STATE OF VERMONT
HOUSE COMMITTEE ON ENERGY AND DIGITAL INFRASTRUCTURE

April 2, 2025

Sean McSpaden, Principal Legislative IT Analyst
Committee Administrator – Joint Legislative Committee on Information Management and Technology

LFO
LEGISLATIVE FISCAL OFFICE

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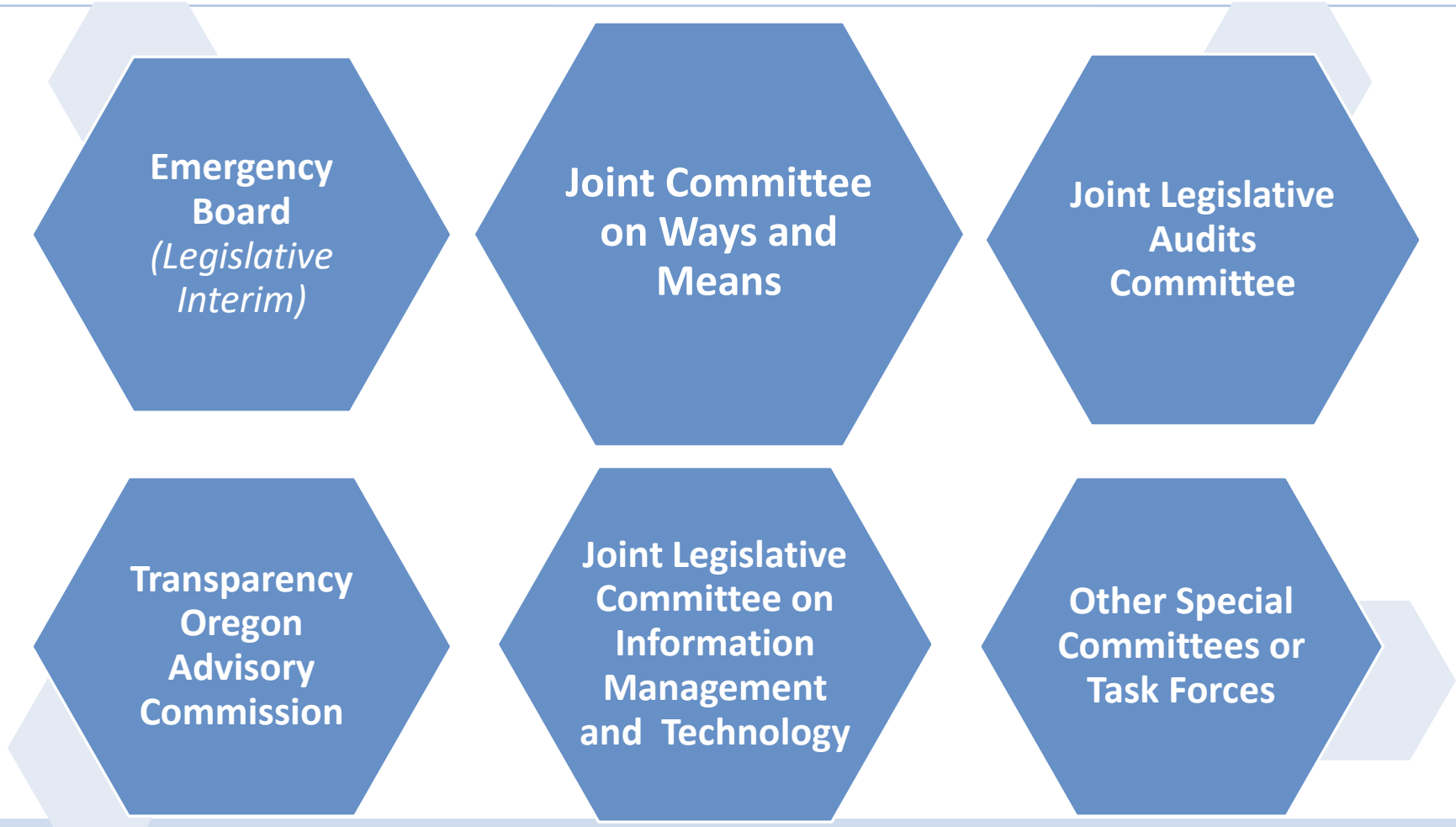
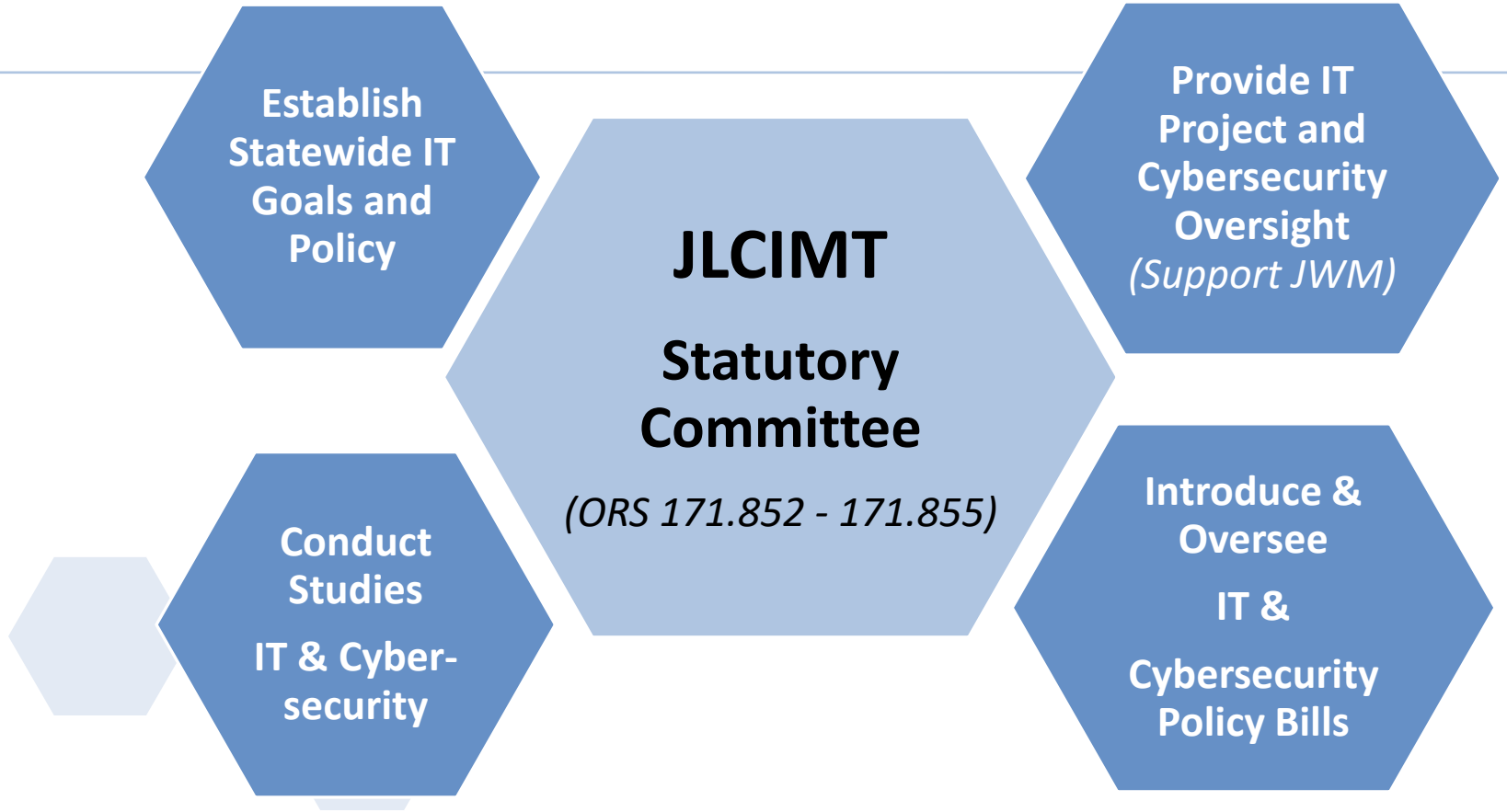
Oregon Legislative Fiscal Office

