

IT Legislative Action in 2015
Summary Sheet – Legislative Language Attached

A. *Act 26 (H.492) Capital Bill Sec. 34*

JFO can hire temporary 2 year employee/independent consultant to conduct independent reviews of State information technology projects and operations.

B. *Act 58 (H.490) Big Bill Sec. E.145.1*

Special Committee On The Utilization Of Information Technology In Government

1. evaluate the governance and management structure of the State of Vermont's overall IT system and IT programs
2. recommend a model for how the General Assembly can best fulfill its role in overseeing the State's IT system and programs
3. provide other specific recommendations for IT systems evaluation
4. make recommendations for further action
5. review an analysis, to be conducted by DII, of the State's mainframe and legacy mainframe applications
6. review current methods of financing DII operations and IT development and provide recommendations for alternative methods as appropriate.

C. *Act 58 (H.490) Big Bill – Sec. E.145 32 V.S.A. § 315 is added to read:
§ 315. ANNUAL REPORT; INFORMATION TECHNOLOGY*

Administration shall annually present to a five-year Information Technology (IT) Program for projects over \$1 million

D. *Act 58 (H.490) Big Bill – Sec. E.145.2 and E.145.3*

DII project review: only for projects over \$500,000 (used to be \$100,000)

A. Act 26 (H.492) Capital Bill – IT Review

Sec. 34. INFORMATION TECHNOLOGY REVIEW

(a) The Executive Branch shall transfer, upon request, one vacant position for use in the Legislative Joint Fiscal Office (JFO) for a two-year staff position, or the JFO shall hire a consultant, to provide support to the General Assembly to conduct independent reviews of State information technology projects and operations.

(b) The Secretary of Administration and the Chief Information Officer shall:

(1) provide to the JFO access to the reviews conducted by Independent Verification and Validation (IVV) firms hired to evaluate the State's current and planned information technology project, as requested; and

(2) ensure that IVV firm contracts allow the JFO to make requests for information related to the projects that they are reviewing and that such requests are provided to the JFO in a confidential manner.

(c) The JFO shall enter into a memorandum of understanding with the Executive Branch relating to any work conducted by IVV firms that shall protect security and confidentiality.

(d) In fiscal years 2016 and 2017, the JFO is authorized to use up to \$250,000.00 of the amounts appropriated in Sec. 3(b) and (c) of this act to fund activities described in this section.

(e) On or before January 15, 2017, the Secretary of Administration and the JFO shall submit reports to the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the effectiveness of the position described in subsection (a) of this section and whether the process of conducting independent legislative reviews of State information technology projects and operations should be continued.

B. Act 58 (H.490) Big Bill- Special Committee on IT

Sec. E.145.1 SPECIAL COMMITTEE ON THE UTILIZATION OF
INFORMATION TECHNOLOGY IN GOVERNMENT

(a) Creation. There is created a Special Committee on the Utilization of Information Technology in Government (the Committee).

(b) Membership. The Committee shall be composed of three persons who shall have knowledge and experience with information technology (IT) development and management, preferably for large organizations with complex information technology needs:

(1) one person who shall be appointed by the Speaker of the House;

(2) one person who shall be appointed by the Committee on Committees; and

(3) one person who shall be appointed by the Governor.

(c) Powers and duties. The Committee shall:

(1) evaluate the governance and management structure of the State of Vermont's overall IT system and IT programs, including whether the roles of the Chief Information Office and the Commissioner of Information and Innovation (DII) should be separated;

(2) recommend a model for how the General Assembly can best fulfill its role in overseeing the State's IT system and programs;

(3) provide other specific recommendations for IT systems evaluation, including:

(A) a methodology or process for evaluating when off-the-shelf products should be used as opposed to customized products;

(B) a process for incorporating risk assessment that includes risk of project failure, risk of significant cost overruns, and security risks; and

(C) recommendations toward developing a procurement policy based on optimizing business value and incorporating best practices;

(4) make recommendations for further action;

(5) review an analysis, to be conducted by DII, of the State's mainframe and legacy mainframe applications, including:

(A) a cost benefit analysis of:

(i) maintaining the mainframe and legacy mainframe applications; or

(ii) replacing the mainframe and legacy mainframe applications and options to do so; and

(B) whether the mainframe and legacy mainframe applications systems can be used in lieu of new systems, and if so, for how long; and

(6) review current methods of financing DII operations and IT development and provide recommendations for alternative methods as appropriate.

(d) In performing its work under subsection (c) of this section, the Committee shall, among other considerations, look at best industry practices and best peer practices in other states.

(e) Report. On or before January 15, 2016, the Committee shall submit a written report with its recommendations to the House Committees on Appropriations, on Government Operations, and on Corrections and Institutions, and the Senate Committees on Appropriations, on Government Operations, and on Institutions.

(f) Meetings.

(1) The person appointed by the Committee on Committees shall call the first meeting of the Committee. The Committee shall select a chair from among its members.

(2) The Committee shall meet as necessary and shall cease to exist on April 1, 2016.

