Testimony of Edward Meachen
Associate Vice President
Office of Learning & Information Technology
University of Wisconsin System Administration
March 20, 2001

Thank you for giving me the opportunity to speak today on the proposed amendment to Section 1. 13.101 (14) of the statutes, authorizing the creation of a "department of electronic government." My name is Ed Meachen. I am the Associate Vice President for Learning & Information Technology in the University of Wisconsin System Administration. I serve as the CIO [chief information officer] for the University of Wisconsin System.

It is not my intention to speak to the wisdom of creating a new executive department focused exclusively on digital technologies. It is my intention to brief you as to why the University of Wisconsin should be explicitly excluded from the provisions of this bill.

There are three provisions of this bill that the University of Wisconsin believes are seriously harmful to the orderly and efficient operation of the University.

1. The first is the bill's provision in Section 18.16.505 (2e) that allows the Secretary of the Department of Electronic Government to transfer Information Technology staff from any executive branch agency to the department of electronic government.

2. The second is the bill's provision in Section 29.16.71 (1m) and Section 35.16.72 (4) (a) and Section 44. 16.78 to remove from the Board of Regents of the University of Wisconsin the delegated authority for final approval of all information technology contracts for materials supplies, equipment or contractual services, and to place that responsibility with the secretary of the department of electronic government.

3. The third is the bill's provision in Section 56.16.971 (2) (L) to require each executive branch agency to adopt and submit to the department of electronic government a strategic plan for the utilization of technology each year by March 1.

First, let me offer some general observations about information technology in the University of Wisconsin and then address specifically the three provisions of this legislation that would cause serious harm if enacted. As you undoubtedly know, information technology has permeated every aspect of the University's business.
*   Tens of thousands of students now register for classes online.
*   Thousands of students take advantage of technology to receive information about their academic status, about their financial aid, and about their courses.

- Almost all students access library holdings using highly complex and specialized hardware and software.
- Students read electronic journal articles and electronic books on their computers in their residence halls.
- Over 100,000 students in this current semester utilize Web-based learning tools.
- Tens of thousands of students order desktop software and curricular materials online.
- Thousands of faculty do research and provide curriculum for their students utilizing Web-based information technologies.
- Faculty, staff and students in the University of Wisconsin now depend upon networked technologies to such an extent that without these technologies the University simply could not accomplish its mission.

As a result of this broad and deep utilization of digital technologies our 15 institutions and 26 campuses have done extensive strategic planning for the past three biennia. This planning has focused on a comprehensive digital infrastructure that includes networking, hardware and software applications. We have made great strides in collaborative planning across all our institutions. These plans have focused on our collective missions, NOT on information technology as a discrete set of activities. Networking, academic systems and administrative systems have been knit together to create an efficient service array that improves teaching, research and public service in our University System. In fact, the University of Wisconsin System is a widely recognized national leader in technology planning and business integration. I offer a copy of the University's 1999-2001 Systemwide IT plan for the Committee's perusal.

To remove the Board of Regents' delegated authority to approve the purchase of information technology hardware, software and materials and to place that authority with the secretary of the department of electronic government puts the new state CIO in the unenviable position of having to know more about the business of higher education than the Board of Regents! The decisions the CIO would have to make would clearly affect faculty research, student learning, and university business. This statute, in effect, proposes that the state does not trust the Board of Regents to make wise decisions about educational technology purchasing and planning. I submit to you that such a position is untenable, and ultimately, unworkable. The state CIO would be forced—by a lack of knowledge of the business of higher education—to ask the advice of the University CIO and other educational experts when making large purchasing decisions. This would not benefit efficient state government, but would rather layer another bureaucratic hurdle in the process of technology acquisition and use.

Let me briefly explain how technology planning works in the University System to provide you with some benchmarks for effective integration of technology into the business of higher education. As the UW System CIO I am tasked with the responsibility for System-wide information technology planning. Each month I meet with the institutional CIOs to discuss technology issues, to exchange information about new technologies on the horizon and how they might apply to education and research, and to do ongoing planning. I have no direct authority over these CIOs. I cannot dictate—nor

do I want to—what technologies these individual institutions must adopt to achieve their missions. This is a truly "**DISTRIBUTIVE**" and "**COLLABORATVE**" model of technology planning and adoption.

It is not the "command and control" model of information technology planning envisioned in the statute. And this collaborative model works incredibly well for the University System. Together, the CIOs and my staff work on the outlines of a two year plan. When that outline is finished, the chief business officers and chief academic officers of all our institutions modify and expand the plan to meet System-wide as well as local needs. Together these CIOs, CBOs and CAOs write the draft IT plan. The plan is then modified and approved by the chancellors of all the UW institutions, and then reviewed and approved by the Board of Regents at their October meeting of each odd-numbered year. This process has worked remarkably well. Over the past four years our institutions have developed linked administrative and academic systems, massive improvements in networked applications and student services, and a level of collaboration that is a national model.

With this background before you, let me address each of the three issues I enumerated at the outset, and give you even more concrete reasons for exempting the University of Wisconsin from this statutory amendment.

Information technology planning has become an integral component of how we do business in the University. This effective planning depends critically on the hiring and assignment of capable information technology staff specialists. For the largest university to the smallest, our technical staff are our most important resource. How could we continue that effective planning if we had to contend with the possibility that one or more key technical personnel might be conscripted from one or more of our campuses by the department of electronic government at any time? I submit that this is very bad business practice, and implies again that the state CIO knows better the business of higher education than do the Board of Regents. The legislature's delegation of responsibility to the Board of Regents for all aspects of the University's business—including technology—is a wise policy and ought not to be abrogated for any reason. If severe problems arise about how technology is acquired and used within the University System, the Board is in the best position to rectify these problems. Our technology stewardship is not broken—far from it, we are becoming more efficient and improving services every year—and therefore, it is unwise to try to fix it by imposing the power of a state CIO upon it.

Higher education has a different mission and uses vastly different electronic technologies than any other branch of state government. Faculty chose academic technologies and administrators, in collaboration with faculty and staff, chose administrative technologies to meet the special needs of teaching and research. These electronic technologies have grown to be large and complex. Take the new electronic library system as an example. This system cost well over $3 million to purchase and install. Hundreds of faculty and staff were involved in its selection and implementation. Moreover, the selection was done with the collaboration and advice of other university

systems across the country. What conceivable benefit in this process would a state government CIO contribute? And yet, this legislation would make the state CIO ultimately responsible for the purchase decision of this large information technology application. The same question might be asked for our large Web-based learning systems, our large educational administration systems and our large Internet contracts with our sister institutions across the country. In short, the Board of Regents—tasked with the responsibility for overseeing all aspects of the University—is the proper place to make the final decision about technology purchases of this scope and importance.

Additionally, higher education is in an enviable—and an exclusive—position with information technology vendors. In almost all instances, vendors such as Microsoft, Oracle, PeopleSoft, and Cisco, offer steep discounts on their products to institutions dedicated to teaching and research. For these and many other technology products, aggregating the purchasing power of state government and higher education is not possible because of differential pricing models. Let me offer up one example.

The University System and the Technical College System joined together in 1999 to purchase System-wide licenses for many of Microsoft's products. We engineered the lowest license price in the nation for any entity for the complete Microsoft office suite and operating systems. The price per student, faculty and staff member was less than $10 per year for the entire suite of products. The price to state government employees, not working for the University or the Technical College System is many, many times that amount. The reason is Microsoft's policy of offering steep discounts to educational institutions. It is entirely likely that rather than reducing the costs of state government purchases, the removal of delegation authority for the purchase of information technology products from the Board of Regents would result in much higher technology prices for the University with no reduction in prices for other state workers.

It is clear that removing IT purchasing delegation authority from the Board of Regents would serve no useful purpose for the state, but would cause harm to the University of Wisconsin.

