

*Technology Funding Methodologies  
Implementation and Migration Planning Team*

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Project Initiative 3.  
Technology Funding Methodologies

*December 7, 2004*



# Discussion Overview

## **Impetus for the study (House File 534):**

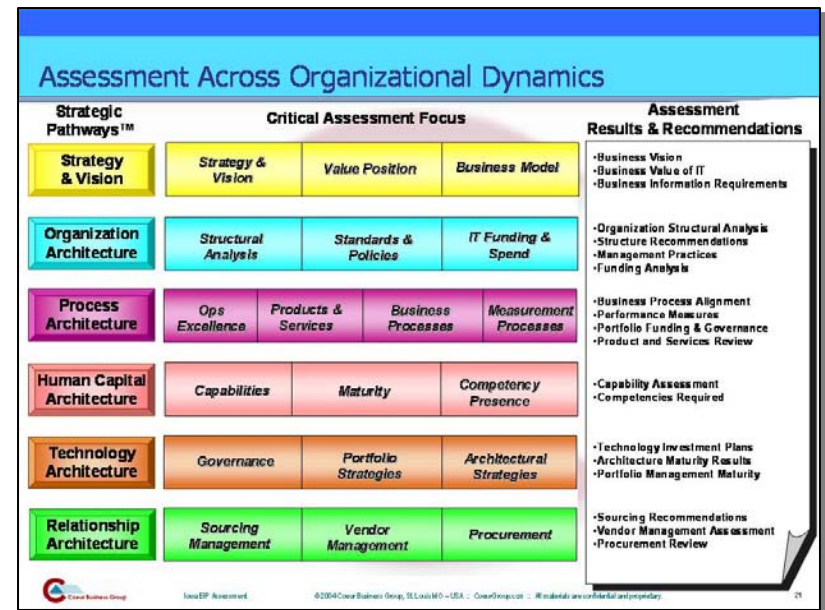
- The Legislature is looking for Value from Information Technology investments, to be more responsive, and cost effective by asking...
  - *How can investments in technology add Maximum Value to the State?*
  - *How can we increase cost effectiveness on a statewide basis?*
  - *How can we provide a greater focus on the core mission of the State?*
  - *How can we effectively manage Scarce Resources and improve service delivery?*
- An 'Impact Assessment' was conducted across a framework of three performance levels: Process, Technology, and Organization

# Organizational Assessment Model

## Identifying the State's IT Operations

- Value of IT to the State
- Increase Effectiveness
- Leverage Assets and Resources
- Define Maturity of Infrastructure
- Scorecards & Measures
- Generate and Capture Value
- Portfolio Management Capability
- Governance Methods/Processes
- Transformation Capabilities
- Collaboration & Innovation
- Credibility and Dependency

## Assessment Pathways



# Iowa Common Business Drivers

1. Security
  1. *User access*
  2. *Homeland Security*
  3. *Intrusion Detection*
2. Data Management
  1. *Integrity*
  2. *Accessibility*
  3. *Storage*
3. Regulatory
  1. *Compliance*
  2. *Federal /State Programs*
4. Cost Management
  1. *Effectiveness/Efficiencies*
  2. *Avoidance*
5. Service Delivery
  1. *Problem Management*
  2. *Change Management*
  3. *Service Level Agreements*
6. Business/Constituent Alignment
  1. *Funding Process*
  2. *Constituency Alignment*
  3. *Strategic Focus*

# Implementation and Migration Planning

## Key Recommendations

### Process Improvements

- *Technology Governance*
- *Statewide Enterprise Architecture Steering Committee*
- *Enterprise Portfolio Management Office*
- *Centralized Sourcing and Procurement*

### Program Initiatives

- *Leverage Common Statewide Infrastructure*
- *Data Center Consolidation*
- *Hardware Lifecycle Program*
- *Application Inventory and Consolidation*

# The Assignment

Transform the Strategic Initiative as defined by the Enterprise Infrastructure and Personnel (EIP) Assessment Final Report into activities for defining steps of implementation.