- Legislative Fiscal Officer is appointed by co-chairs of Joint Committee on Ways and Means
- LFO is a permanent nonpartisan legislative service agency that:
  - Provides comprehensive research, analysis, and recommendations on state's biennial budget
  - Evaluates state expenditures, program administration, and agency organization
  - Assists in developing Legislature's adopted balanced budget
  - Prepares fiscal impact statements on legislative measures
  - Publishes detailed analyses, summary documents, and briefs on budget-related topics
  - Performs other duties as directed by the Legislative Fiscal Officer
- https://www.oregonlegislature.gov/lfo

Oregon Legislative Fiscal Office (LFO)
Provides Professional Staff Support



Joint Legislative Committee on Information Management and Technology



- https://www.oregonlegislature.gov/bills_laws/ors/ors171.html
  https://olis.oregonlegislature.gov/liz/2025R1/Committees/JLCIMT/Overview

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JLCIMT Members, Staff & Schedule

Senate Members

- **Senator Aaron Woods (Co-Chair)**
- Senator James Manning Jr.
- Senator Noah Robinson

House Members

- **Representative Nathanson (Co-Chair)**
- Representative Daniel Nguyen
- Representative Darcey Edwards

Staff

Sean McSpaden, Committee Administrator

Meeting Schedule (2025 Legislative Session)

Friday's @ 1:00 – 2:30 PM (Pacific Time) in H-174, Oregon State Capitol

Note: *Meetings are recorded/livestreamed via Oregon Legislative Information System (OLIS)*

Authorizing Statute: https://www.oregonlegislature.gov/bills_laws/ors/ors171.html
JLCIMT Website: https://olis.oregonlegislature.gov/liz/2025R1/Committees/JLCIMT/Overview

JLCIMT Assigned Measures 2025 Legislative Session

House Measures

- House Bill 3228 - Relating to cybersecurity (Cyber Insurance, Cyber Resilience Fund) - *PH held 03/21/25*
- House Bill 3230 - Relating to information technology (IT Exec Branch Assessment) - *PH Held 03/07/25; WS held 03/28/25; Do-pass as amended from JLCIMT; Referred to JWM*
- House Bill 3238 - Relating to cybersecurity
- House Bill 3592 – Relating to artificial intelligence (Establishing an Oregon AI Commission & Chief AI Officer) - *PH scheduled 04/11/25*
- House Bill 3684 – Relating to the security of state IT assets
- House Bill 3771 – Relating to the regulation of artificial intelligence
- House Bill 3822 – Relating to cybersecurity
- House Bill 3931 - Relating to efficient operations for interactions between residents of this state and government agencies
- House Bill 3936 - Relating to the security of state assets.

Senate Measures

- Senate Bill 144 - Relating to information technology
- Senate Bill 1088 – Relating to Information Technology
- Senate Bill 1089 - Relating to Information Technology (IT product/service procurement through IT marketplace portal)
- Senate Bill 1090 – Relating to information technology (creation of Enterprise IT modernization Fund) – *PH scheduled 04/04/25*
- Senate Joint Memorial 8 - Requesting the FTC and the NIST to coordinate on a repair score for consumer electronic devices.

https://olis.oregonlegislature.gov/liz/2025R1/Committees/JLCIMT/AssignedMeasures

JLCIMT Informational Meetings & Work Sessions

Topics of Interest

- Statewide IT Environment (Executive, Legislative, and Judicial Branch; Constitutional Offices)
- Agency IT Profiles & Major IT Project Status Reports/Reviews
- Statutory/ Budget Note Reports (IT-related Programs, Projects, Procurements, Studies & Assessments)
- Other Topics
  - Modernization and Digital Transformation of Government Information and Service Delivery
  - Cybersecurity (State, Regional, Local, Special Districts, K-12 Schools & Libraries, Universities & Community Colleges)
  - Artificial Intelligence – inventory, use cases, pilots
  - Broadband Deployment
  - Enterprise Data Governance, Management, and Sharing – Open Data, Geospatial Data/GIS
  - Public Safety Communications Interoperability, FirstNet, NG911, Statewide Alerts & Notifications
  - IT Funding & Procurement
  - Other

