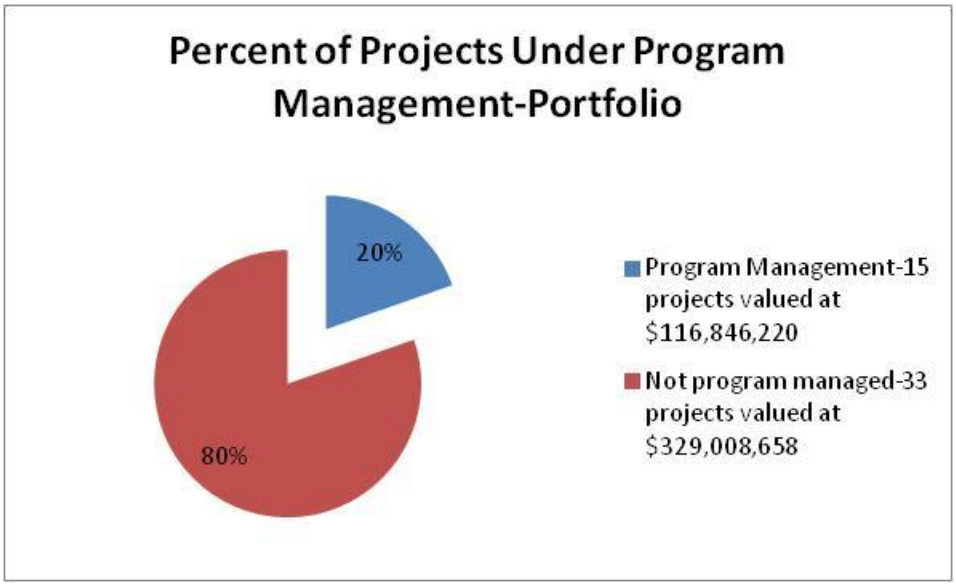


Exhibit 19: Percent of projects (by cost) that are under program management.

1.4.3 Improved Service Delivery to Citizens

Building on the new infrastructure being implemented by the Commonwealth's IT Partnership with Northrop Grumman, several efforts are now underway to make it easier and more efficient for agencies to improve service delivery to citizens through advanced technology. These efforts include three projects in the CTP:

- Commonwealth Authentication Services project, a collaboration of the Technology, Health and Human Resources, and Transportation secretariats, to deploy an on-line identity authentication service for all state agencies to use.
- Commonwealth Enterprise Data Management (EDM) project, which will facilitate data sharing among state agencies.
- Commonwealth Service Oriented Architecture project, to establish the infrastructure, tools, and governance to leverage the federally funded investment in the HHR HIT/MITA program for all state agencies.

Descriptions of these projects can be found in Appendix C.

This past spring, VITA awarded contracts to multiple suppliers for the Commonwealth's electronic government (eGov) web services after a competitive procurement process. The new approach, using multiple suppliers, provides enhanced value to the state, greater transparency in expenditure of Commonwealth funds, broader participation by multiple suppliers, and cost-effective access to agencies for best-of-class technology services. For example, the contracts will foster price competition among suppliers by offering a choice of options in selecting the level of operations, maintenance, and hosting support for web and non-web based applications and data.

1.4.4 Data Standards

In compliance with statutory requirements and recommendations from the Auditor of Public Accounts, VITA has implemented a strategy for data standardization to support information exchange based on shared vocabularies and data elements. Data standardization consists of establishing and maintaining adopted agreements on common data definitions, specifications and vocabularies for data assets and data exchange. In VITA's approach also involves publication and maintenance of standards in a shared repository to support more efficient and widespread access.

VITA's Commonwealth Data Governance (CDG) team plays a central role in this effort, working with Commonwealth agencies to identify, harmonize and implement data standards and data exchange standards. To date, more than 130 data standards, data exchange standards, messaging standards and implementation guides have been adopted by the Secretary of Technology as Commonwealth standards, of which 128 were adopted in FY 2012. The CDG team publishes and maintains these standards in a searchable, Web-based Enterprise Data Standards Repository.

In the health domain, the General Assembly in the 2010 session established the Health Information Technology Standards Advisory Committee (HITSAC) to recommend standards and best practices for information exchange in the health domain. The CDG team provides staff support to HITSAC and maintains membership in HL7 – the international standards-making body in health information technology – to inform its efforts in health-related standards.