- *How can investments in technology add maximum value to the State?*
- *How can we increase cost effectiveness on a statewide basis?*
- *How can we provide a greater focus on the core mission of the State?*
- *How can we effectively manage scarce resources and improve service delivery?*

# Agenda

Project Launch Workshop December 7 <sup>th</sup>		
Time	Agenda Item	Assignment
1:30 – 1:45	introductions	Coeur Group
1:45 – 2:00	Presentation	All
2:00 – 2:15	Team Norms	Coeur Group
2:15 – 2:20	Team Chair	All
2:20 – 2:45	Team Mission	Chair – All
2:45 – 3:00	Break	All
3:00 – 4:15	Activity Workshop	All
4:15 – 4:30	Wrap up and Next Steps	Chair and Coeur Group

# Team Norms

- Act as colleagues
- Distribution List - Chair
- Spirit of brainstorming
- Spirit of inquiry
- Develop a deeper, broader sense of unity
- Stay on topic - Parking Lot Issues

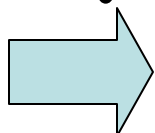
# Team Chair

## Nominate/Select a Team Chair

1. Collaborate on weekly status report
2. Coordinate Team activities
3. Act as a spokesperson for the group
4. Liaison to Iowa Project Management (Wes Hunsberger)
5. Responsible for joint presentations

# Team Deliverables by January 11, 2005

- Conduct workshops



- *Thursday December 9 – launch project, including:*
  - Understand recommendation
  - Select team chair
  - Write team mission
  - Identify key activities required to implement the recommendation
  - Wrap-up with weekly progress message
- *Thursday December 16 – “flesh out” activities, considering:*
  - Risk, impediments, event horizon, culture, implementation cost, etc.
- *Tuesday December 21 – draft presentation package*
- *Tuesday January 11 – complete presentation package*
- Develop key activities plan and framework for recommendations
- Create a presentation package for Governor Vilsack describing the recommended course of action

# The Recommendation

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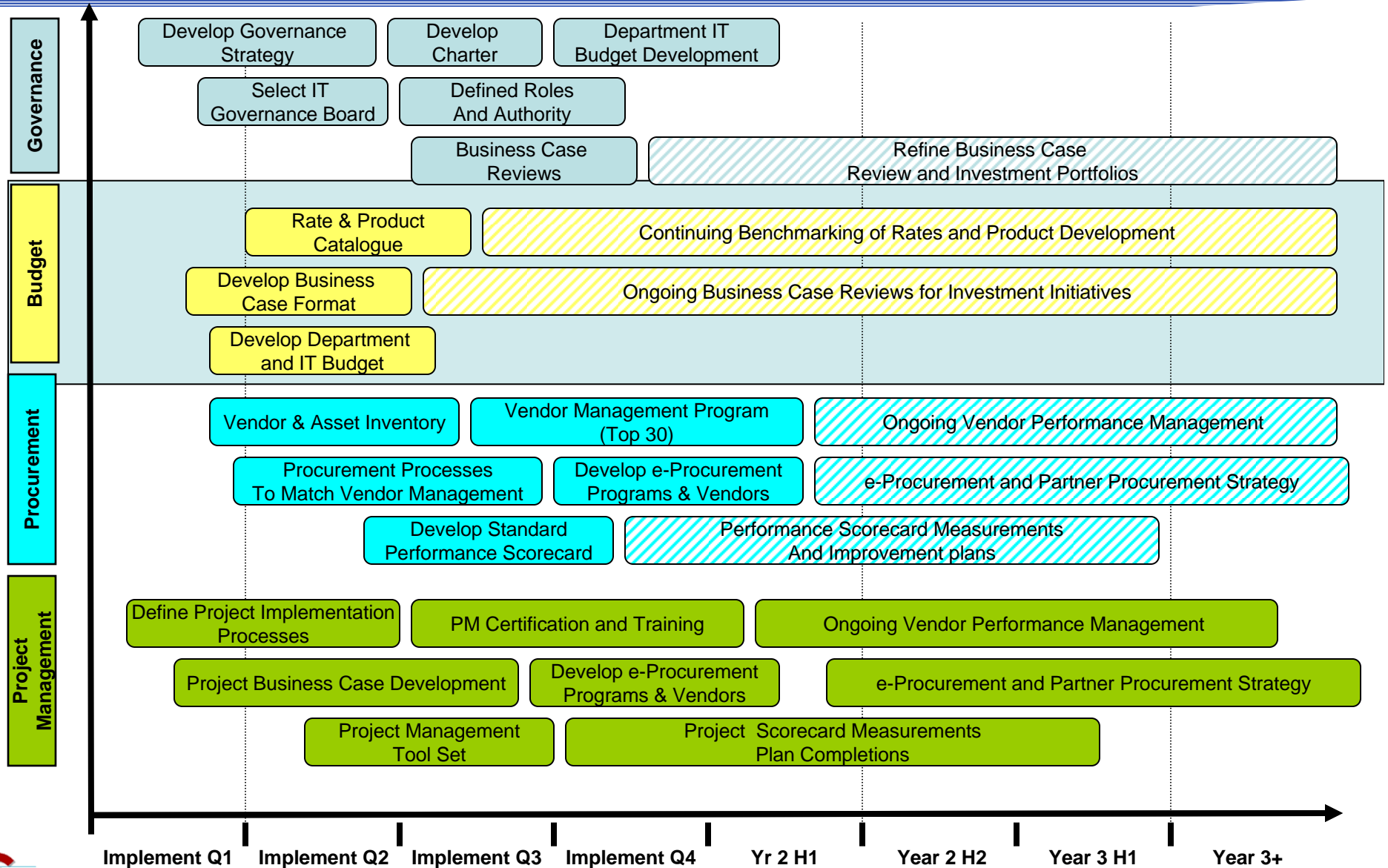