Oregon Information Technology Profile

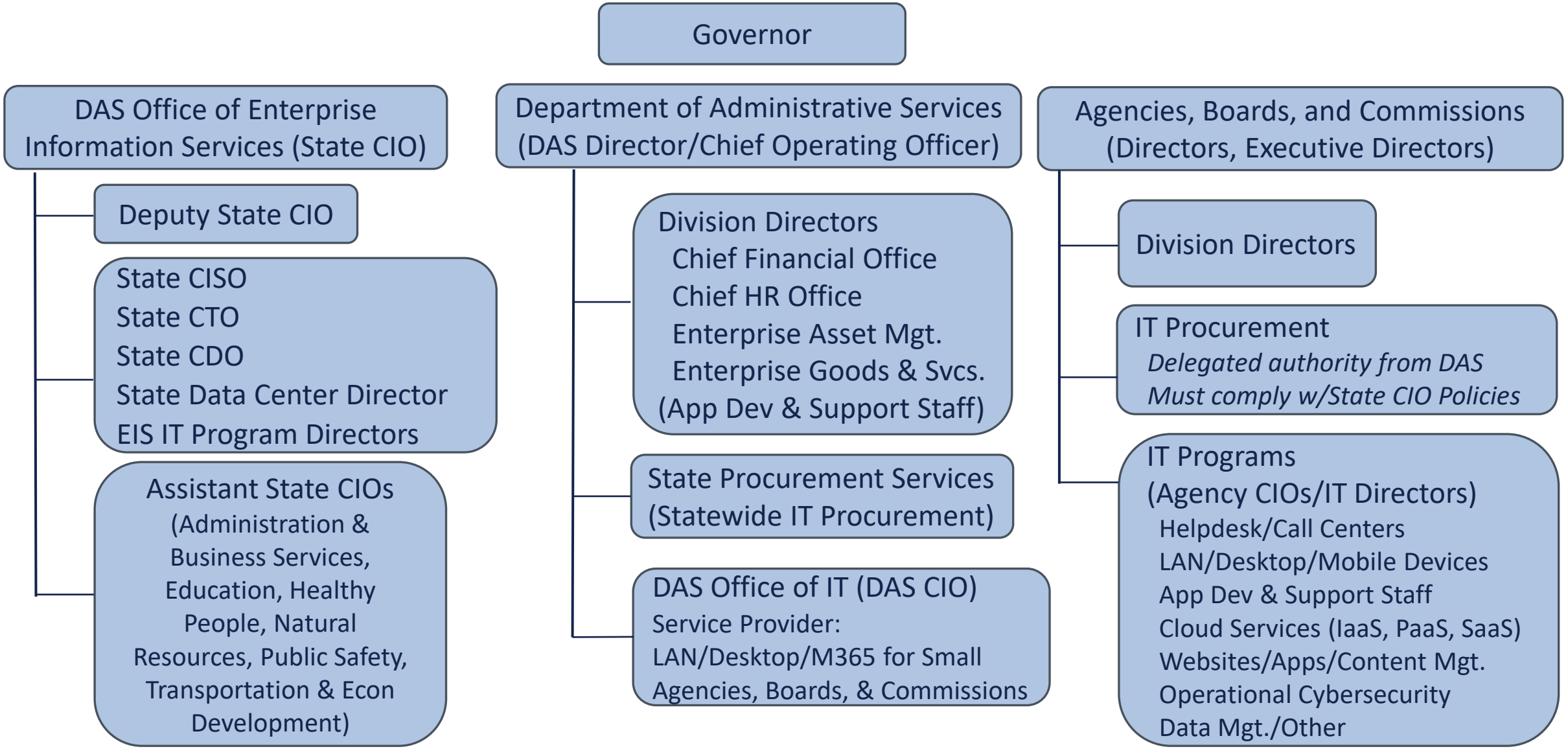
Executive Branch IT Governance/Organizational/Operating Model - Decentralized to slightly federated
State CIO Enterprise IT Services – Enterprise IT Planning, Policy/Standards, & Oversight; Enterprise IT Projects; State Network, Data Center, Cybersecurity (Unified in Exec Branch), e-Government Web Portal, Enterprise Open Data/GIS
Agency IT Services – Agency IT Planning, Policy/Standards; Agency IT projects; Application Development & Support, Local Area Network/Desktop Support, cybersecurity (in partnership with State CIO), Agency Websites, Data/GIS

IT Workforce – Executive Branch (2023-25)
* 2344 IT Classified Positions across 50 agencies
Only 254 positions under State CIO supervision (< 11%)
47680 Exec Branch Positions - IT support ratio – 1:20

Legislative Branch, Judicial Branch, & Constitutional Offices
Govern/Manage IT operations independently
Not subject to State CIO Authority
Overseen by Legislative Fiscal Office

IT Expenditures – Executive, Legislative, Judicial (2023-25)
$2.3 B (IT spend) vs $127.7 B (All Funds Biennial Budget) ~ 1.8 %
Estimate 75-80% of IT spend - Legacy Systems O&M
Limited $ available for IT innovation & modernization

Executive Branch IT Organizational Structure



Executive Branch IT Workforce Overview
As of December 31, 2024

- 2,344 IT classified positions (filled/vacant) spread thinly across 50 state agencies, boards and commissions. **Note:** 25 small agencies, boards, and commissions have no IT staff. Instead, they purchase shared IT or third-party IT contracted services.
- 12 of 50 agencies with > 50 IT positions (1866 of 2344 positions – 80%)
- State CIO has direct supervisory responsibility over less than 11% (254 of 2,344) of the IT classified positions within the Executive Branch
- 2344 IT supporting 47680 Executive Branch Positions - IT staff support ratio – 1:20
- 67% of Information Systems Specialist positions are paid at highest pay step in range.
- 285 of the 2,344 IT classified positions were vacant as of 12/31/2024 (vacancy rate of 12.2%)
- 20% increase in IT Professional Services ($94,952,092) over the past 4 years (2020 – 2024)

Executive Branch IT Workforce Overview Agencies with > 50 IT Positions (As of 12/31/2024)

#	Executive Branch State Agency	Total IT Positions	Total Position Count	Ratio 1:?
1	Department of Human Services (DHS)[1]	34	11,301	28
2	Oregon Health Authority (OHA)[1]	582	5,883	
3	Department of Administrative Services (DAS)[2]	314	997	3
4	Department of Transportation	288	4,872	17
5	Employment Department	127	2,002	16
6	Department of Consumer & Business Services	93	1,032	11
7	Department of Corrections	90	4,814	53
8	Department of Justice	85	1,546	18
9	Department of Revenue	79	1,136	14
10	Public Employees Retirement System	63	424	7
11	Secretary of State	58	268	5
12	Department of Environmental Quality	53	869	16
		1,866	**35,144**	**19**
	Total IT Positions	**2344**	**47680**	**20**
	Percentage of Total Positions	*80%*	*74%*	

IT Support Ratios

Note 1: DHS/OHA are served by a shared Office of Information Services

Note 2: DAS IT positions perform State CIO enterprise IT services and DAS Office of IT provides shared IT services to small agencies, boards, and commissions

Historical Growth Over Time
Decentralized IT Operating Model

Executive Branch IT Workforce (2008 - 2024)	
Year	Total IT Classified Positions
2008	1768
2010	1829
2011	1874
2013	1845
2014	1924
2015	1884
2016	1945
2017	1951
2018	2044
2020	2032
2022	2193
2024	2344