Finally, the University of Wisconsin System has developed a strategic planning process that works wonderfully well. It is built on a two-year cycle with a progress report in the intervening year. The report, of course, is shared with other state agencies as prescribed in the statutes. Additionally, the structure of the University IT plan does not fit standard enterprise planning exercises commonly used by state governments and corporations. It is built with a focus on the educational mission of the university. Changing the format and frequency of the UW IT plan would put an additional burden on UW System staff to rewrite and reformulate the plan and the process, with no gain to the state or the university. We would strongly recommend that the University NOT be excused from IT planning, but rather that our highly successful planning process and planning format be excluded from the purview and mandate of the state CIO.

Let me suggest a different way that the University of Wisconsin might contribute to the success of the proposed eGovernment initiative. The university has developed a

great depth of expertise in Web-based applications and technologies, in collaborative planning, and in incorporating cutting edge technologies into our business model. We would be pleased to serve in advisory capacities to the new state CIO, indeed, to serve on the proposed technology board. We would very much like to collaborate with the state CIO on critical technology initiatives. Let me suggest one example of many where we believe we could offer very valuable assistance to the state's new CIO and to the initiative to enhance services to our citizens.

Some years ago the University partnered with the Department of Administration to create BadgerNet. A member of my staff actually worked half-time with DOA to create this remarkable infrastructure. Since that time, however, we have conferred with DOA on the growth of this broadband network, but we have not been invited to help leverage our expertise and resources to acquire and implement new, more cost-effective network technologies. I would suggest that without compromising our own IT strategic planning, we could make our network engineering expertise and our wide area network management expertise available to state government to improve both their services and their efficiency. We believe that through collaborative agreements the University might even save state government and the new department of electronic government considerable consulting dollars.

Let me suggest another example where collaboration would not do violence to the university's strategic planning. We have pioneered a number of innovative eCommerce initiatives. We now provide students and faculty with literally tons of software products and computer hardware products over the Web. We would be eager to help the department of electronic government in implementing their own eCommerce initiatives that meet their own business needs. And yet another example: our expertise in creating online learning for our students might be used to provide online training for workers in state government. We are currently developing Web-based occupational safety training for university staff members. We might develop similar training for state workers that would allow them to receive education any time and any where.

In the new knowledge age, the most effective model for acquiring and using information technology is through partnerships and collaboration, not through command and control. We believe strongly that gains and efficiencies in service are made through cooperation between service units where technology is deeply integrated into their businesses, not by aggregating technology into a segregated unit divorced from the actual business of the department. Accordingly, we pledge to use the technology resources we have directed to teaching and research to help other government agencies where we can, but without doing violence to our own planning process and our own mission. For these reasons we strongly recommend that the legislature exempt the university from the provisions of the new department of electronic government and instead, direct the university to support and sustain the new eGovernment initiative through cooperation and collaboration.

Thank you for your time and attention. I would be glad to answer any questions you might have.

State of Wisconsin
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John T. Benson
State Superintendent

Steven B. Dold
Deputy State Superintendent

DATE: April 2, 2001

TO: Members, Joint Committee on Information Policy

FROM: John T. Benson
         State Superintendent

SUBJ: Creation of a Department of Electronic Government

I believe that the creation of a Department of Electronic Government could provide improved coordination and efficiency in addressing the IT needs of state agencies. It could also facilitate communication among agencies on IT projects and issues and the sharing of resources.

However, I strongly oppose the provision in the Governor's budget that permits the head of the new agency, the Governor-appointed "chief information officer," to transfer any number of FTE positions having responsibilities related to information technology or telecommunications from any executive branch agency to the Department of Electronic Government or other agencies. The "chief information officer" could also transfer moneys from an agency, without the consent of the agency, to promote more efficient and effective information technology funding.

These powers of the new agency are unprecedented and could, in effect, override the intention of the Legislature in its creation of state positions and appropriation of state funds. In addition, the "chief information officer" could establish priorities for the use of IT resources that would take precedence over agency priorities. This power could be particularly damaging to non-cabinet agencies whose IT priorities may differ from gubernatorial priorities.

The concept of a centralized source of help for agencies in purchasing equipment and in transferring equipment that has been replaced in one agency to a poorer agency is a good one. We do not oppose a Department of Electronic Government with appropriate duties and authority. However, the excessive power of the chief information officer in the budget provisions before you should be eliminated.

We appreciate your careful review of these provisions.
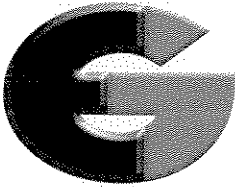
SCOTT McCALLUM
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Wisconsin Department of
ELECTRONIC
GOVERNMENT

April 2, 2002

The Honorable Mark Pettis
The Honorable Bob Jauch
Co-Chairs, Joint Committee on Information Policy
State Capitol
Madison, Wisconsin 53708

Dear Representative Pettis and Senator Jauch:

I am writing to report to you on the performance measures being developed by the Department of Electronic Government. This is to fulfill a statutory requirement.

The department is developing a comprehensive set of performance measures, which will then be extended to other state agencies. The measures include planning and identification of outcomes, benchmarking, process mapping, portfolio management and project management. A complete report is attached.

The performance measures are closely tied to our goals of using technology to improve the quality of government services and to gain efficiencies and effectiveness. I believe that this department is well positioned to deliver on these goals.

We look forward to continuing to work closely with you on these e-government initiatives.

Sincerely,

Rebecca L. Heidepriem
Secretary

Enclosure

Department of Electronic Government

Report to the Joint Committee on Information Policy
& the Information Technology Management Board
On
PERFORMANCE MEASUREMENT

March 29, 2002

Introduction
The budget bill of 2001-2003 requires that the Department of Electronic Government (DEG):

> Annually, no later than March 31, report to the joint committee on information policy and technology
> and the board concerning the performance measures utilized by the department and the actual
> performance of the department and the executive branch agencies measured against the performance
> measures then in effect.

The purpose of DEG is to provide coordination, oversight and accountability for IT projects and functions
for all executive branch agencies, excluding the UW system and campuses. It is also empowered to
provide services and assistance to local government, school districts, and other entities. DEG is to ensure
that an adequate level of IT services is made available to all agencies by providing systems analysis and
application programming services to augment agency resources, as requested. It is also to ensure that the
executive branch agencies make effective and efficient use of the information technology resources of the
state, and it is to establish policies, procedures, and planning processes for the administration of IT
services.

Creating and using a performance management system is one way to "ensure" that all the above duties are
met. This system will apply to both DEG and all other executive branch agencies. DEG will measure its
own performance first.

Performance Management in the Department of Electronic Government

A.   Performance Management Tools
Part of DEG's system or method will be the use of several types of tools to monitor and manage
performance. They include planning and identification of outcomes, benchmarking, process mapping,
portfolio management and project management. Following is a brief discussion of each.

B.   High Level DEG Goals, Outcomes and Metrics

In the fall of 2001, as part of an organizational design and migration plan for the new department, a
performance management process was developed to monitor the performance of the agency,
organizational units, and individuals.

That process included the development of a set of high level goals, agency outcomes and associated
metrics. Figure 1 on page twoshows the resultant measurable outcomes.

1

DEG's Measurable Outcomes

AGENCY CUSTOMER SATISFACTION GOALS

State agencies seek DEG input on new initiatives
- % of projects where agency business managers are involved in all project phases
- % of state portfolio of assets is current
- % increase in agency customer satisfaction rates with DEG services

Wisconsin government agencies are recognized for their leadership in providing innovative on-line services
- % increase in inquiries about our activities from other states
- % increase in service awards received by Wisconsin government agencies

CITIZEN CUSTOMER SATISFACTION GOALS

Wisconsin citizens spend more time on-line, and less time in line
- % increase in # of on-line transactions
- % decrease in traditional service delivery mode transactions within two years

Improved customer satisfaction levels with on-line services
- % increase in satisfaction levels of citizens using on-line services

BUSINESS PROCESS IMPROVEMENT GOALS

Fully leverage state IT assets
- % increase in technologies reused
- % increase in successful projects (projects that deliver anticipated ROI and meet other measurable goals

Improve the efficiency of internal processes
- $ cost savings from internal efficiency initiatives
- % reduction in cycle times of processes reengineered (target 3-5 specific processes)

All business processes advance DEG's mission
- % of processes that deliver intended measurable results

PEOPLE RESOURCE MANAGEMENT GOALS

Our people have the right skills and are in the right jobs to deliver our mission
- # times contractors are hired to fill specific skill sets
- % decrease in the duration of contract services
- % of DEG staff with implemented career development plans

Staff are excited to work at DEG
- % increase in employee satisfaction related to working at DEG
- % increase in volunteers for projects
- % increase in job transfer applicants for DEG vacancies

FINANCIAL MANAGEMENT GOALS

First year actual savings from DEG's efforts
- IT $ savings for the State

Dollars are returned to agencies as a result of DEG service cost reductions
- IT $ savings returned to agencies

On-line service costs no more than a stamp
- % of total available on-line services costing less than the price of a first class stamp

C. Benchmarking

In FY 2003, DEG will benchmark best practices, with the aim of receiving the best value from our technology investments. This will help us meet our financial management and business process improvement goals. One avenue for developing benchmarks will be polling of cost information from private sector providers of services provided by DEG. This effort may also include a formal benchmarking study.