# Funding and Budgeting Methods

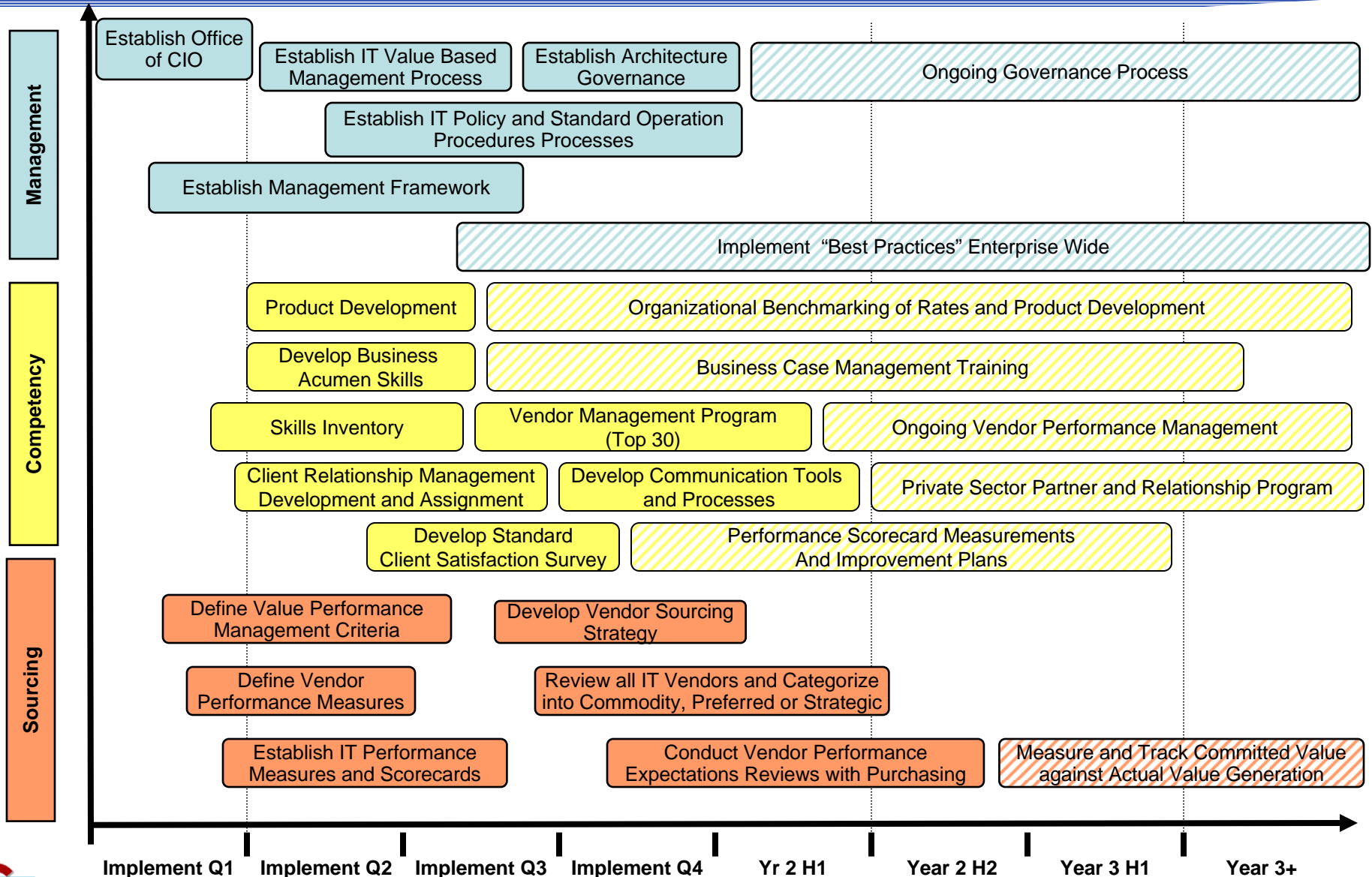
**3. Change Funding Methodologies To Allow More Fiscal And Management Efficiencies.** Tracking of funds spent on technology is currently very difficult. The overall funding process must be simplified. Develop an Enterprise Portfolio Management Office (EPfMO) to better utilize resources and derive higher levels of successful operation. An enterprise portfolio management approach along with a Project Management Office (PMO) is required to enable significant increases in project success and fulfillment.