2023-25 Leg Approved Budget - Statewide IT Expenditures (as of 12/31/24)		
Incorporates actions taken by December 2024 Emergency Board		
Category	**Summary Table**	**All Funds**
1	4200 Telecommunications	$ 147,090,544
2	4250 Data Processing	$ 281,540,931
3	4315 IT Professional Services	$ 577,169,517
4	4715 IT Expendable Property	$ 251,935,309
5	5150 Telecommunications Equipment	$ 12,465,179
6	5550 Data Processing Software	$ 62,122,312
7	5600 Data Processing Hardware	$ 11,547,465
	Sub-Total Budget Expenditures (All Branches)	**$ 1,343,871,257**
	2023-25 Price List - State Government Service Charges (SGSC)	
	Enterprise Information Services (EIS)	$ 106,539,908
	Microsoft 365 (EIS)	$ 62,554,000
	EIS Data Center Services (DCS)	$ 69,113,993
	Sub-Total IT related SGSC (All Branches)	**$ 238,207,901**
	Executive Branch IT Positions (2344)	
	IT related Personal Services Costs - Filled Positions (2059)	$ 650,899,549
	IT related Personal Services Costs - Vacant Positions (285)	$ 93,757,503
	Sub-total IT related Personal Services Costs (2344 positions)	**$ 721,097,474**
	2023-25 Total estimated IT related expenditures	**$ 2,303,176,632**
Note:	IT related personal services cost estimates don't include	
	Legislative Branch or Judicial Branch IT Positions	

For 2023-25 biennium, this level of investment amounts to ~1.8% of the state's total funds budget (~$127.7 billion total funds budget for the 2023-25 biennium)

Office of Enterprise Information Services 2023-25 Operating Budget

Program	Personnel Services	Services & Supplies / Capital Outlay	Total	Revenue Source
State CIO	5,198,817	7,598,801	12,797,618	Assessment
Administrative Services	7,081,188	329,059	7,410,247	Assessment
Cyber Security Services	23,859,359	25,560,495	49,419,854	Assessment
Data Center Services (DCS) - Operational	53,737,231	91,445,690	145,182,921	Assessment / Charge for Service
DCS - Lifecycle		17,782,906	17,782,906	Assessment
Data Governance & Transparency	4,719,982	6,834,214	11,554,196	Assessment
Pass Through		4,325,458	4,325,458	Pass Through
Project Portfolio Performance	7,550,108	1,424,016	8,974,124	Assessment
Shared Services (SS)	5,292,629	4,582,507	9,875,136	Assessment / Charge for Service
Shared Services – M365 M&O	816,890	60,602,125	61,419,015	Assessment
Strategy & Design	2,098,973	88,977	2,187,950	Assessment
American Rescue Plan Act Funding		15,708,570	15,708,570	Federal Grant
Total	$110,355,177	$236,282,818	$346,637,995	

Historical Growth Over Time
Seven (7) Primary IT Budget Accounts

Leg Approved Budget - Statewide IT Expenditures (2014- 2024) - Executive, Legislative, Judicial Branches
All Funds (General Funds, Lottery Funds, Other Funds, Federal Funds)

Category	Summary Table	All Funds (2014)	All Funds (2015)	All Funds (2018)	All Funds (2020)	All Funds (2022)	All Funds (2024)
1	4200 Telecommunications	$ 80,784,459	$ 116,253,947	$ 117,392,560	$ 119,842,687	$ 139,305,785	$ 147,090,544
2	4250 Data Processing	$ 81,743,493	$ 165,386,421	$ 196,163,246	$ 223,969,896	$ 261,731,655	$ 281,540,931
3	4315 IT Professional Services	$ 208,430,962	$ 343,281,299	$ 416,573,806	$ 482,217,425	$ 497,253,573	$ 577,169,517
4	4715 IT Expendable Property	$ 90,904,677	$ 54,716,584	$ 75,129,582	$ 136,888,667	$ 217,709,646	$ 251,935,309
5	5150 Telecommunications Equipment	$ 11,498,200	$ 9,738,658	$ 19,247,661	$ 8,465,554	$ 12,122,099	$ 12,465,179
6	5550 Data Processing Software	$ 11,821,050	$ 17,893,172	$ 9,838,496	$ 17,142,750	$ 65,241,212	$ 62,122,312
7	5600 Data Processing Hardware	$ 20,769,388	$ 20,588,802	$ 9,100,191	$ 12,346,913	$ 12,286,243	$ 11,547,465
	Sub-Total Budget Expenditures (All Branches)	**$ 505,952,229**	**$ 727,858,883**	**$ 843,445,542**	**$ 1,000,873,892**	**$ 1,205,650,213**	**$ 1,343,871,257**

Note: Does not include estimates for IT Personal Services (position costs) or for state government service charges and assessments – e.g. for State CIO/Enterprise Information Services Programs, State Data Center, Cybersecurity, etc.

Oregon IT Oversight: Planning, Budgeting, and Projects Policy & Legislative Direction

- **IT related Biennial Budget Instructions**
  - Agency IT Plans
  - Spreadsheet (Project and Portfolio Management Tool)- all projects >$150,000 (Policy Option Packages)
  - Policy Option Package (new and/or carryover $, Positions, Spending Authority)
  - Business Case required for all projects >$1M
    - Business Case Document (Initial/updates for continuing IT projects)
    - Detailed Project Plan for continuing IT projects not previously approved by the State CIO.
- **Strategic IT Plans**
  - Governor Kotek's Expectations Document (January 2023), ORS 276A.206, ORS 276A.233 -276A.236
  - Agency IT Strategic Planning Guide
  - Agency Strategic IT Plans