D. DEG Process Mapping and Performance Metrics

Another part of meeting DEG's goals and outcomes is identifying the major processes that will move the agency toward those outcomes. Process mapping identifies each step in a process, what input each step requires and what the output of each step is. DEG has already mapped these major processes:

- Portfolio Management
- Managing DEG-owned Projects
- Rate Setting
- Marketing DEG Services
- Developing and Maintaining Policies and Standards

Once the processes are mapped and the inputs and outputs are identified for each step in the processes, the DEG management team will assign and agree to organizational metrics. For example, an output metric might be a one-day turnaround requirement for an agency request for a service, to be reviewed and returned to the Client Account Managers with comments by the Production and Operations Division in one day from time of receipt.

From these high-level process steps, we will also be able to identify who owns each step and assign performance metrics to each employee. An individual performance metric might be that the receiving Client Account Manager passes the agency service request to the next reviewing DEG organizational unit within four hours of receipt from the agency. The organizational metrics from the process mapping will map to the overall outcomes identified on page2.

Our goal is to have organizational and individual metrics assigned for most DEG processes by the end of May, so that the individual metrics can be used in staff performance reviews in June.

E. Portfolio Management

Portfolio Management is a tool that will assist us in managing technology assets both within DEG and across the executive branch. It allows us to look at all our technology assets, which include projects to develop or install technology, "hard" assets like equipment and software, and resources including funding and staff. There are two parts to portfolio management: creating the portfolio and managing its performance.

First, we need to gather information about our portfolio and make decisions about what is appropriately managed at the enterprise level and what is best left to the individual agencies to manage. In effect there are two levels of portfolios: enterprise and agency. The processes for managing them are very similar. It is the level of decision-making criteria that differs from agency to enterprise. Enterprise projects or assets are those that have an effect on all or most agencies, such as all the technical and security infrastructure (e.g., the network), have a large impact on overall state technology spending, such as an application like the Integrated Corrections System; or will affect a cross-agency functional area like the Integrated Tax System.

Enterprise portfolio management allows us to create an overall picture of what the state as a whole is doing with its technology, how effectively funding is being used, what the enterprise IT strategic directions should be and if agencies and the enterprise are following those directions.

Portfolio management is one place where performance management and governance of technology intersect. Overall decision-making and management or oversight of the enterprise portfolio will be carried out by the IT Management Board and supporting councils that consist of members from agencies, local governments and the private sector, while being staffed by DEG. These decision- makers will make decisions on implementation of projects and technology based on sound criteria that can be measured objectively.

Our goal is to have an initial enterprise portfolio created and a decision-making process in place by the end of FY 2002. There will be a continual refinement of the process to acquire more and better information that will allow us to make informed decisions.

F.   Project Management
Project management is a method or tool that lets us track projects, their tasks, timelines and deliverables, with a focus on managing scope, budget, and timelines. A good project plan should outline all the activities necessary to the successful implementation of a project. DEG will monitor those activities carefully using the industry-proven project management methodology. This will provide an up-to-the-minute picture of the status of a project. With this up-to-date information, we can make effective management decisions during the life of a project rather than waiting until the end to decide if it is a success or a failure. Making decisions at the appropriate point in the life of a project allows us to be more efficient and effective in our management of technology, deliver better services more quickly, and use our funding and staff resources effectively.

We can also use project management information about specific projects to measure performance both at the individual level and at the organizational level. Tasks have deliverable dates and responsible individual owners. Project phases often have organizational owners, while overall project owners may be either the enterprise or an agency depending on how they fit the criteria.

Conclusion
The Department of E-Government is creating a performance management process that will apply to itself, individual agencies and the enterprise as a whole. DEG is starting with its own processes and performance, creating methods that can be put into place by the end of June 2002. While the internal performance measurement processes are being implemented, we are also creating tools that can be used internally and externally. The IT Management Board will be using the Portfolio Management process. The end result should a clearer picture of how the state uses technology, where we are making improvements and providing services to citizens in an effective and efficient manner.

Department of Electronic Government

Joint Committee On Information Policy
and Technology

April 3, 2001

Change Has Occurred

➢ As in the private sector, state government has developed better linkages during the 1990's

1996

1990
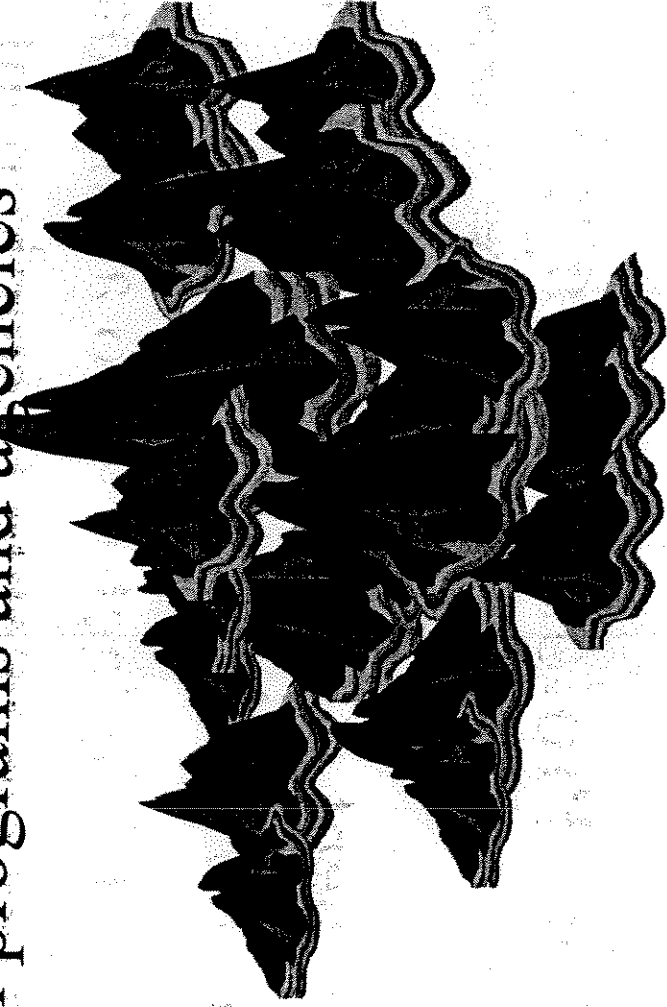
Department of Administration Testimony to JCIPT

More Profound Change Is Needed

➢ The new century will require more than bridges; it will require very close links between programs and agencies

Department of Administration Testimony to JCIPT

Why is More Profound Change Needed?

➤ E-government is inevitable -- choice is not between "do we" or "don't we"

➤ Other <u>inevitable</u> factor -- no additional resources are available to implement electronic government

➤ E-government requires us to look at common processes and change the way we do business

April 4, 2001

Department of Administration Testimony to JCIPT

Profound Change -- example

➤ Licensing -- 11 agencies provide some kind of license or permit

  ■ Possibility of 11 different systems to perform service on-line

  ■ Need to examine how to better perform that function by 11 agencies

➤ Other functions have the same issues

How We Arrived at this Recommendation

> Gartner and other assessments

> Wisconsin is poised to successfully take on e-government

- Solid infrastructure
- Sound Agency business applications in the works
- Missing piece -- sound, documented governance structure for the enterprise

> Secretary's Workgroup

Department of Administration Testimony to JCIPT

Experience of Other States

➤ According to the Progress and Freedom Foundation - "virtually all states have a CIO"

➤ Again according to PFF, 46 states either have or have approved a commission, board or council to oversee a statewide information and technology strategy.