Pursuant to Item 427 of the 2012 Appropriation Act, VITA has started working across Commonwealth agencies to standardize all citizen-centric data, including personnel data,

recipient data and other types of data relating to persons. VITA will submit to the General Assembly a preliminary plan for meeting these requirements by November 1, 2012, and a final plan by July 1, 2013. In addition, VITA continues to overhaul its Enterprise Information Architecture program to enhance governance, asset management and sharing of the Commonwealth's information assets.

1.5 RTIP 2012 key recommendations

Based on the Commonwealth Technology Portfolio composition and trends in project and program oversight and governance, this report recommends consideration of the following actions for 2013:

- In conjunction with key stakeholders from the Senate Finance Committee, the House Appropriations Committee, Office of the Auditor of Public Accounts, Department of Planning and Budget, and JLARC, develop a method to measure, assess, and report on funding source risk.
- Pursue efforts to continue and encourage Secretariat and agency collaboration opportunities, including leveraging the federally funded HIT/MITA infrastructure to develop services that can be used by all state agencies.
- Building on the successful construction of the Health and Human Resources (HHR) Secretariat IT strategic plan, promote IT strategic planning at the Secretariat level. The process of developing the HHR Secretariat IT strategic plan resulted several benefits, including:
    - Identification and promotion of collaborative technology efforts among Secretariat agencies.
    - Encouraging dialogue on technology issues across Secretariat agencies and management levels.
    - Developing a Secretarial technology roadmap against which to manage.
    - Reduction of risk for those large scale efforts spanning more than one agency in the Secretariat.
    - Promotion of continuity for Secretariat technology efforts across administrations.
- Continue coordination with VITA's Commonwealth Data Governance team and related stakeholders to derive savings and efficiencies from data standardization.

1.6 Report development process

The 2012 RTIP process is consistent with the process and criteria used to develop last year's RTIP report. VITA's Enterprise Solutions and Governance (ESG) directorate issued data collection guidance to agencies for Major IT Projects and collected IT strategic planning data in support of the RTIP Report. Data gathered for IT strategic planning or the Commonwealth Major IT Project Status Report Dashboard in the CTP is self-reported. VITA does not have a means of independently verifying and validating agencies' reported data.

Once data was collected, an automated scoring and ranking process (based on CIO and Secretary of Technology-approved selection and ranking criteria, refined over the last ten years, and found in Appendix D) was used to derive an initial project ranking. The initial project ranking was reviewed and approved by the CIO and Secretary of Technology in July. Exhibit 20 summarizes the RTIP process used to develop this report.

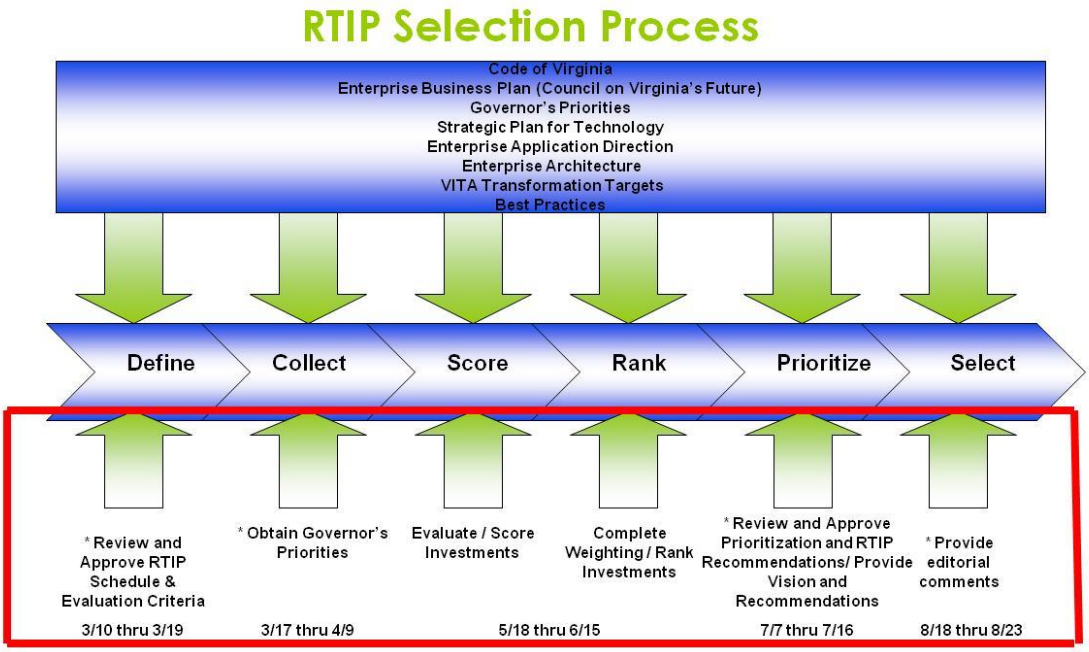


Exhibit 20: Summary of 2011 RTIP process.