IT Investment Oversight Policy

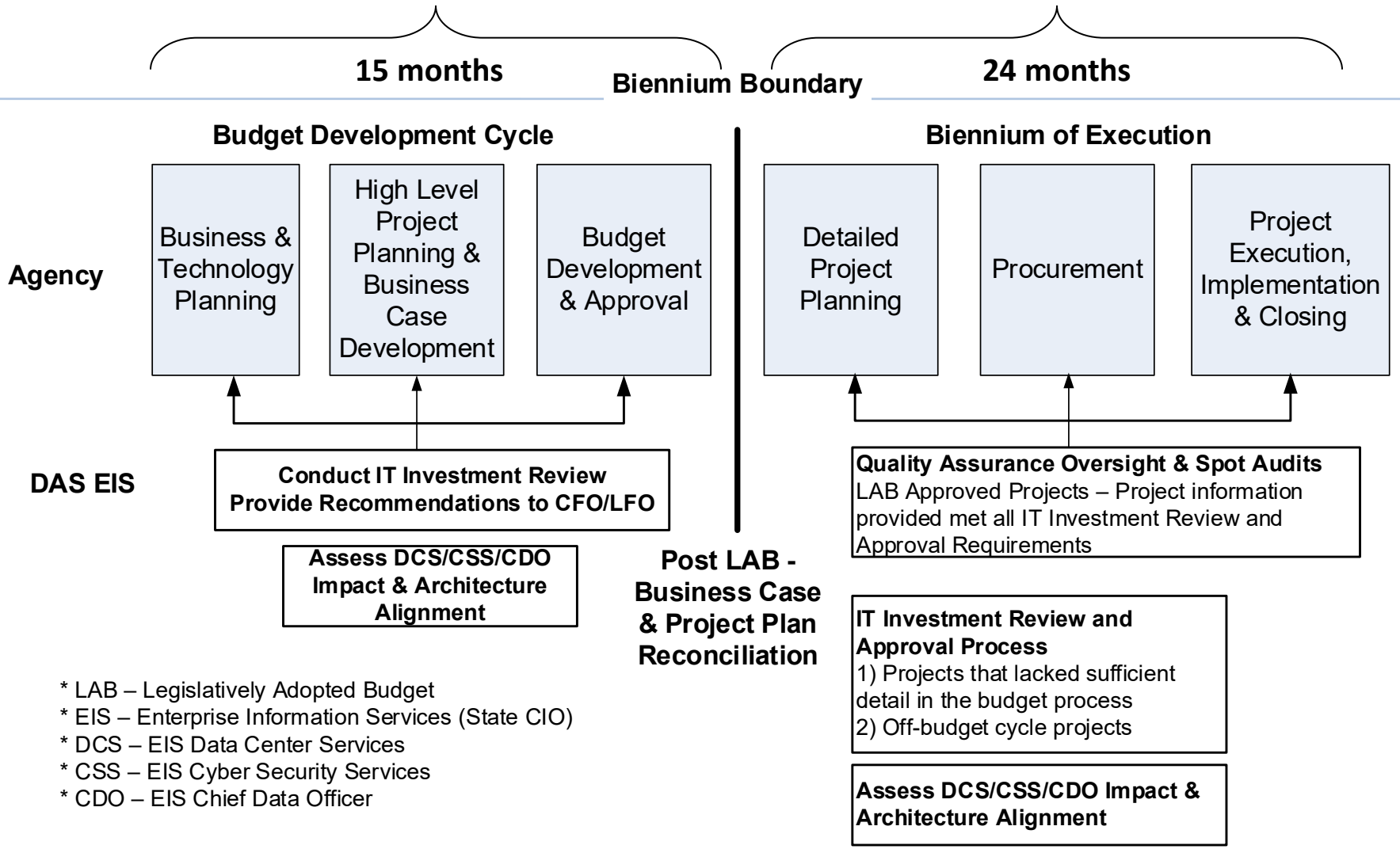
- IT Investment Form & Business Case for all projects >$150,000, ORS 276A.233

IT Oversight & QA Policy Requirements

- ORS 276A.223 requires Independent QA Oversight for major IT projects and distribution of reports to specific individual including the State CIO and the Legislative Fiscal Office (LFO)

- **Other Statutory Obligations**
  - e.g. ORS 276A.203, 276A.206, 276A.223, 276A.300, 276A.233 -276A.236, 276A.400 - 276A.415, etc.

Oregon IT Investment Lifecycle - Diagram



* LAB – Legislatively Adopted Budget
* EIS – Enterprise Information Services (State CIO)
* DCS – EIS Data Center Services
* CSS – EIS Cyber Security Services
* CDO – EIS Chief Data Officer

Policy & Legislative Direction
2025-27 forward - IT Project Prioritization

ENTERPRISE information services

2025-27 Enterprise IT Project Priortization & Budget Instruction Frequently Asked Questions

What is IT Project Prioritization and what is its purpose?

Every two years agencies identify the major IT initiatives that will need funding as part of their agency biennial budget. Per DAS Budget Instructions agencies must submit documentation to Enterprise Information Services (EIS) for all new and continuing IT investments (projects) with a total cost of $1,000,000 or greater, regardless of fund source or IT policy option package inclusion. Agencies also prioritize these projects based on established prioritization criteria. EIS evaluates this information and provides analysis to state decision-makers to assist in understanding agency IT investments, specifically:

- General understanding of agency major IT projects, their purpose and intended outcomes for all policy areas
- Evaluation of alignment with the Governor's priorities, enterprise strategies, and agency strategies
- Assessment of agency readiness and capability to implement these projects

What projects are subject to the IT Project Prioritization process?

- New IT projects over $1 million with a 2025-27 funding request (regardless of fund source)
- Continuing IT projects over $1 million with a 2025-27 funding request (regardless of fund source)[1]

What is the process and what documentation must be submitted?

Reach out to your assigned policy area Senior IT Portfolio Manager (SIPM) as your primary point of contact. You can find your assigned SIPM on our About Us webpage. Agencies are required to submit the following documentation to EIS within the PPM portal:

- Business case for each project (for continuing projects an addendum to the business case may be requested in lieu of a new or updated business case – talk with your SIPM about what should be included)
- Project Prioritization Matrix

For agencies with 50 FTE or more, provide your Agency IT Strategic Plan within the Special Reports section of the Agency Request Budget document.

Further information on the project prioritization process and document templates are available on our Guidance and Forms webpage.

What should be included in a project business case?

EIS provides a template business case on our Guidance and Forms webpage. The business case should clearly describe how the project:

- Aligns with and supports agency business and IT strategic plans
- Aligns with racial equity vision, goals and objectives outlined in the Diversity, Equity, and Inclusion (DEI) Action Plan: A Roadmap to Racial Equity and Belonging for the State of Oregon
- Aligns with and supports the Governor's goals, priorities and initiatives, the EIS Strategic Framework, Oregon's Cloud Forward Framework, Oregon's Data Strategy, and the EIS Modernization Playbook
- Supports the scores and analysis represented within the IT Project Prioritization Matrix

[1] Continuing projects drawing upon funds granted in prior biennia do not need to come through prioritization again.

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ENTERPRISE information services

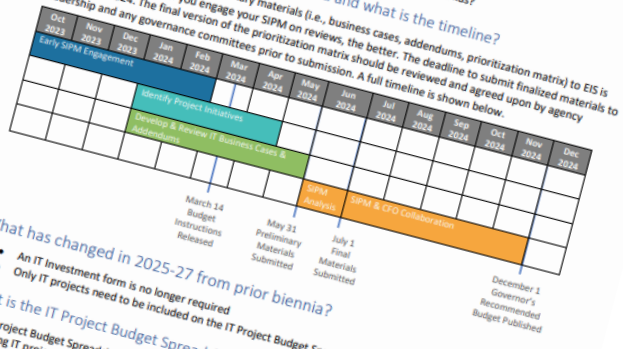
What should be included in an addendum for a continuing project?