A Departmental budget for Information Technology is the initiation point to ensure all services required for department/agency requirements are defined, funded and provided by the Information Technology Enterprise.

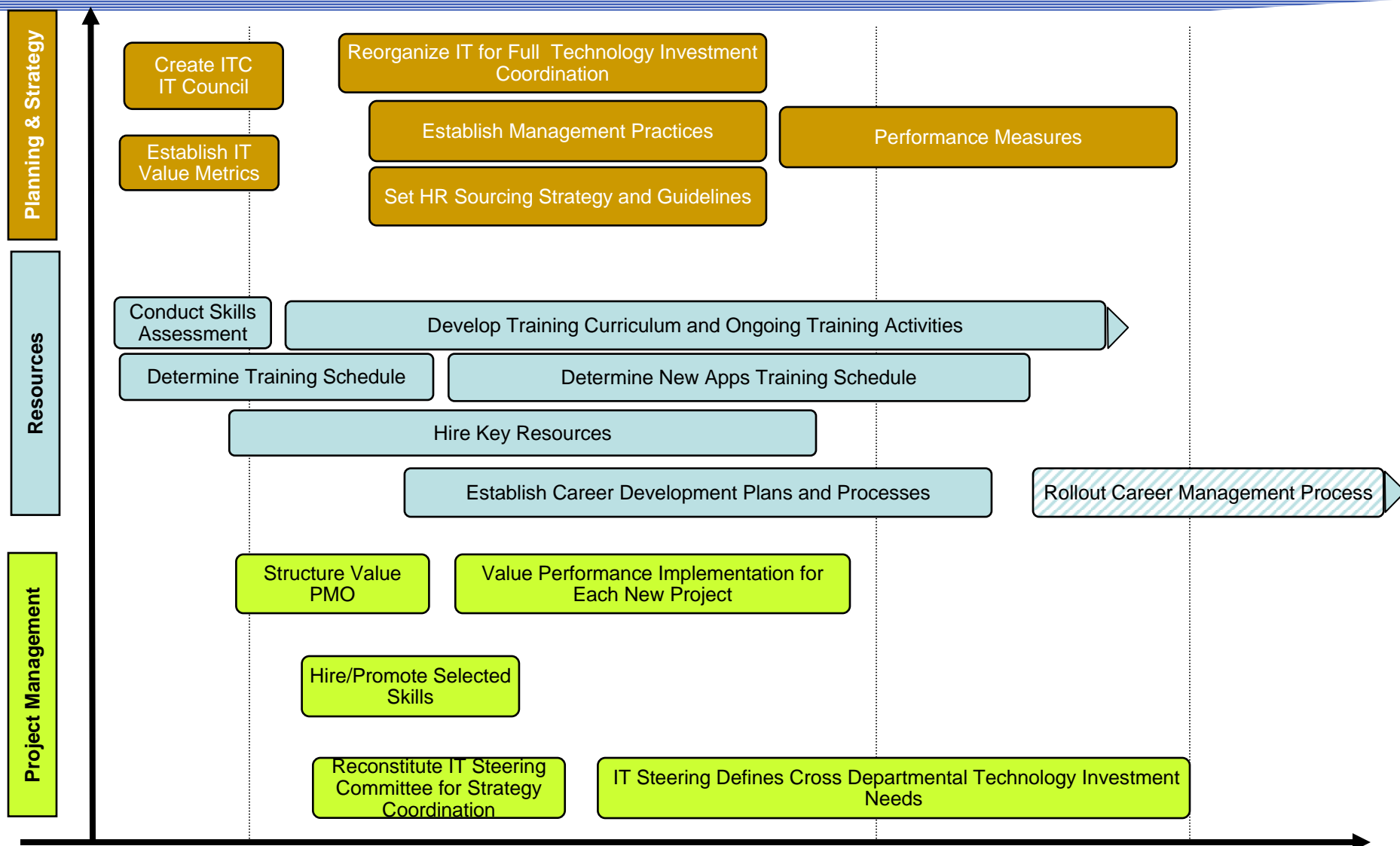
# Process Transition Overview



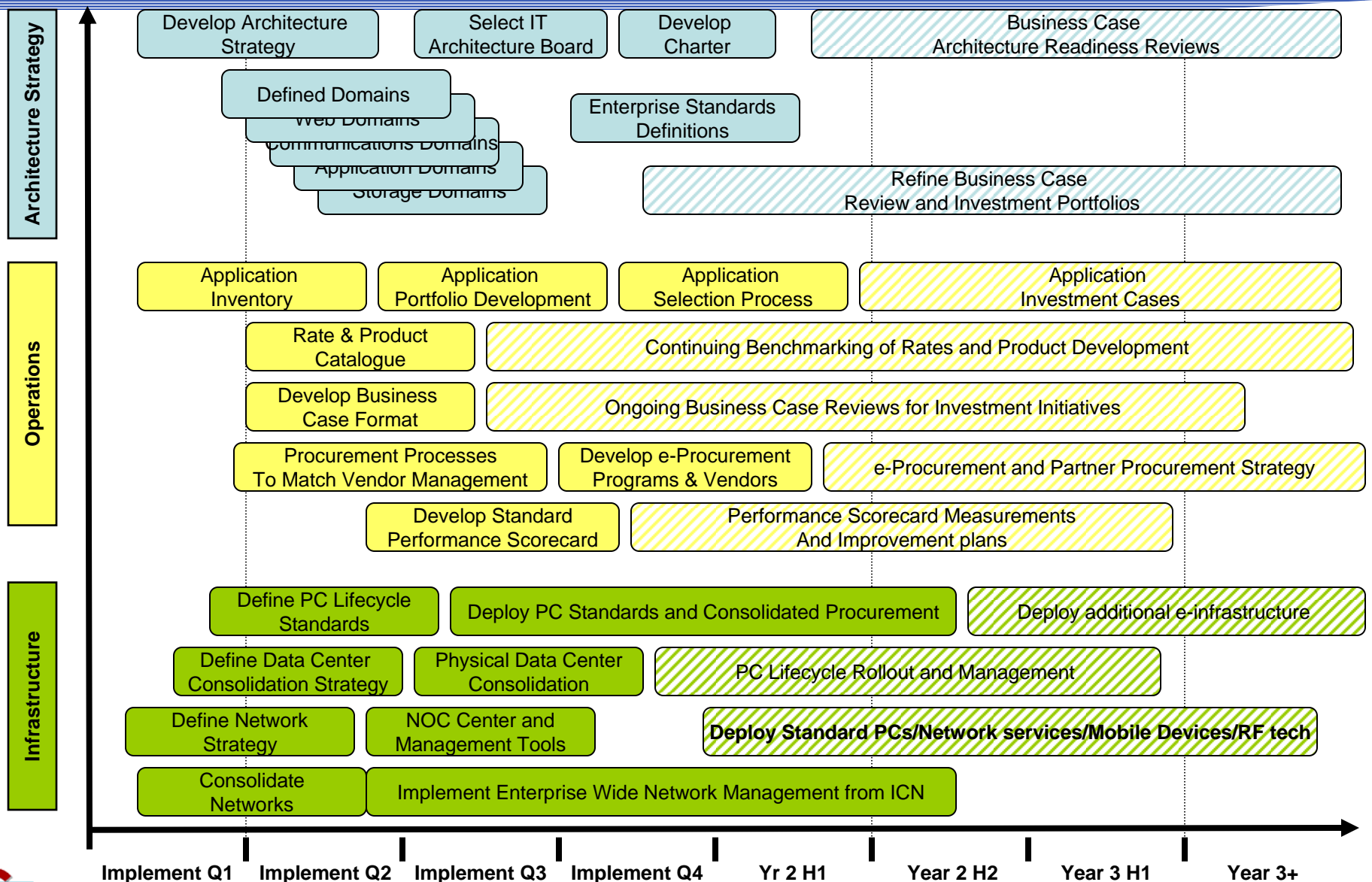
# Organization Transition Plan- Overview



# Organization Transition Plan- Overview



# Technology Transition Plan- Overview



# Mission Statement

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# Mission Statement

## Mission Statement -

<b>We supply...</b>		<b>(what?)</b>
<b>To.....</b>		<b>(whom, customers. stakeholders?)</b>
<b>That.....</b>		<b>(results in what contribution?)</b>

**Is it believable?**

**Is it unique?**

**Is it defensible?**



# Sample Mission - Enterprise Funding Methodologies

- The Funding Methods Implementation and Migration Planning team will develop a project timeline for development of new statewide funding practices and policies for technology. This will enable Iowa's Executive branch to utilize resources and derive higher levels of successful operation. This will result in a more defined and accountable funding process and provide a list of considerations and timeline for implementation.