1.7 Status of 2010 RTIP recommended projects, a reconciliation

Because of the dynamic nature of the Commonwealth IT Portfolio since the publication of the 2011 RTIP Report, the portfolio has continued to evolve:

The following nine projects, with a total investment of $432.8 million (of which STARS accounted for $380 million), were successfully completed:

- Department of General Services - DPS VDC Warehousing System Modernization
- Department of Medical Assistance Services - HIPAA Upgraded Transactions (5010)
- Department of Medical Assistance Services - Executive Support System (ESS)
- Department of Behavioral Health and Development Services – Medication Management System
- Department of Motor Vehicles - Customer Management Queuing System
- Department of Social Services - Automated Child Care Subsidy Payment System
- Virginia Community College System - Human Resources Management System (HRMS)
- Virginia Department of Transportation - SharePoint 2010
- Department of State Police - STARS

Benefits gained from completion of these projects include maintaining annual savings of approximately $12 million on state purchases of goods in bulk, optimizing staff of local agency offices, reducing the need for citizens to conduct transactions at local agency offices,

saving state funds by improving accuracy and timely tracking of federally mandated child care authorizations and payments, improving the ability of VDOT's Customer Service Center to interact with the Commonwealth's citizens and roadway users, and significantly improving State Police communications.

Eight projects, representing an investment of $36.5 million, were granted development approval and now are active. They are as follows:

- Department of Medical Assistance Services - HIPAA Upgrade Code Set (ICD-10)
- Department of Motor Vehicles - Commonwealth Authentication Services
- Jamestown-Yorktown Foundation - Yorktown Museum Replacement – Technology
- Department of Taxation - Telephony Replacement with VOIP
- Virginia Department of Transportation - Urban Conversion Project
- Virginia Employment Commission - Financial Management System
- Virginia Information Technologies Agency - Commonwealth Service Oriented Architecture
- Virginia Information Technologies Agency - Commonwealth Enterprise Data Management

Four projects recommended in the 2011 RTIP Report, with an estimated cost of $81.3 million, were cancelled due to agency response to changing business needs or opportunities and are as follows:

- Department of Motor Vehicles - DMV CSI Systems Redesign Project - Development and Implementation
- Department of Motor Vehicles - On-Demand Registration Card/Validation Sticker Program
- Department of Social Services - Enterprise Delivery System Program (EDS) - Worker Portal Project
- Department of Social Services - Enterprise Delivery System Program (EDS) - Master Customer ID Project

The Department of State Police AFIS Upgrade project was reclassified from Identified for Preliminary Planning (IPP) to a Category 4 major project and granted development approval. The project was renamed AFIS Upgrade to Integra-Phase 1 and the estimated cost reduced from $3.5 million to $1 million.

The Department of Accounts Financial Management Enterprise Rollout project, valued at $57 million was reclassified from Identified for Preliminary Planning (IPP) to recommended for funding.

The status of 25 projects, representing an investment of $258.6 million, remains unchanged.

Appendix D details the changes in the Commonwealth IT Portfolio from the 2011 RTIP Report to the 2012 RTIP Report.

1.8 Project Performance

During the past year VITA continued to support the Commonwealth's move towards a more efficient and effective IT environment through the following efforts:

- Overseeing projects so they are completed on time and on budget.
- Demonstrating a willingness to re-evaluate and, if warranted, terminate projects that are no longer cost-effective or addressing critical issues.
- Improving project manager skills through training.

In FY 2012 nine projects, with a total investment of $432.8 million (of which STARS accounted for $380 million), were successfully completed and eight projects, representing an investment of $36.5 million, were granted project initiation approval and now are active. The amount of work performed during the fiscal year for the active and completed projects, as measured by Earned Value assessments on the Quarterly IT Project Status Reports, was approximately $424 million.

VITA Project Management Division supported reviews that resulted in the cancellation of a major project that no longer addressed critical agency needs and the reduction in scope of another major project to "right size" the benefits against increasing project costs. As noted in Exhibit 15, additional reviews were conducted as part of the Change Control Request process for four active projects.

