
MEMORANDUM

TO: HOUSE COMMITTEE ON ENERGY AND DIGITAL INFRASTRUCTURE
REP. KATHLEEN JAMES, CHAIR
REP. R. SCOTT CAMPBELL, VICE CHAIR
REP. LAURA SIBILIA, RANKING MEMBER
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REP. CHRISTOPHER MORROW
REP. MICHAEL "MIKE" SOUTHWORTH
REP. DARA TORRE, CLERK

FROM: LISA M GAUVIN, IT CONSULTANT FOR THE JOINT FISCAL OFFICE

SUBJECT: IMPACT: REMOVAL OF ADS SPENDING AUTHORITY FOR AGENCY/DEPT PROJECTS

DATE: FEBRUARY 13, 2026

OVERVIEW

The purpose of this memo is to provide a written record of testimony I provided on February 12, 2026.

The proposed 2027 budget removed significant spending authority from the Agency of Digital Services (ADS) for Agency/Department IT Projects, previously included in the ADS Bespoke budget line item. The spending authority for these projects has been transferred to sponsor agencies and departments. In 2026, the ADS Budget included \$47,437,352 million for these projects.¹ In testimony provided to HEDI by the Department of Finance and Management Commissioner Adam Greshin on February 10, 2026, Commissioner Greshin indicated the change was made to simplify processes. He explained that in previous years, when ADS had this spending authority, ADS would pay vendors for project costs and bill agencies/departments, which would then issue payment to ADS. Moving spending authority to the responsible agency/department eliminates the ADS payment and billing steps.

To determine whether this change increased the risk of inappropriate vendor payments or would adversely affect the dashboard report used for oversight, I reviewed the ADS Enterprise Project Management Office's (EPMO) Project Management Standards and the EPMO's dashboard to assess the impact of the change.

In addition, I recommend that the Committee consider writing a follow-up memo to Commissioner Adam Greshin, requesting that changes to the chart of accounts for tracking IT project expenditures include business/program costs for projects, not just IT project costs.

PROJECT MANAGEMENT STANDARDS

The ADS EPMO uses the Project Management Body of Knowledge (PMBOK) standard for project management. This industry standard includes criteria that identify agency/department business/program and technical leads for technical areas. As the project proceeds through implementation and testing, the following process is used for deliverable acceptance.

- The project manager identifies when contract deliverables are complete and compiles the formal deliverable acceptance document.

¹ The \$47,437,352 amount was provided to Lisa Gauvin by ADS Secretary Denise Reilly-Hughes via email on 2/12/2026.

- The business/program lead assesses the deliverable criteria and confirms whether or not the business/program deliverable has been met. If the business/program lead confirms that the deliverable meets the criteria, they sign the acceptance document.
- The IT lead for the deliverable area confirms whether the deliverable's technical components have been met. If they confirm the deliverable, they sign the acceptance document.
- In some projects, the Program Sponsors also review and sign off on deliverables.

Stacey Gibson-Grandfield, ADS Chief Program Officer, confirmed that these standards are in place for all IT projects, whether staffed by EPMO staff or contracted Project Management staff.

Conclusion: The Project Management Standards control the review and acceptance of deliverables, and the change in spending authority will not increase the risk of inappropriate payments.

IMPACT ON OVERSIGHT

The EPMO maintains project reporting dashboard for IT projects used by the public and legislative committees to understand the current status of State IT projects and whether they are on time and on budget. The change in spending authority means that ADS will no longer have direct access to the State's financial reports of expenditures, and there was concern that this could impact their ability to maintain the EPMO reporting dashboard. I determined that the change in spending authority would not affect the dashboard because it includes the Initial Estimated Implementation Cost and the Current Estimated Implementation Cost and does not include expenditures.

Conclusion: The EPMO dashboard includes no expenditure information and will not be impacted by the change in spending authority.