➤ States that lead have a CIO in the Cabinet

- Washington
- Kentucky
- Utah
- Kansas
- Virginia
- North Carolina

Recommendations

➤ Create Cabinet level CIO with authority to control all IT activity in state executive branch agencies.

➤ CIO will work with agencies to consider what activities would be consolidated, outsourced or left in the agencies. IT Portfolio Management with group established by the CIO

➤ CIO serves as Secretary of the Dept. of Electronic Govt.

➤ Establish a Cabinet level Technology Board,

  ■ Chaired by the Governor,

  ■ Private sector members

  ■ Confirm strategic direction and advise the CIO
     probably has Legislative members

April 4, 2001   Department of Administration Testimony to JCIPT

What Does the Recommendation Address?

➤ Need for responsibility/accountability

➤ Need to eliminate redundant activity

   ■ in the provision of technology services

   ■ in the development of business applications

➤ Need sound, consistent resource management across the enterprise

April 4, 2001

Department of Administration Testimony to JCIPT

What Does the Recommendation Address?

➤ To extent feasible, seeks to operate state IT like a business

➤ Sufficient authority to make sure progress is made in a timely fashion

➤ To be truly accountable, CIO needs the proper authority -- cannot be able to delegate blame

➤ Sound measurement of progress and benefits replaces traditional oversight

Conclusion

➤ Electronic government will bring significant benefits and profound change to state government and constituents

➤ Unless incremental approach is satisfactory, profound change must occur in how we shift to e-government.

April 4, 2001

Department of Administration Testimony to JCIPT

SAA

SCHOOL ADMINISTRATORS ALLIANCE

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Jennifer A. Kammerud
Director of
Government Relations

An Alliance of:

Association of
Wisconsin School
Administrators

Wisconsin Association
of School District
Administrators

Wisconsin Association
of School Business
Officials

Wisconsin Council for
Administrators of
Special Services

TO: Members of the Jt.Committee on Information Policy and Technology

FROM: Jennifer Kammerud, Director of Government Relations

DATE: April 3, 2001

RE: Department of Electronic Government in SB 55

The Governor's budget provides the Department of Electronic Government with significant powers over local units of government and significant authority over the TEACH program. The School Administrators Alliance (SAA) is very concerned about the affect these provision will have on school district technology procurement, technology and telecommunications planning, and grants associated with the TEACH program.

In this budget, the Department of Electronic Government is given the power to establish master contracts for the purchase of materials, supplies, equipment or contractual services relating to information technology or telecommunications for use by local governments. The chief information officer of the Department may also develop or operate and maintain any system or device facilitating Internet or telephone access to information about programs of local government or otherwise permitting the transaction of business by local governments. Obviously, these powers would have a huge impact on the ability of local school districts to control not only the types of hardware or software they use for educating the children in their district and transmitting information to the public, but also on the ability of a district to pursue a technology or telecommunications path that is different than the one advocated by the state.

While the idea of streamlining operations, systems, and other materials or equipment associated with technology or telecommunications may sound like a good idea, the SAA feels that it would in fact hinder creativity at the local level. Moreover, it is our belief the technology and telecommunication needs of education are different in many ways from those of the state and thus should not be controlled by the state.

The SAA is opposed to the authority given to the Department of Electronic Government over the TEACH board. This budget specifies that rules promulgated by the TEACH board are subject to the approval of the Department, that procurement standards and specifications established by the TEACH board are subject to the approval of the Department, and that the TEACH board may only purchase or permit educational agencies to purchase or lease technology equipment with the approval of the Department.

In our opinion, these provisions essentially eliminate the independence of the TEACH board. The TEACH board was given some independence in order to make relatively impartial decisions on the awarding of grants for technology. It concerns us that under this budget, some independence would be lost to a department that is not solely focused on education and may have other priorities.

If you have any questions or would like additional information, please contact me at 242-1370.

Testimony of Ellen James
Assistant Vice President
Division of Administrative Services
University of Wisconsin System Administration
April 3, 2001

Chairman Jauch and Chairman Pettis, members of the Joint Committee on Information and Technology. Thank you for the opportunity to testify on the proposed amendment to Section 1.13.101(14) of the statutes, which creates a Department of Electronic Government. My name is Ellen James and I am the Assistant Vice President of Administrative Services for the University of Wisconsin System Administration. In this capacity I am responsible for the procurement function for the University System.

I am here to specifically address the portions of the budget bill that affect the Board of Regents approval and acquisition of all information technology contracts for materials, supplies, equipment or contractual services. As explained in earlier testimony by my colleague, Edward Meachen, the University does extensive collaborative planning to identify the most efficient methods for improving teaching, research and public service at our institutions. The procurement function within the University facilitates the implementation of this extensive planning. My staff attend the CIO's monthly meetings and the Sytemwide IT Planning meetings to stay appraised of technological direction and to assist in the acquisition of these planned technologies. UW institutions, which include stakeholders in both the functional and technical areas, develop the specifications for the bids or request for proposals. This participatory process ensures the UW obtains the best pricing while meeting the needs of our students, faculty and staff.

The UW System obtains extremely attractive pricing on its contracts due to its efforts to identify common purchases and by negotiating systemwide contracts. Additionally, the University has the unique advantage of educational discounts that are not offered to other governmental entities. The University has worked at length to extend this favorable pricing to the Wisconsin Technical Schools as well as the PK-12s.

Mr. Meachen has already talked about the advantageous pricing the University and the Technical Colleges obtained from Microsoft. As stated, the cost of this software under our contract was approximately $10 per FTE for five Microsoft applications while the State's price was $100 -$250 per application per user. This cost savings is due to our ability to obtain educational pricing.

Two other contracts used extensively by the WTCS and the PK-12 are for desktop and laptop computers. Last year approximately $4.7 million dollars were spent by the technical colleges and PK-12, dollars which reflect an approximate 25% saving over list price. Under the Department of Electronic Government scenario, DEG could incorporate education in their purchase but could then evenly distribute the costs across education and state agencies; thereby increasing IT costs to the educational community, at a time when educational budgets are extremely tight.

In addition to severely impacting our ability to obtain the best pricing for the State's educational community, the creation of this new department will increase the complexity of the procurement process. Instead of one procurement process, the State will now have two bureaucratic processes following two separate sets of policies and procedures. This will cause confusion as to which process to use depending on the definition of information technology and telecommunications. The DEG statutes do not address thresholds for delegation of purchasing to state agencies, literally reversing the legislation under 16.75(1)(b)(c) passed in 1995, which increased the flexibility and streamlined the procurement process.

It is critical to the continued success of the University of Wisconsin in its support of information technology for its students, faculty and staff that it be exempt from the amended statute's provision in Section 29.16.71(1m), Section 35.16.72(4)(a) and Section 44.16.78. Let me assure you that exemption from this statute would not eliminate accountability or collaboration to the State. The University System would continue to provide information on our purchases to the state. We would also continue our collaboration with the Department of Administration, the Department of Electronic Government and the state agencies to leverage better contracts for all parties.

Again, thank you for the opportunity to present this testimony.

Testimony of Edward Meachen
Associate Vice President
Office of Learning & Information Technology
University of Wisconsin System Administration
April 3, 2001

Thank you for giving me the opportunity to speak today on the proposed amendment to Section 1. 13.101 (14) of the statutes, authorizing the creation of a "department of electronic government." My name is Ed Meachen. I am the Associate Vice President for Learning & Information Technology in the University of Wisconsin System Administration. I serve as the CIO [chief information officer] for the University of Wisconsin System.

It is not my intention to speak to the wisdom of creating a new executive department focused exclusively on digital technologies. It is my intention to brief you as to why the University of Wisconsin should be explicitly excluded from the provisions of this amended statute.