For continuing projects an addendum may be requested in lieu of a new or updated business case. The addendum can be in whatever format you choose. It should cover the following topics and is intended to be a companion to the business case and provide an update from the time the project was initiated until now.

- What is status and health of the project (include budget and schedule baselines and any current challenges)?
- What has occurred since the project was initiated (include any change in approach or re-baselines)?
- How is the project funded (include, any federal or other funds relied upon and approvals to access funding)?
- What was accomplished with funds from last biennium (2023-25)?
- Why do funds need to be extended or expanded into 2025-27?
- What is expected to be accomplished in 2025-27 with the requested funds?

When do materials need to be submitted and what is the timeline?

The deadline to submit draft/preliminary materials (i.e., business cases, addendums, prioritization matrix) to EIS is May 31, 2024. The earlier you engage your SIPM on reviews, the better. The deadline to submit finalized materials to EIS is July 1, 2024. The final version of the prioritization matrix should be reviewed and agreed upon by agency leadership and any governance committees prior to submission. A full timeline is shown below.

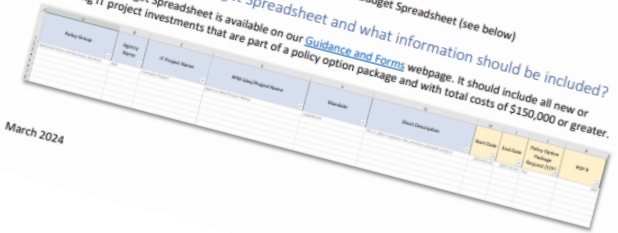


What has changed in 2025-27 from prior biennia?

- An IT Investment form is no longer required
- Only IT projects need to be included on the IT Project Budget Spreadsheet (see below)

What is the IT Project Budget Spreadsheet and what information should be included?

The IT Project Budget Spreadsheet is available on our Guidance and Forms webpage. It should include all new or continuing IT project investments that are part of a policy option package and with total costs of $150,000 or greater.



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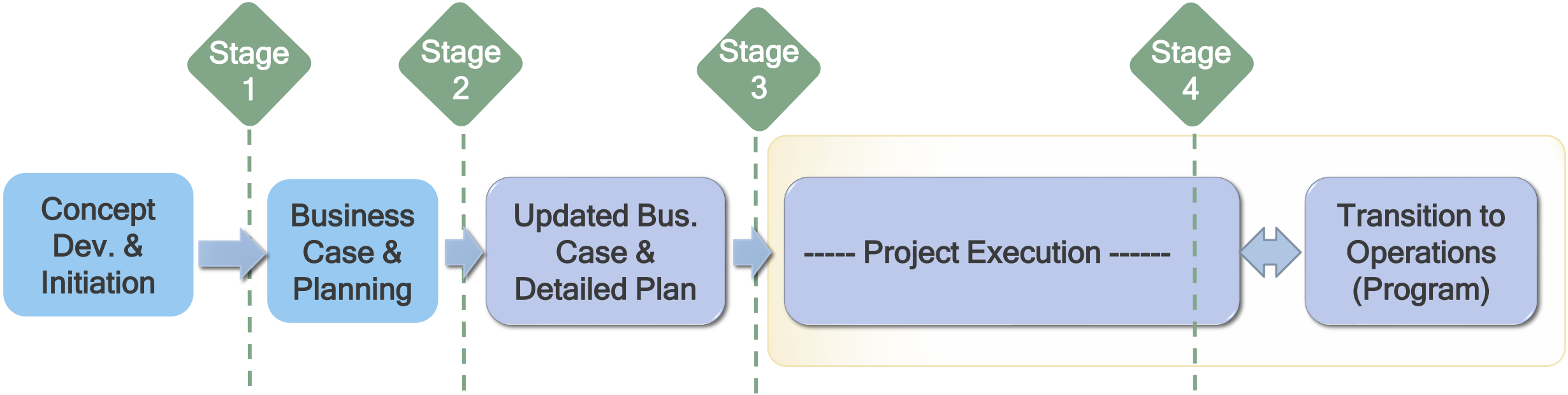
Large IT Projects

- …(with few exceptions) exceed $1M and span multiple years, sometimes multiple biennia, in duration.
- …are typically, mission critical, inherently risky and complex.
- ….Have original budget and schedule estimates that were, in most cases, established twelve to fifteen months prior to biennium in which the agency plans to initiate the project.
- …. Involve several procurements/contracts (e.g. Project Management, System Integration, Solution Provider, Change Management, etc.).
- …Require a control framework and may require the consistent and periodic application of “gated” controls for scoping, planning, funding, executing, and overseeing project work, and the transition to operations.

Joint State CIO/LFO Stage Gate Review Process (2014 - forward)



- **Pre-Stage Gate 1:** Concept Development/Project Initiation
- **Stage 1.** High Level Planning & Business Case (Initial → Detailed)
- **Stage 2.** Updated Business Case + Foundational Planning
- **Stage 3.** Detailed Planning – Transition to Project Execution
- **Stage 4.** Transition from Project to Operations (Program)

Major IT Project/Program Oversight
IT Modernization Initiatives

Program Areas	Types of Systems
Administration	Licensing and Permitting Systems
Consumer and Business Services	Grant Management Systems
Economic Development	Financial and Case Management Systems
Education	Cybersecurity, Emergency Management, Mutual Aid
Health and Human Services	Health & Human Services; Electric Health Records
Natural Resources	Retirement & Benefit Management
Public Safety	Law Enforcement/Public Safety
Transportation	Misc. IT Modernization Initiatives
Legislative and Judicial Branch	Other

Note: 71 Major IT Projects >$1 Million USD | Total Estimated IT Project Portfolio Budget ~ $1.2 Billion USD
2025-27 Biennium: 38 IT related Policy Option Packages

Oregon Methods of Funding IT Programs and Projects

- **Enterprise or Shared IT Service Programs and Projects**
  - **Direct Legislative Appropriation:** An amount of money from the General Fund approved by the Legislature for a specific purpose.
  - **Special Purpose Appropriation:** A General Fund appropriation to the Emergency Board for a specific purpose.
    - When the appropriation is established, it states the agency and specific purpose for the funds.
    - The Emergency Board can only allocate funds to that agency and for that purpose.
    - There is also an expiration date for the appropriation. After that date, any remaining funds become available for any purpose for which the Emergency Board may lawfully allocate funds.