A key element in the success of IT project governance is providing timely, cost effective training for agencies and contractors involved in IT strategic planning or project management. During FY 2012 VITA provided training for 76 Commonwealth IT project managers, while another 79 staff attended training on IT strategic planning. Continuing the commitment to training, VITA is sponsoring an Information Technology Project Manager Summit on Oct. 16, 2012. The event, a first for the Commonwealth, is co-sponsored by the Community College Workforce Alliance (CCWA) and the Central Virginia Chapter of the Project Management Institute. IT project managers will have the opportunity to take advantage of networking opportunities, hear keynote and guest speaker presentations, and attend three of 18 sessions related to project management topics.

The effectiveness of Commonwealth project management governance is evidenced by the fact that IT projects completed since the inception of governance a decade ago have, on average, come in 4% under budget.

1.9 Enterprise Applications Division (EAD) categorization of Major IT Projects approved for planning

All of the major IT projects that are recommended for funding have been reviewed and evaluated by VITA's EAD staff to determine if they are enterprise opportunities. Agencies were asked to place each of their major IT projects submitted for investment business case approval 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 that support a unique agency requirement or mission.

EAD reviewed each agency categorization and either agreed with the categorization or recommended a change. EAD recommended that nine of the 23 Major IT Projects be categorized as collaborative applications and services, based on their potential for collaboration with other agencies. Of the remaining 14 applications, three are classified as enterprise and 11 as agency. However, based on project cost, only 14% of the total recommended for funding cost is associated with agency projects. Project designations are noted in Appendix A. Exhibit 21 summarizes EAD's categorization of the 23 major IT projects that are recommended for funding.

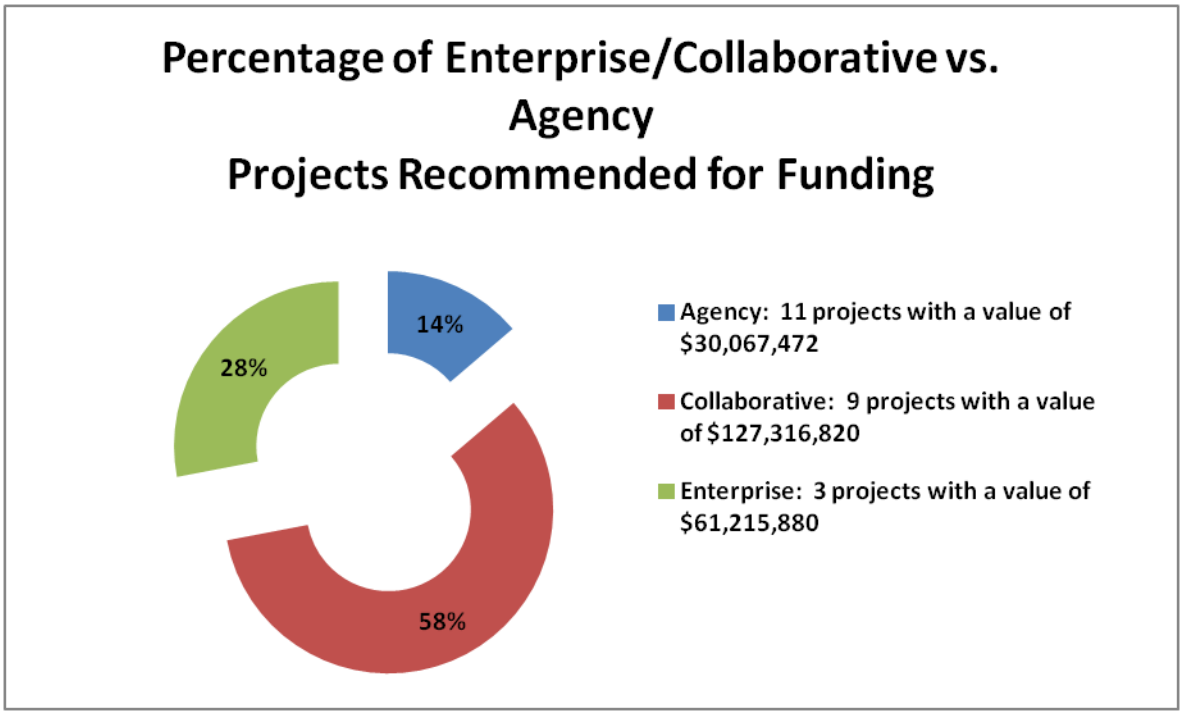


Exhibit 21: Summary of EAD categorization.

Exhibit 22 compares the EAD categorization of this year's projects recommended for funding to last year's projects. The exhibit demonstrates the significant increase in projects focused on collaborative or enterprise endeavors that can benefit all agencies.