There are three provisions of this amended statute that the University of Wisconsin believes are seriously harmful to the orderly and efficient operation of the University.

> [1] The first is the amended statute's provision in Section 18. 16.505 (2e) that allows the Secretary of the Department of Electronic Government to transfer Information Technology staff from any executive branch agency to the department of electronic government.
> [2] The second is the amended statute's provision in Section 29. 16.71 (1m) and Section 35. 16.72 (4) (a) and Section 44. 16.78 to remove from the Board of Regents of the University of Wisconsin the delegated authority for final approval of all information technology contracts for materials supplies, equipment or contractual services, and to place that responsibility with the secretary of the department of electronic government.
> [3] The third is the amended statute's provision in Section 56. 16.971 (2) (L) to require each executive branch agency to adopt and submit to the department of electronic government a strategic plan for the utilization of technology each year by March 1.

First, let me offer some general observations about information technology in the University of Wisconsin and then address specifically the three provisions of this legislation that would cause serious harm if enacted. As

you undoubtedly know, information technology has permeated every aspect of the University's business. Tens of thousands of students now register for classes online. Thousands of students take advantage of technology to receive information about their academic status, about their financial aid, and about their courses. Almost all students access library holdings using highly complex and specialized hardware and software. Students read electronic journal articles and electronic books on their computers in their residence halls. Over 100,000 students in this current semester utilize Web-based learning tools. Tens of thousands of students order desktop software and curricular materials online. Thousands of faculty do research and provide curriculum for their students utilizing Web-based information technologies. Faculty, staff and students in the University of Wisconsin now depend upon networked technologies to such an extent that without these technologies the University simply could not accomplish its mission. As a result of this broad and deep utilization of digital technologies our 15 institutions and 26 campuses have done extensive strategic planning for the past three biennia. This planning has focused on a comprehensive digital infrastructure that includes networking, hardware and software applications. We have made great strides in collaborative planning across all our institutions. These plans have focused on our collective missions, NOT on information technology as a discrete set of activities. Networking, academic systems and administrative systems have been knit together to create an efficient service array that improves teaching, research and public service in our University System. In fact, the University of Wisconsin System is a widely recognized national leader in technology planning and business integration

To remove the Board of Regents' delegated authority to approve the purchase of information technology hardware, software and materials and to place that authority with the secretary of the department of electronic government puts the new state CIO in the unenviable position of having to know more about the business of higher education than the Board of Regents! The decisions the CIO would have to make would clearly affect faculty research, student learning, and university business. This statute, in effect, proposes that the state does not trust the Board of Regents to make wise decisions about educational technology purchasing and planning. I submit to you that such a position is untenable, and ultimately, unworkable. The state CIO would be forced—by a lack of knowledge of the business of higher education—to ask the advice of the University CIO and other educational experts when making large purchasing decisions. This would

not benefit efficient state government, but would rather layer another bureaucratic hurdle in the process of technology acquisition and use.

Let me briefly explain how technology planning works in the University System to provide you with some benchmarks for effective integration of technology into the business of higher education. As the UW System CIO I am tasked with the responsibility for System-wide information technology planning. Each month I meet with the institutional CIOs to discuss technology issues, to exchange information about new technologies on the horizon and how they might apply to education and research, and to do ongoing planning. I have no direct authority over these CIOs. I cannot dictate—nor do I want to—what technologies these individual institutions must adopt to achieve their missions. This is a truly **"DISTRIBUTIVE"** and **"COLLABORATVE"** model of technology planning and adoption. It is not the "command and control" model of information technology planning envisioned in the statute. And this collaborative model works incredibly well for the University System. Together, the CIOs and my staff work on the outlines of a two year plan. When that outline is finished, the chief business officers and chief academic officers of all our institutions modify and expand the plan to meet System-wide as well as local needs. Together these CIOs, CBOs and CAOs write the draft IT plan. The plan is then modified and approved by the chancellors of all the UW institutions, and then reviewed and approved by the Board of Regents at their October meeting of each odd-numbered year. This process has worked remarkably well. Over the past four years our institutions have developed linked administrative and academic systems, massive improvements in networked applications and student services, and a level of collaboration that is a national model.

With this background before you, let me address each of the three issues I enumerated at the outset, and give you even more concrete reasons for exempting the University of Wisconsin from this statutory amendment.

Information technology planning has become an integral component of how we do business in the University. This effective planning depends critically on the hiring and assignment of capable information technology staff specialists. For the largest university to the smallest, our technical staff are our most important resource. How could we continue that effective planning if we had to contend with the possibility that one or more key technical personnel might be conscripted from one or more of our campuses by the

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department of electronic government at any time? I submit that this is very bad business practice, and implies again that the state CIO knows better the business of higher education than do the Board of Regents. The legislature's delegation of responsibility to the Board of Regents for all aspects of the University's business—including technology—is a wise policy and ought not to be abrogated for any reason. If severe problems arise about how technology is acquired and used within the University System, the Board is in the best position to rectify these problems. Our technology stewardship is not broken—far from it, we are becoming more efficient and improving services every year—and therefore, it is unwise to try to fix it by imposing the power of a state CIO upon it.

Higher education has a different mission and uses vastly different electronic technologies than any other branch of state government. Faculty chose academic technologies and administrators, in collaboration with faculty and staff, chose administrative technologies to meet the special needs of teaching and research. These electronic technologies have grown to be large and complex. Take the new electronic library system as an example. This system cost well over $3 million to purchase and install. Hundreds of faculty and staff were involved in its selection and implementation. Moreover, the selection was done with the collaboration and advice of other university systems across the country. What conceivable benefit in this process would a state government CIO contribute? And yet, this legislation would make the state CIO ultimately responsible for the purchase decision of this large information technology application. The same question might be asked for our large Web-based learning systems. For our large educational administration systems. For our large Internet contracts with our sister institutions across the country. In short, the Board of Regents—tasked with the responsibility for overseeing all aspects of the University—is the proper place to make the final decision about technology purchases of this scope and importance.

Additionally, higher education is in an enviable—and an exclusive—position with information technology vendors. In almost all instances, vendors such as Microsoft, Oracle, PeopleSoft, and Cisco, offer steep discounts on their products to institutions dedicated to teaching and research. For these and many other technology products, aggregating the purchasing power of state government and higher education is not possible because of differential pricing models. Let me offer up one example. The University System and the Technical College System joined together in 1999 to

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purchase System-wide licenses for many of Microsoft's products. We engineered the lowest license price in the nation for any entity for the complete Microsoft office suite and operating systems. The price per student, faculty and staff member was less than $10 per year for the entire suite of products. The price to state government employees, not working for the University or the Technical College System is many, many times that amount. The reason is Microsoft's policy of offering steep discounts to educational institutions. It is entirely likely that rather than reducing the costs of state government purchases, the removal of delegation authority for the purchase of information technology products from the Board of Regents would result in much higher technology prices for the University with no reduction in prices for other state workers.

It is clear that removing IT purchasing delegation authority from the Board of Regents would serve no useful purpose for the state, but would cause harm to the University of Wisconsin.

Finally, the University of Wisconsin System has developed a strategic planning process that works wonderfully well. It is built on a two year cycle with a progress report in the intervening year. The report, of course, is shared with other state agencies as prescribed in the statutes. Additionally, the structure of the University IT plan does not fit standard enterprise planning exercises commonly used by state governments and corporations. It is built with a focus on the educational mission of the university. Changing the format and frequency of the UW IT plan would put an additional burden on UW System staff to rewrite and reformulate the plan and the process, with no gain to the state or the university. We would strongly recommend that the University NOT be excused from IT planning, but rather that our highly successful planning process and planning format be excluded from the purview and mandate of the state CIO.