## Funding Team Mission

***The Funding Methods Implementation and Migration Planning team will develop a project timeline for development of new statewide funding practices and policies for technology. This will enable Iowa's Executive branch to utilize resources and derive higher levels of successful operation. This will result in a more defined and accountable funding process and provide a list of considerations and timeline for implementation.***

Break  
10 Minutes

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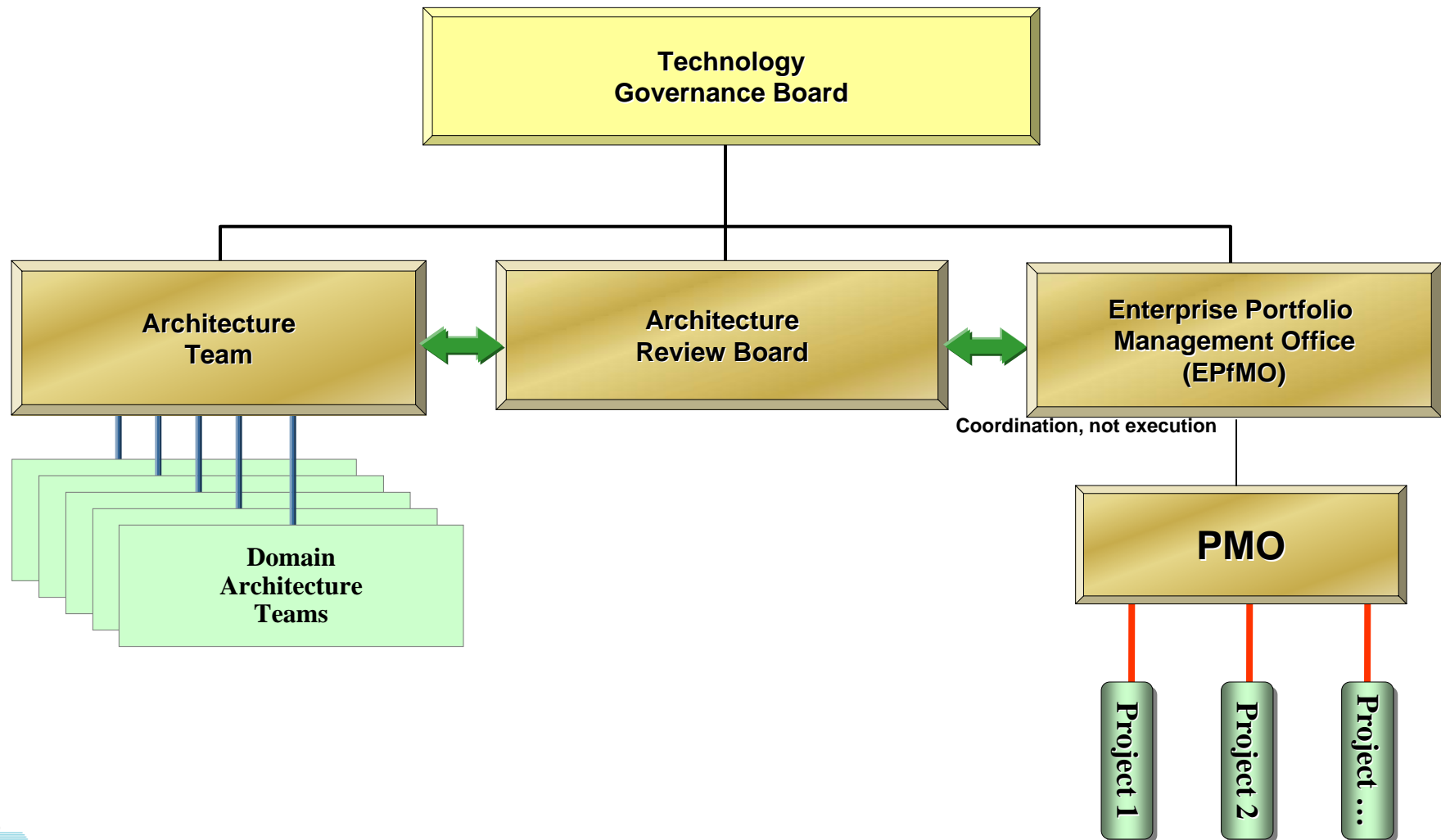