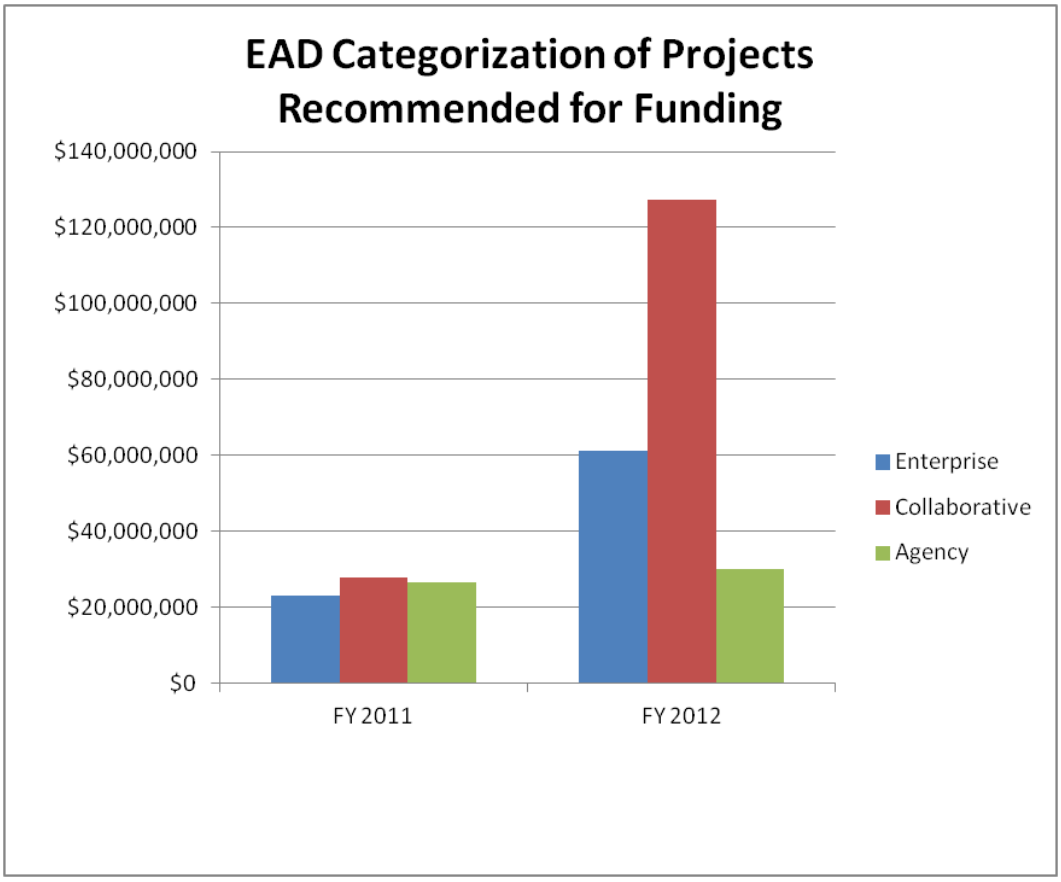


Exhibit 22: Comparison of EAD categorization of projects recommended for funding.

1.10 Contact information

Questions or comments about the 2010 RTIP Report may be directed to Constance Scott at (804) 416-6179 (office), (80) 840-5480 (cell) (constance.scott@vita.virginia.gov).

2.0 Appendices

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

Appendix A - 2012 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 – 2012 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- 2012 Major IT Project Descriptions: Presents the project description and investment status for each project recommended in the 2012 RTIP Report. Projects are alphabetized by Secretariat, agency and project name.

Appendix D - Status of 2011 RTIP Recommended Projects: Presents the status, as of June 30, 2012, of Major IT Projects recommended for continued or new funding in the 2011 RTIP Report.

Appendix E – CIO Scoring, Ranking and Evaluation Criteria: Presents the scoring, ranking and evaluation criteria used in FY2012.

Appendix F – Actual PMD and Weighted Scores: Presents the actual project scores assessed by PMD and subsequently weighted based on the scoring, ranking and evaluation criteria used in FY2012 as documented in Appendix E.

Appendix G – HIT/MITA Program: Presents additional information for the HIT/MITA program, as submitted by the HHR Secretariat.

Appendix H – FACE Program: Presents additional information for the FACE program, as submitted by DMV.

Appendix I – VITA MITA: Presents additional information for the VITA MITA program as submitted by VITA.

Appendix J – IT Project Governance, Assessment, and Approval Processes: Presents a graphical overview of IT Project Governance, Assessment, and Approval Processes.