Let me suggest a different way that the University of Wisconsin might contribute to the success of the proposed eGovernment initiative. The university has developed a great depth of expertise in Web-based applications and technologies, in collaborative planning, and in incorporating cutting edge technologies into our business model. We would be pleased to serve in advisory capacities to the new state CIO, indeed, to serve on the proposed technology board. We would very much like to collaborate with the state CIO on critical technology initiatives. Let me suggest one example of many where we believe we could offer very

valuable assistance to the state's new CIO and to the initiative to enhance services to our citizens. Some years ago the University partnered with the Department of Administration to create BadgerNet. A member of my staff actually worked half-time with DOA to create this remarkable infrastructure. Since that time, however, we have conferred with DOA on the growth of this broadband network, but we have not been invited to help leverage our expertise and resources to acquire and implement new, more cost-effective network technologies. I would suggest that without compromising our own IT strategic planning, we could make our network engineering expertise and our wide area network management expertise available to state government to improve both their services and their efficiency. We believe that through collaborative agreements the University might even save state government and the new department of electronic government considerable consulting dollars.

Let me suggest another example where collaboration would not do violence to the university's strategic planning. We have pioneered a number of innovative eCommerce initiatives. We now provide students and faculty with literally tons of software products and computer hardware products over the Web. We would be eager to help the department of electronic government in implementing their own eCommerce initiatives which meet their own business needs. And yet another example: our expertise in creating online learning for our students might be used to provide online training for workers in state government. We are currently developing Web-based occupational safety training for university staff members. We might develop similar training for state workers which would allow them to receive education any time and any where.

In the new knowledge age, the most effective model for acquiring and using information technology is through partnerships and collaboration, not through command and control. We believe strongly that gains and efficiencies in service are made through cooperation between service units where technology is deeply integrated into their businesses, not by aggregating technology into a segregated unit divorced from the actual business of the department. Accordingly, we pledge to use the technology resources we have directed to teaching and research to help other government agencies where we can, but without doing violence to our own planning process and our own mission. For these reasons we strongly recommend that the legislature exempt the university from the provisions of the new department of electronic government and instead, direct the

university to support and sustain the new eGovernment initiative through cooperation and collaboration.

Thank you for your time and attention.

DEPARTMENT OF ELECTRONIC GOVERNMENT

1. This proposal retains the attachment of the TEACH board to DOA but makes purchases of materials, supplies, equipment or services by the TEACH board subject to the approval of DEG.

    Why not attach TEACH to DEG?

2. Under the proposal, DEG is authorized to enter into agreements to provide services not only to other government agencies but also to <u>entities in the private sector</u>? → *would have to coordinate with county govs –*

    What private entities are envisioned by this provision? Why should DEG be providing services to any private entity?

3. The two public members of the Information Technology Management Board are appointed by the Governor but are not subject to Senate confirmation.

    Why not?

4. The bill proposes a very powerful "command and control" model for DEG, as opposed to one where DEG would have to compete with the private sector for state agencies' business.

    Were other models considered? Why was this one chosen?

5. The proposal eliminates current requirements that JCIPT be consulted regarding IT planning and instead requires the submission of a biennial statewide strategic plan to JCIPT. This does not seem to allow for any feedback from the committee.

    Would you find any value in requiring some consultation with the committee, rather than just the submission of a report? Why or why not?

6. The bill deletes the current requirement that the Joint Finance Committee be notified in writing of the proposed acquisition of any major IT resource or of any resource that is likely to result in a substantive change of service and that was not considered in the regular budgeting process.

    Why is it desirable to remove this legislative oversight? Why not have some legislative oversight? Why not at least have a passive review process before JFC or even JCIPT?

7.   The bill allows the Chief Information Officer to transfer monies from one agency to another or to the DEG, without the consent of the affected agencies. It also allows the CIO to transfer personnel between agencies or to the DEG. There is not legislative oversight or review of this power.

       This kind of power appears to be unprecedented. Is it the administration's intent to create this kind of "superagency?" Again, why not allow for at least passive legislative review of these decisions by JFC?

8.   Is it necessary to include the UW System in the DEG proposal? Would excluding the UW detract from achieving your objectives? How? Has the UW's performance in this area been somehow deficient so as to merit inclusion?

TEACH BOARD

1.   What is the TEACH assessment now? What is it going to go to?

2.   Please explain the need to spennd $1 million in federal E-Rate monies on the pupil technology support initiative. Why is this needed? Why is this the best way to accomplish this goal?

3.   Please tell us about the six alternative technology studies you propose conducting. Can you provide examples of the type of technologies you would be studying?

4.   How long do we need a person to administer the existing WATF grants? What will happen to that position when that work is completed?

5.   What is the need for requiring school districts receiving an educational technology block grant to submit an annual report to the TEACH Board concerning the specific purposes for which the district used the grant. Isn't this contrary to the spirit of a block grant? Why is this kind of micro-management needed?

ELECTRONIC GOVERNMENT

Budget Summary					FTE Position Summary				
	2000-01	Governor		2001-03 Change Over Base Year Doubled			Governor		2002-03 Over 2000-01
Fund	Adjusted Base	2001-02	2002-03	Amount	%	2000-01	2001-02	2002-03	Number	%
PR	$0	$132,443,800	$132,489,700	$264,933,500	N.A.	0.00	227.30	227.30	227.30	N.A.

Budget Change Items

1. DEPARTMENT OF ELECTRONIC GOVERNMENT CREATED

	Funding	Positions
PR	$264,933,500	227.30

Governor: Create an independent state agency to be known as the Department of Electronic Government. Specify that the Department of Electronic Government is under the direction and supervision of the Secretary of Electronic Government, known as the "chief information officer." Authorize the Governor to appointment the chief information officer, with the advice and consent of the Senate, to serve at the Governor's pleasure. Provide $132,443,800 in 2001-02 and $132,489,700 in 2002-03 and 227.3 positions annually for the new agency. The Department of Electronic Government would be created through the transfer of current statutory authority related to information technology (IT) from DOA to the new Department, including procurement related to IT (but excluding educational technology), and through the creation of new and expanded statutory authorities under the Department of Electronic Government. Funding and positions for each of the Department of Electronic Government's appropriations transferred or created under the bill are identified in the following table. A detailed summary of the transferred and expanded authorities follows the table.

Department of Electronic Government
Summary of Funding and Position Transfers, and Total Funding

Electronic Government Appropriation	2001-02 Amount	Positions	2002-03 Amount	Positions	Source of Funding
General Program Operations, Services to State Agencies (s. 20.530(1)(ke))					
	$50,335,100	124.30	$50,311,400	124.30	DOA info. technology processing
	37,102,300	29.00	37,102,300	29.00	DOA telecommunications
	21,990,000	44.00	22,059,600	44.00	DOA printing and mail services
	258,200	4.00	258,200	4.00	DOA support positions
	409,800	3.00	409,800	3.00	Create unclassified positions (new)*
Appropriation Total	$110,095,400	204.30	$110,141,300	204.30	
General Program Operations, Services to Nonstate Entities (s. 20.530(1)(is))					
	$12,666,600	0.00	$12,666,600	0.00	Estimated expenditures (new)*
Relay Services (s. 20.530(1)(ir))					
	$5,013,500	1.00	$5,013,500	1.00	DOA relay services
Justice Information Systems (s. 20.530(1)(kp))					
	$1,602,400	19.00	$1,602,400	19.00	DOA justice information system fee
	2,024,100	0.00	2,024,100	0.00	DOA Byrne grant
	133,300	0.00	133,300	0.00	Appropriation reestimate*
Appropriation Total	$3,759,800	19.00	$3,759,800	19.00	
Justice Information Systems Development, Operation and Maintenance (s. 20.530(1)(kq))					
	$1,226,700	3.00	$1,226,700	3.00	DOA penalty assessment surcharge
	-318,200	0.00	-318,200	0.00	Appropriation reestimate*
Appropriation Total	$908,500	3.00	$908,500	3.00	
Gifts, Grants and Bequests (s. 20.530(1)(g))					
	$0	0.00	$0	0.00	New appropriation
Electronic Communications Services, Nonstate Entities (s. 20.530(1)(it))					
	$0	0.00	$0	0.00	New appropriation
Electronic Communications Services, State Agencies (s. 20.530(1)(kf))					
	$0	0.00	$0	0.00	New appropriation
Federal Aid (s. 20.530(1)(m))					
	$0	0.00	$0	0.00	New appropriation
Department Total	$132,443,800	227.30	$132,489,700	227.30	
		221.30		221.30	Classified positions
		6.00		6.00	Unclassified positions

*These appropriations adjustments are in addition to the amounts identified for transfer from DOA.