(g) Assistance. The Committee shall have the administrative and technical assistance of the Agency of Administration and the legal assistance of the Attorney General's Office. The Committee shall have the assistance of the Office of Legislative Council and the Joint Fiscal Office as needed. The Committee shall have the authority to request information from any department, agency, or person in the Executive, Legislative, and Judicial Branches relevant to the Committee's powers and duties, and all departments, agencies, and persons shall provide the requested information subject to 1 V.S.A. §§ 315–320 or subject to mutually agreed upon release and protection of any information that is exempt from disclosure pursuant to 1 V.S.A. § 317(c)

(h) Reimbursement. Committee members who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

C. Act 58 (H.490) Big Bill – IT Project Plan

Sec. E.145 32 V.S.A. § 315 is added to read:

§ 315. ANNUAL REPORT; INFORMATION TECHNOLOGY

(a) Annual report. The Agency of Administration shall annually present to the General Assembly a five-year Information Technology (IT) Program. The Program shall be consistent with the planning process established in 22 V.S.A. § 901 and shall include for each fiscal year:

- (1) IT activities estimated to cost \$1,000,000.00 or more;
- (2) systemwide performance measures;
- (3) performance measures for projects; and
- (4) the budget for the Department of Information and Innovation (DII).

(b) IT activities estimated to cost \$1,000,000.00 or more.

(1) For each new proposed project with an estimated total cost that exceeds \$1,000,000.00, there shall be:

- (A) a description of the project;
- (B) the justification for the scope of the project;
- (C) an explanation of proposed project management methodology, including the relationship between chosen methodology and project scope;
- (D) a project budget that includes all projected costs, including operating costs and personnel services; and
- (E) a project timeline with projected costs, matched to a detailed list of all estimated funding sources and amounts.

(2) The reporting requirements set forth in subdivision (1) of this subsection shall not be interpreted or applied to limit the project methodology chosen for any project.

(3) For each ongoing project with an estimated total cost that exceeds \$1,000,000.00, there shall be:

- (A) a budget that includes all costs including operating costs and personnel services;
- (B) a cost benefit analysis, which shall include:
 - (i) an explanation of ongoing costs, including training and maintenance, after project implementation;
 - (ii) an analysis of the net benefit to the project users, and to the State, from proceeding with the project, in comparison to not proceeding with the project;
 - (iii) projected savings, including personnel services, if any, that will result from the project; and
 - (iv) other benefits to the project users, and to the State, from proceeding with the project, in comparison to not proceeding with the project; and
- (C) a statement whether any of the information provided pursuant to subdivision (1) of this subsection (b) has changed or is no longer accurate and an explanation of the reasons.

(c) Systemwide performance measures. The Agency of Administration shall develop systemwide performance measures which analyze the overall performance of the State government IT system. The Program:

(1) shall indicate the background and utility of the performance measures;

(2) shall track the performance measures over time;

(3) where appropriate, shall recommend the setting of targets for the performance measures;

(4) shall indicate the overall condition of the system; and

(5) shall indicate potential risks measured by severity and likelihood and plans to mitigate those risks.

(d) Performance measures. The Agency of Administration shall develop performance measures for projects. The Program:

(1) shall indicate the background and utility of the performance measures;

(2) shall track the performance measures over time; and

(3) shall indicate potential risks measured by severity and likelihood and plans to mitigate those risks.

(e) The budget for DII. The Program shall include:

(1) the recommended budget for DII; and

(2) the DII fee charged to each branch, agency, and department and the services provided.

(f) Each year following the submission of an IT Program under this section, the Agency shall prepare and make available to the public the Program.

D. Act 58 (H.490) Big Bill – Projects over \$500,000

Sec. E.145.2 22 V.S.A. § 901 is amended to read:

§ 901. DEPARTMENT OF INFORMATION AND INNOVATION

(a) The Department of Information and Innovation, created in 3 V.S.A. § 2283b, shall have all the responsibilities assigned to it by law, including the following:

* * *

(4)(A) to review and approve information technology activities within State government with a cost in excess of ~~\$100,000.00~~ \$500,000.00, and annually submit to the General Assembly a strategic plan and a budget for information technology as required of the Secretary of Administration by 3 V.S.A. § 2222(a)(9). As used in this section, “information technology activities” is defined as in 3 V.S.A. § 2222(a)(10);

(B) to provide oversight, monitoring, and control of information technology activities within State government with a cost in excess of ~~\$100,000.00~~ \$500,000.00. The cost of the oversight, monitoring, and control shall be assessed to the entity requesting the activity;

(C) to review and approve in accordance with Agency of Administration policies the assignment of appropriate project managers for information technology activities within State government with a cost in excess of \$500,000.00; and

(D) to provide standards for the management, organization, and tracking of information technology activities within State government with a cost in excess of ~~\$100,000.00~~ \$500,000.00;

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Sec. E.145.3 3 V.S.A. § 2222 is amended to read:

§ 2222. POWERS AND DUTIES; BUDGET AND REPORT

(a) In addition to the duties expressly set forth elsewhere by law, the Secretary shall:

(9) Submit to the General Assembly concurrent with the Governor’s annual budget request required under 32 V.S.A. § 306, a strategic plan for information technology and information security which outlines the significant deviations from the previous year’s plan, and which details the plans for information technology activities of State government for the following fiscal year as well as the administration’s financing recommendations for these activities. For purposes of this section, “information security” shall mean protecting information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide integrity, confidentiality, and availability. All such plans shall be reviewed and approved by the State Chief Information Officer prior to being included in the Governor’s annual budget request. The plan shall identify the proposed sources of funds for each project identified. The plan shall also contain a review of the State’s information technology and information security and an identification of priority projects by agency. The plan shall include, for any

proposed information technology activity with a cost in excess of ~~\$100,000.00~~
\$500,000.00:

(E) a statewide budget for all information technology activities with a
cost in excess of ~~\$100,000.00~~ \$500,000.00.