Methods of Funding
Oregon IT Programs and Projects

- **Enterprise or Shared IT Service Programs and Projects**
  - **Price List of Goods and Services** (Chargeback/Cost Recovery & Assessments)
    - Identifies projected state assessments and user fees. Compiled for budgeting by the Department of Administrative Services (DAS).
    - Includes assessments and fees of DAS, DAS Office of Enterprise Information Services, Department of Justice, Correction Industries, Secretary of State, Treasurer of State, and Central Government Services (certain costs of the legislative assembly, Legislative Fiscal Office, Legislative Council, and Governor's Office).
    - Also allocates other shared statewide costs for services of the PEBB Employee Assistance Program, State Library, Law Library, Government Ethics Commission, and Capitol Mall security functions

      Example: Office of Enterprise Information Services (State CIO), Cybersecurity Services, Data Center Services, Chief Data Office, and Geospatial Enterprise Office; Enterprise M365 Subscriptions, Software licensing, Support Services

Oregon State Government Price List of Goods and Services (2025-27):

https://www.oregon.gov/das/Financial/Documents/2025-27_PriceList_GB-Final.pdf

Methods of Funding
IT Operations and Projects (Continued)

- **Enterprise, Program Area, or Agency IT Programs and Projects**
  - **Base/Current Service Level Budget:** A projected expenditure level representing the estimated cost of providing currently authorized services in the ensuing biennium.

    Example – Internal custom software development or modification/enhancement of an existing system
  - **Grant Funding:** Legislative approval to apply for, accept, and expend grant funds is required.
  - **Fees:** A fee is a charge, fixed by law, for the benefit of a service or to cover the cost of a regulatory program or the costs of administering a program for which the fee payer benefits. For example, professional license fees which cover the cost of administering and regulating that category of professions are fees.
    - Other charges that are categorized as fees include tolls and tuition.
    - Fees must be authorized in statute. The Legislature may set the rates in statute or authorize a state agency to set rates using administrative procedures.

    Example: Licensing Board or Commission requesting a fee increase to pay for a new IT system (on-premise or SaaS) or convenience/transaction fee charged on new licensure applications/renewals

Methods of Funding
IT Operations and Projects (Continued)

- **Policy Option Package** – required for new $, spending authority, positions
  - A package that presents policy and program changes above or below the agency's current service level budget. Examples of a policy package could include:
    - Forming new programs or expanding existing programs. Proposing new projects (including IT)
    - Reducing or ending programs or phasing out positions or costs (including those related to IT)
    - Requesting enhanced funding for existing programs or projects (including IT).
    - Transfer Programs between agencies (if not previously approved)
    - Shifting from one fund source to another.
    - Establishing or increasing fees.
    - Implementing a reorganization of an agency.
    - Funding of legislative concepts.
    - Proposing Capital Construction Projects (including those related to IT)

Methods of Funding
IT Operations and Projects (Continued)

- **Bonding:** A bond authorized to be issued to finance real and personal property owned or operated by the state. Article XI-Q bonds, for which enabling legislation was approved in 2011, have replaced Certificates of Participation (COPs) for financing projects (including those related to IT)
- **Financing Agreement:** Any agreement to finance real or personal property, which is or will be owned and operated by an agency. Includes lease-purchase, installment sale, or loan agreements and Certificates of Participation.
- **Debt Service:** Expenditures for principal, interest, discounts, and premiums related to payment of state debt. Agencies must budget for these costs throughout the life of the bond.

Agency Guide to Financing Capital Projects with Article XI-Q Bonds

- https://www.oregon.gov/das/Financial/CapFin/Documents/XI-Q%20Bond%20Program%20Agency%20Guide.pdf

Article IX-Q Bond Program – Quick Reference

IT Asset Projects – Agency Tax Exempt Bonds

Real or personal property owned or operated by the State of Oregon

Allowable Capitalized Costs:

- **Application Development Stage Costs** (See OAM 15.60.40)
  - Configuration/Coding
  - Hardware/Software Purchase
  - Hardware Installation
  - Testing
  - Data Conversion (only if the conversion is necessary to make the software operational)
- **Software License Agreements**
  - Must have the "Right to Use" the software
  - Must be Non-Cancellable
- **Off the Shelf Capitalized Software Programs**
- **Direct Project Costs**
  - Contractor (application development costs only)
  - Travel Directly Related to the Project
  - Third-party Hosting Services
- **Direct Labor Costs** (must be actual hours worked on the project, not rates or percentages)
  - Project manager
  - Employee

Un-allowable Costs:

- **Preliminary Project Stage Costs** (See OAM 15.60.40)
  - Conceptual Formulation of Alternatives
  - Evaluation of Alternatives
  - Determination if Technology is needed
  - Final Selection of Alternatives
- **Post-Implementation/Operation Stage Costs** (See OAM 15.60.40)
  - Training
  - User/Operational Manuals
  - Software Maintenance
- **Related Party Costs**
  - Agency to Agency Payments (payment never reaches a non-governmental entity)
  - DOJ, BOLI, DEQ fees
  - State Data Center Fees (unless costs can be directly traceable to an outside vendor)
- **Indirect/Administrative Costs**
  - Office supplies
  - Rent
  - Overhead Costs
- **Operational Costs**
  - Membership Dues
  - Moving Expenses
  - Maintenance Fees

Article IX-Q Bond Program – IT Asset Projects

Technology Innovation & Modernization Funds Other States across the Nation (past/current/proposed)

1. Arkansas
2. California Technology Modernization Fund
   a. California Judicial Branch – Improvement & Modernization Fund
3. Colorado Innovation Fund
4. Connecticut IT Capital Investment Program
5. Georgia Technology Empowerment Fund
6. Iowa
7. Kansas
8. Kentucky
9. Louisiana
10. Maryland Information Technology Investment Fund
11. Massachusetts Future Tech Act (Bond funding)
12. Michigan Information Technology Investment Fund
13. Minnesota Technology Modernization Fund
14. Mississippi HB 1491 (2025) – Technology Innovation Fund
15. Ohio
16. Oregon
    a. Productivity Improvement Program – dormant since early 1990s
    b. SB 1090 (2025) Technology Modernization Fund – under consideration in 2025 legislative session
17. New York
18. North Dakota
19. South Carolina
20. South Dakota IT Modernization Fund
21. Tennessee System Development Fund
22. Texas Technology Improvement and Modernization Fund
23. Utah
24. Vermont - § 3306. Technology Modernization Special Fund
25. Washington Innovation and Modernization Program
26. Virginia Technology Infrastructure Fund
27. Other States - TBD

** Preliminary List – confirmed in collaboration with NASCIO*

Oregon Productivity Improvement Program

Oregon Revised Statutes (ORS) 182.365 – 182.400 (Productivity Improvement Programs)

- 182.365 Legislative findings; definitions for ORS 182.365 to 182.400
- 182.375 State Productivity Improvement Revolving Fund; creation; sources; uses
- 182.380 Credit of certain savings to General Fund
- 182.385 Identification of reduced expenses resulting from improved efficiency
- 182.390 Plan for increased efficiency
- 182.395 Ineligibility of new programs for credits
- 182.400 Report on productivity improvement program

Status: Established in 1989. Information on the fund may exist within the Secretary of State Archival Records. However, inflows/outflows of monies for the fund were not captured within State Financial Management System in 1994. Program has been dormant since that time, but statutory framework exists.