[Bill Sections: 100, 109 thru 111, 113, 114, 119, 135 thru 138, 162, 175, 176, 203, 230, 235, 239, 240, 244, 247, 248, 251, 252, 259, 260, 268, 269, 273 thru 276, 278 thru 282, 291 thru 294, 296 thru 298, 307, 308, 345 thru 380, 383, 390, 479, 572 thru 575, 808, 809, 812, 813, 816, 818 thru 821, 845, 854, 914, 928, 983, 989, 1026, 1027, 1029 thru 1034, 1160, 1357, 1419, 1420, 1433, 1439, 1440, 2321, 2983, 3018, 3019, 3024, 3048, 3050, 3061, 3218, 3781, 9159(2) and 9201(4)&(5)]

2. POWERS AND DUTIES TRANSFERRED FROM DOA

Governor: Transfer and modify the powers and duties of DOA associated with IT to the new Department of Electronic Government as follows:

a. *Definitions.* Transfer current law definitions used in connection with DOA's IT responsibilities. In addition, define the following terms: (a) "telecommunications" means all services and facilities capable of transmitting, switching, or receiving information in any form by wire, radio, or other electronic means; (b) "board" means the Information Technology Management Board (identified below); and (c) "information technology portfolio" means IT systems, applications, infrastructure, and information resources and human resources devoted to developing and maintaining IT systems. Delete the definition of "small agency" (an agency having fewer than 50 authorized full-time equivalent positions).

b. *Powers and Duties Transferred from DOA's Division of Technology Management.* Transfer the current duties of DOA's Division of Technology Management to the Department of Electronic Government. These duties include: (a) ensuring that an adequate level of IT services is made available to all agencies by providing systems analysis and application programming services to augment agency resources, as requested; (b) ensuring that executive branch agencies make effective and efficient use of the IT resources of the state; (c) in cooperation with agencies, establishing policies, procedures and planning processes for the administration of IT services, which executive branch agencies must follow; (d) monitoring adherence to policies, procedures and processes; (e) reviewing and approving, modifying or rejecting most forms approved by a records and forms officer for jurisdiction, authority, standardization of design and nonduplication of existing forms; (f) prescribing a forms management program for agencies; (g) developing and maintaining IT resource planning and budgeting techniques at all levels of state government; (h) developing and maintaining procedures to ensure IT resource planning and sharing between executive branch agencies; (i) developing review and approval procedures which encourage timely and cost-effective hardware, software and professional services acquisitions, and reviewing and approving the acquisition of such items and services under those procedures; (j) collecting, analyzing and interpreting, in cooperation with agencies, data necessary to assist the IT resource planning needs of the Governor and Legislature; (k) providing advice and assistance during budget preparation concerning IT resource plans and capabilities; (l) ensuring that management reviews of IT organizations are conducted; (m) gathering, interpreting and disseminating information on new technological developments, management techniques and IT resource capabilities and their possible effect on current and future management plans to all interested parties; (n) ensuring that a level of IT services are provided to all agencies that are equitable in regard to resource availability, cost and performance; (o) ensuring that all executive branch agencies develop and operate with clear guidelines and standards in the areas of IT systems development and that they employ good management practices and cost-benefit justifications; (p) ensuring that all state data processing facilities develop proper privacy and security procedures and safeguards; (q) maintaining an IT resource center to provide appropriate technical assistance and training to small agencies; (r) requiring each executive branch agency to adopt and submit for approval, a strategic plan for the utilization of IT to carry out the functions of the agency; (s) requiring each executive branch

agency that receives funding under a biennial budget for an IT development project to file an amendment to its strategic plan for the utilization of information technology, no later than 60 days after enactment of each biennial budget act; and (t) assisting in coordination and integration of plans of executive branch agencies relating to IT and, using these plans and the statewide long-range telecommunications plan to formulate and revise biennially a consistent statewide strategic plan for the use and application of information technology.

Require that executive branch agency strategic plans be adopted and submitted annually by March 1, rather than biennially as under current law.

Transfer DOA's current responsibilities to the Department of Electronic Government related to: (a) computer licensing; (b) the requirement that the Revisor of Statutes approve the specifications for preparation and schedule for delivery of computer databases containing the Wisconsin Statutes; and (c) the authority, in conjunction with the Public Defender Board, the Director of State Courts, the Departments of Corrections and Justice and district attorneys, to maintain, promote and coordinate integrated justice information systems. Transfer to the new department, DOA's current ability to charge executive branch agencies for IT development and management services provided to them.

Delete the requirement that the Joint Committee on Finance be notified in writing of the proposed acquisition of any IT resource that DOA considers major or that is likely to result in a substantive change of service, and that was not considered in the regular budgeting process and is to be financed from general purpose revenues or corresponding revenues in a segregated fund. In addition, delete the current law provision that requires the Secretary of DOA to promptly notify the Joint Committee on Finance in writing of the proposed acquisition of any IT resource that DOA considers major or that is likely to result in a substantive change in service, and that was not considered in the regular budgeting process and is to be financed from program revenues or corresponding revenues from program receipts in a segregated fund.

c. *Powers and Duties Transferred from DOA's Division of Information Technology Services.* Transfer to the new Department the current powers of DOA's Division of Information Technology Services. Under the bill, the Department would be allowed to: (a) provide telecommunications services to state agencies; (b) provide such computer services and telecommunications services to local governmental units and telecommunications services to qualified private schools, postsecondary institutions, museums and zoos as the Department of Electronic Government considers to be appropriate and can be efficiently and economically provided; (c) provide such supercomputer services to agencies, local governmental units and entities in the private sector as the Department considers to be appropriate and can be efficiently and economically provided; (d) undertake such studies, contract for the performance of such studies, and appoint such councils and committees for advisory purposes as the Department considers appropriate to ensure that plans, capital investments and operating priorities meet the needs of state government and of agencies and of local governmental units and entities in the private sector served by the Department; and (e) provide technical services to agencies in making hardware acquisitions to be used for computer services.

Under the bill, the Department would be required to: (a) provide or contract with a public or private entity to provide computer services to agencies; (b) facilitate the implementation of statewide initiatives, including development and maintenance of policies and programs to protect the privacy of individuals who are the subjects of information contained in the databases of agencies, and of technical standards and sharing of applications among agencies and any participating local governmental units or entities in the private sector; (c) ensure responsiveness to the needs of agencies for delivery of high-quality IT processing services on an efficient and economical basis, while not unduly affecting the privacy of individuals who are the subjects of the information being processed by the Department; (d) utilize all feasible technical means to ensure the security of all information submitted for processing by agencies, local governmental units and entities in the private sector; and (e) with the advice of the Ethics Board, adopt and enforce standards of ethical conduct applicable to its paid consultants which are similar to the standards prescribed for public officials.

Transfer to the new Department the current duties of DOA's Division of Information Technology Services to withhold from access under open records laws all information submitted to Department by agencies, local governmental units or entities in the private sector for the purpose of processing. Modify the provision to include information submitted by authorities, units of the federal government.

3.   TELECOMMUNICATIONS PLANNING TRANSFERRED FROM DOA

Governor: Transfer to the new Department DOA's responsibilities related to telecommunications operations and planning. Duties and powers related to telecommunications include: (a) developing and maintaining a statewide long-range telecommunications plan, which serves as a major element for budget preparation, as guidance for technical implementation and as a means of ensuring the maximum use of shared systems by agencies when this would result in operational or economic improvements or both; (b) developing policy, standards and technical and procedural guidelines to ensure a coordinated and cost-effective approach to telecommunications system acquisition and utilization; (c) maintaining a comprehensive inventory of all state-owned or leased telecommunications equipment and services; (d) monitoring overall state expenditures for telecommunications systems and preparing an annual financial report on such expenditures; (e) reviewing the operation of all telecommunications systems in Wisconsin to ensure technical sufficiency, adequacy and consistency with goals and objectives; and (f) performing the functions of agency telecommunications officer for those agencies with no designated focal point for telecommunications planning, coordination, technical review and procurement. In addition, transfer the ability to allow regionally accredited four-year nonprofit colleges and universities that are incorporated in Wisconsin or that have their regional headquarters and principal place of business in Wisconsin to participate in any telecommunications network administered by the Department.