# Key Activities for Development of A Technology Funding Roadmap

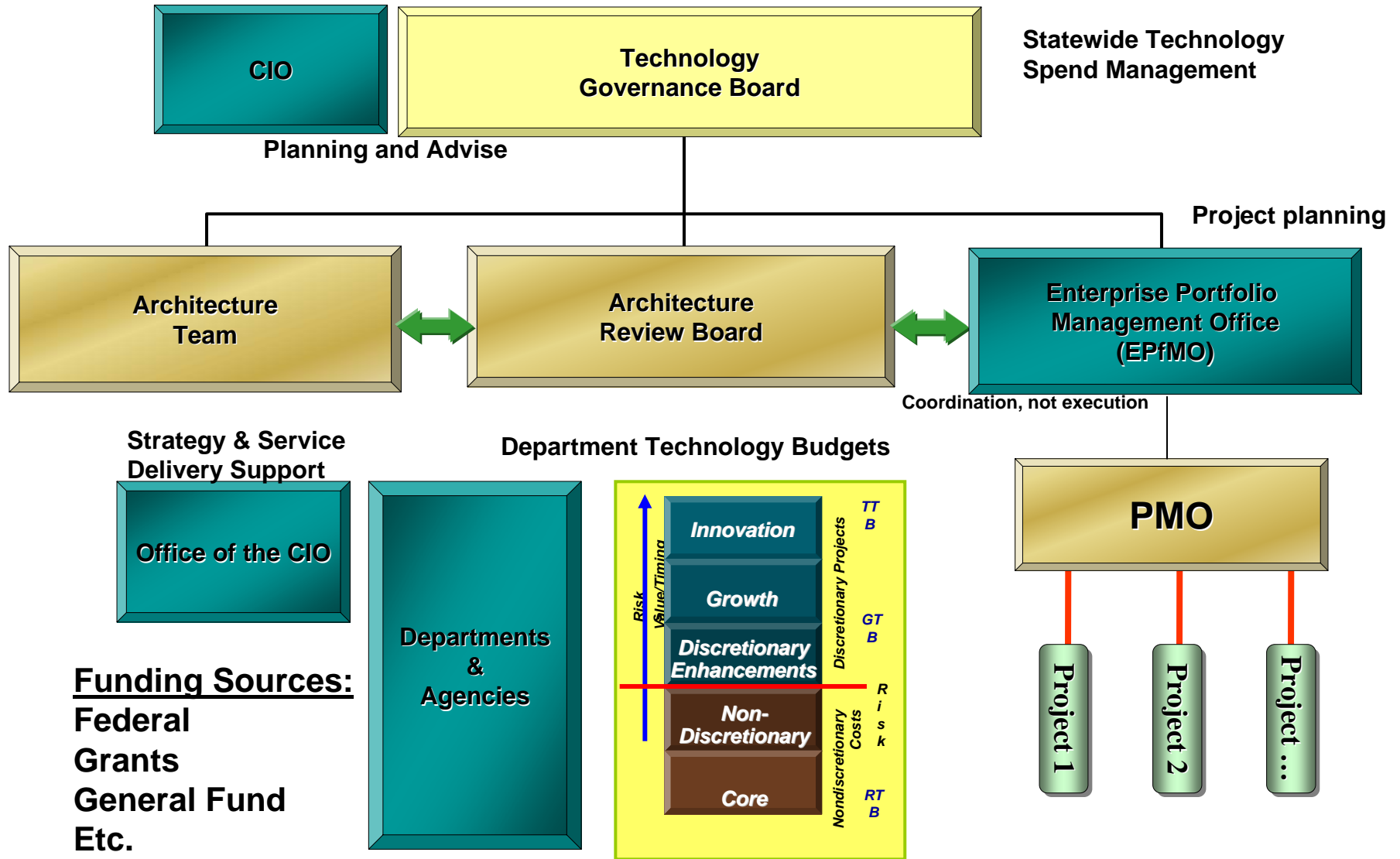
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# Enterprise Governance Model & Key Relationships