Oregon Revised Statutes (ORS) – Chapter 182 - https://www.oregonlegislature.gov/bills_laws/ors/ors182.html

Oregon Senate Bill 1090 (2025) Technology Modernization Fund

What the Measure Does:

- Requires the Oregon Department of Administrative Services to create a program to award grants and provide loans to state agencies for replacing outdated information technology and for certain other purposes.
- Creates an advisory board that the department must consult in awarding grants and providing loans.
- Establishes the Technology Modernization Fund and appropriates moneys in the fund to the department for the purpose of the department's grant and loan program.

Status: Assigned to the Joint Committee on Information Management and Technology (JLCIMT). Informational Meeting and Public Hearing Scheduled on April 4, 2025.

JLCIMT Website: https://olis.oregonlegislature.gov/liz/2025R1/Committees/JLCIMT/Overview
JLCIMT Agenda (April 4, 2025): https://olis.oregonlegislature.gov/liz/2025R1/Committees/JLCIMT/2025-04-04-13-00/Agenda
Materials: https://olis.oregonlegislature.gov/liz/2025R1/Committees/JLCIMT/2025-04-04-13-00/MeetingMaterials
SB 1090 (2025): https://olis.oregonlegislature.gov/liz/2025R1/Measures/Overview/SB1090
SB 1090 Preliminary Staff Measure Summary:

- https://olis.oregonlegislature.gov/liz/2025R1/Downloads/CommitteeMeetingDocument/297945

Contact Information & Resources

Sean McSpaden, Principal Legislative IT Analyst

Committee Administrator:

- Joint Legislative Committee on Information Management and Technology
- Transparency Oregon Advisory Commission

Email: Sean.L.McSpaden@oregonlegislature.gov | Phone: 503-986-1835

Resources

- **2025-2027 Biennial Budget Instructions**
  - https://www.oregon.gov/das/Financial/Pages/Budgetinstruct.aspx
- **2025-2027 Price List of Goods and Services**
  - https://www.oregon.gov/das/Financial/Documents/2025-27_PriceList_GB-Final.pdf
- **Agency Guide to Financing Capital Projects with Article XI-Q Bonds (January 2024)**
  - https://www.oregon.gov/das/Financial/CapFin/Documents/XI-Q%20Bond%20Program%20Agency%20Guide.pdf
- **Strategic IT Plans**
  - Governor Kotek's Expectations Document (January 2023), ORS 276A.206, ORS 276A.233 -276A.236
  - Agency IT Strategic Planning Guide - https://www.oregon.gov/das/strategy/Documents/EIS_Agency_IT_Strategic_Plan_Template_and_Guide.pdf
  - Agency Strategic IT Plans - https://www.oregon.gov/transparency/Pages/strategic-planning.aspx
  - Progress Report on Legacy System Modernization in Oregon (December 2024)

Resources

- **IT Project Oversight**
  - https://www.oregon.gov/eis/project-portfolio-performance/Pages/guidance-and-forms.aspx
- **IT Project Prioritization Guide & Matrix**
  - https://www.oregon.gov/eis/project-portfolio-performance/Documents/eis-p3-2025-27-budget-spreadsheet.xlsx
  - https://www.oregon.gov/eis/project-portfolio-performance/Documents/eis-p3-2025-27-IT-project-prioritization-guide.docx
  - https://www.oregon.gov/eis/project-portfolio-performance/Documents/eis-p3-2025-27-IT-project-prioritization-matrix.xlsx

IT Investment Oversight Policy

- https://www.oregon.gov/das/policies/107-004-130.pdf
- https://www.oregon.gov/das/Policies/107-004-130_PR.pdf
- https://www.oregon.gov/eis/project-portfolio-performance/Documents/eis-p3-it-investment-form.docx

IT Oversight & Independent Quality Assurance (QA) Policy Requirements

- https://www.oregon.gov/eis/shared-services/Pages/statewide-qa.aspx
- https://www.oregon.gov/das/Policies/107-004-030.pdf
- https://www.oregon.gov/das/Policies/107-004-030_PR.pdf

Resources

Joint State Chief Information Officer/Legislative Fiscal Office (LFO) Stage Gate Review Process

- IT Investment Oversight - https://www.oregon.gov/eis/project-portfolio-performance/Pages/it-investment-oversight.aspx
- Diagrams - https://www.oregon.gov/eis/project-portfolio-performance/Documents/eis-p3-stage-gate-functional-reference-model.pdf

Project Oversight

- Guide: https://www.oregon.gov/eis/project-portfolio-performance/Documents/eis-p3-guide-project-oversight.pdf
- IT Investment Form - https://www.oregon.gov/eis/project-portfolio-performance/Documents/eis-p3-it-investment-form.docx
- Business Case Template - https://www.oregon.gov/eis/project-portfolio-performance/Documents/eis-p3-business-case-template-v3.docx
- LFO Business Case Evaluation Template – Available upon Request

Guidance, Methodologies, & Standards

IT Statutes and Policies

ORS 276A.200 - 276A.575

State IT Policies

State IT Rules

State CIO Directives

Procurement Statutes

ORS 279A

ORS 279A.050 Procurement authority

ORS 279A.075 Delegation

ORS 279B

ORS 279B.030 - Demonstration that procurement will cost less than performing service with contracting agency's own personnel and resources or that performing service is not feasible

ORS 279B.040 - Prohibition on accepting bid or proposal from contractor that advised or assisted contracting agency to develop specifications or solicitation documents

Methodology Standards

- Project Management
  - Project Management Body of Knowledge (PMBOK)
- IT Service Management
  - IT Infrastructure Library (ITIL)
- IT Security
  - NIST Cybersecurity Framework
  - NIST 800 series
  - ISO 27001, ISO 27002
  - Center for Internet Security (CIS)/MS-ISAC Controls
- Control Objectives for Information Technology (COBIT)
- Risk Management
  - ISO 31000, COSO ERM Framework
- Change Management - Varied
- Other – To be determined/Project specific

Questions?

Legislative Fiscal Office

900 Court Street NE, Room H-178, Salem, Oregon 97301

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