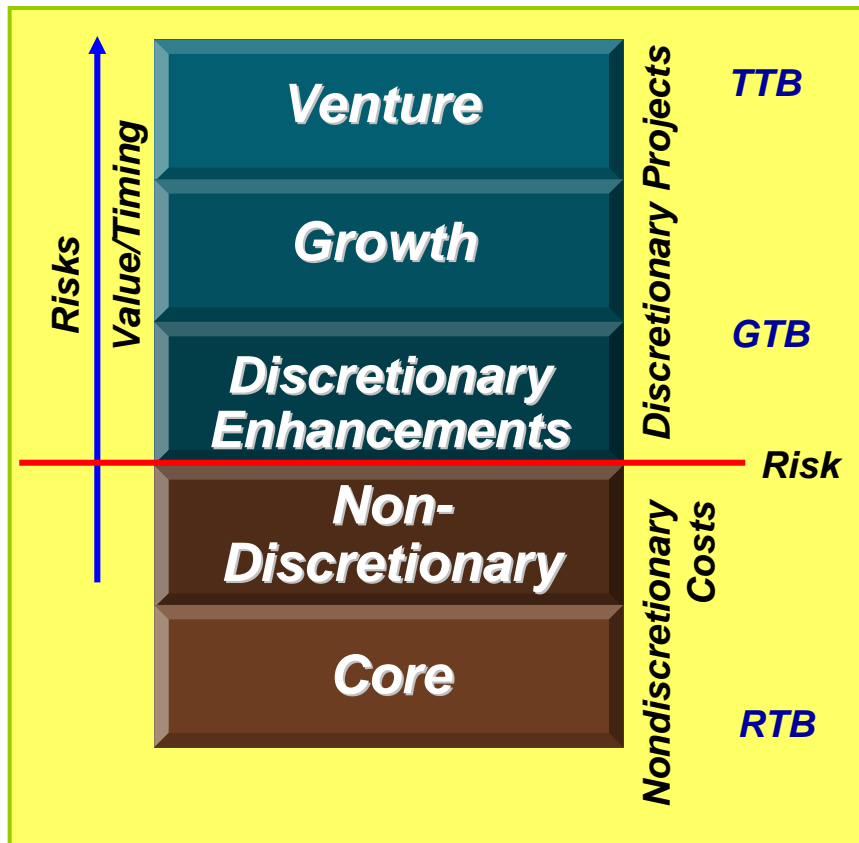


# Enterprise Funding Model & Key Relationships



# Budget Prioritization and Value Categorization

## Technology Investment Portfolio



**The IT Organization As a Whole Has Inadequate Processes to Define, Track and Manage the Budget Process in a Standardized Fashion.**

# Activities, Strengths and Weaknesses

Develop a team list of key activities which will be required for Implementation

Key Activities:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.

## Key Funding Activities Identified (**Budget Issues**)

- Department budgets
  - *how are they developed*
  - *what IT components are included*
- Define what resources are included in dept. budget vs. enterprise budget
- Budgeting process & system definition
- IT expenditure tracking process
- Define IT “expenses” – what’s included
  - *FTE?*
    - non-IT classifications
    - task oriented?
- Budget monitoring process
  - *reporting process*
  - *tracking*
- Budget change impact process
  - *appropriations*
  - *rates*

# Funding Issues

- Look at current funding sources
- Results oriented project funding tracking
- Federal matching fund impact
  - *impact on State budget*
  - *impact on dept. budget*
- Funding impact (State & other) of moving resources between dept. and enterprise
  - *permanent and temporary*
- Agency funding requirements
  - *internal/external*
- Explore restriction of federal indirect funds

# Enterprise Portfolio Management Office (EPfMO)

- Timely project and grant review process
- Location of EPfMO positions & functions
  - *direct to agency or IT enterprise?*
- Project prioritization process
- Requirements/resource matching and management process
- Identify authority and responsibility of various “bodies”
- Develop mechanism to report project cost to EPfMO
- Inventory of projects
- Project definition

# Accounting & Cost Structure Issues

- Time reporting
  - *by funding source*
  - *by function*
- Cost allocation methodologies
  - *indirect/overhead*
  - *departmental and statewide IT organization*
- Cost structure and chargeback methodologies/processes
  - *agency vs. enterprise cost*
  - *rate development oversight*

# Other Issues

- Integrated billing system
  - *auditable*
- Current and future budget/fiscal systems capabilities
  - *currently planned*
  - *needed enhancements*
- Asset ownership/accountability
  - *State & Federal*
- Asset inventory
- Exception management process
- Consequence process for exception to established procedure
- Identify who buys what IT related products & services
- List of implementation considerations/issues
- SWICAP impact
- Training and skills development
- Strategy to engage Governor/Legislature/Policy-makers regarding impact and savings
  - *accountability*
  - *scorecard/measurements*

## Other Team Issues

- Application & license inventory (Apps)
- Lifecycle management funding (Lifecycle)

# Team Deliverables by January 11, 2005

- Conduct workshops
  - *Tuesday December 7 – launch project, including:*
    - Understand recommendation, Select team chair, Write team mission, Identify key activities required to implement the recommendation
  - *Tuesday December 14 – “flesh out” activities, considering:*
    - Categorization of key activities
    - Risk, impediments, event horizon, culture, implementation cost, etc.
  - *Monday December 20 – draft presentation package*
  - *Monday January 10 – complete presentation package*
- Develop key activities plan and framework for recommendations
- Create a presentation package for Governor Vilsack describing the recommended course of action

# Next Steps