4. NEW POWERS OF THE DEPARTMENT OF ELECTRONIC GOVERNMENT

Governor: Create the following new powers authorizing the Department to:

a. Acquire, operate, and maintain any IT equipment or systems required by the Department to carry out its functions, and provide IT development and management services related to those systems. Specify that the Department may assess executive branch agencies for the costs of equipment or systems acquired, operated, maintained, or provided or services provided in accordance with a methodology determined by the chief information officer. Further specify that the Department may also charge any agency for such costs as a component of any of the services provided by the Department to the agency.

b. Assume direct responsibility for the planning and development of any IT system in the executive branch that the chief information officer determines to be necessary to effectively develop or manage the system, with or without the consent of any affected executive branch agency. Allow the Department to charge any executive branch agency for the Department's reasonable costs incurred in carrying out its functions on behalf of that agency.

c. Establish master contracts for the purchase of materials, supplies, equipment, or contractual services relating to information technology or telecommunications for use by agencies, authorities, local governmental units, or entities in the private sector and require any executive branch agency to make any purchases of materials, supplies, equipment, or contractual services included under the contract pursuant to the terms of the contract.

d. Accept gifts, grants, and bequests, to be used for the purposes for which made, consistent with applicable laws.

5. GENERAL POWERS OF THE CHIEF INFORMATION OFFICER

Governor: Specify that the chief information officer may:

a. Enter into and enforce an agreement with any agency, any authority, any unit of the federal government, any local governmental unit, or any entity in the private sector to provide services authorized to be provided by the Department to that agency, authority, unit, or entity at a cost specified in the agreement.

b. Establish and collect assessments and charges for all authorized services provided by the Department.

c. Develop or operate and maintain any system or device facilitating internet or telephone access to information about programs of agencies, authorities, local governmental units, or entities in the private sector, or otherwise permitting the transaction of business by agencies, authorities, local governmental units, or entities in the private sector by means of electronic communication. Specify that the chief information officer may assess executive branch agencies for the costs of systems or devices that are developed, operated or maintained

in accordance with a methodology determined by the officer. Further, specify that the chief information officer may charge any agency, authority, local governmental unit, or entity in the private sector for such costs as a component of any services provided by the Department to that agency, authority, local governmental unit or entity.

d.   Review and approve, approve with modifications, or disapprove any proposed contract for the purchase of materials, supplies, equipment, or contractual services relating to information technology or telecommunications by an executive branch agency.

6.   BUDGETARY AND POSITION CONTROL AUTHORITY GRANTED TO THE CHIEF INFORMATION OFFICER

Governor: Specify that the chief information officer may transfer monies from the unencumbered balance in the account of any appropriation made to any executive branch agency, other than a sum sufficient appropriation, to the Department's general program operations or electronic communications services appropriations or to any other appropriation made to an executive branch agency, without the consent of any affected executive branch agency, for the purpose of facilitating more efficient or effective funding of information technology or electronic communications services within the executive branch. Require that the transfer must be consistent with state and federal law and with any requirement imposed by the federal government as a condition to the receipt of aids. Require that if a transfer is made to or from a sum certain appropriation, the amount in the appropriations schedule for the account from which the transfer is made for the period during which the transfer is made is decreased by the amount transferred. Correspondingly, the amount in the appropriations schedule for the account to which the transfer is made for the period during which the transfer is made is increased by the amount transferred.

Require DOA to execute transfers between appropriations upon direction by the chief information officer.

Specify that the chief information officer may transfer any whole or fractional number of authorized full-time equivalent positions having responsibilities related to information technology or telecommunications functions from any executive branch (including the UW System) agency to the Department of Electronic Government or another executive branch agency, or may transfer the funding source for any positions within the appropriations made to an executive branch agency, for the purpose of carrying out the authorized functions of the Department of Electronic Government. Specify that the chief information officer may also change the funding source, in whole or in part, for any position transferred to the Department of Electronic Government or another executive branch agency.   o

Allow the chief information officer to rescind any previous transfer action. Require that if the funding source for any position is changed and the transfer or change in funding sources is rescinded, the funding source for that position reverts to the original funding source. Require that the number of authorized full-time equivalent positions for the Department of Electronic

Government or any other executive branch agency from which or to which positions are transferred (and the allocation among funding sources of full-time equivalent positions in the Department of Electronic Government or other executive branch agencies) be adjusted to reflect the transfer on the date on which the transfer is made.

On the effective date of any transfer of employees between executive branch agencies, specify that any incumbent in an affected position is transferred to the appropriate executive branch agency. Specify that all employees transferred have all of the rights and the same status in the executive branch agency to which they are transferred that they enjoyed in the executive branch agency in which they were employed immediately prior to the transfer. Further, specify that no transferred employee who has attained permanent status in class may be required to serve a probationary period in the position to which the employee is transferred.

Promptly following the completion of each calendar quarter, require the chief information officer to report the following information to the Secretary of DOA: (a) the number of position changes made by the chief information officer during the preceding calendar quarter, itemized by each executive branch agency and funding source; and (b) if applicable, the specific appropriations from which funding for any position was provided or from which funding for any position was deleted.

Include program revenue position modifications made by the chief information officer in the s. 16.517 report that is provided for Joint Committee on Finance approval related to adjustments of program revenue positions and funding levels not reflected in each new biennial budget act. This report is provided to the Committee 30 days after the effective date of each biennial budget.

7. APPROPRIATIONS STRUCTURE OF THE NEW DEPARTMENT

Governor: Transfer and modify the DOA appropriations related to the Divisions of Information Technology Services and Technology Management. Create four new appropriations in the Department of Electronic Government. Appropriation transfers, modifications and creations would be as follows:

a. *Information Technology Processing Services to Non-State Agencies.* Transfer DOA's continuing PR appropriation for information technology processing services to non-state agencies to the Department of Electronic Government. Modify the appropriation to create a general program operations appropriation for services to non-state entities. Specify that the appropriation receive funding not only from local governmental units and entities in the private sector but also from state authorities and units of the federal government. Further, specify that the appropriation be used not only for provision of computer services, telecommunications services and supercomputer services, but also the provision of any authorized service in accordance with an agreement and for the general program operations of the Department.

Funding for the appropriation would be generated from charges to state authorities, units of the federal government, local governmental units and entities in the private sector for the

provision of computer, telecommunications and supercomputer services and for the general program operations of the Department based on charges determined in accordance with a methodology designated by the chief information officer or in accordance with costs specified in any agreement. Under the bill, the appropriation also would receive funding from a charge to educational agencies under the TEACH Board's program for telecommunications access of not more than $250 per month for each data line or video link that is provided to the educational agency or a charge not to exceed $100 per month for each data line or video link that relies on a transport medium that operates at a speed of 1.544 megabits per second.

b.   *Telecommunications and Data Processing Services.* Transfer DOA's annual PR appropriation for telecommunications and data processing services to the Department of Electronic Government. Delete DOA's continuing appropriation for information technology processing services for state agencies. Modify the transferred telecommunications and data processing services appropriation to create a continuing general program operations appropriation for services to state agencies. Under a continuing appropriation, the dollar amounts in the appropriations schedule are only estimates of the amount of funds that the agency expects to spend and an agency may expend as much as the accumulated revenue in the appropriation level will allow. Under an annual appropriation, an agency may expend only up to the maximum amount appropriated.

Delete current provisions specifying that the appropriation be used to provide state telecommunications services and data processing oversight and management services and telecommunications and data processing inventory items primarily to state agencies and to provide for the initial costs of establishing and operating the Division of Information Technology Services.

Specify that the transferred appropriation may receive funding from charges associated with the Department's provision of information technology processing, mail processing, printing, and telecommunications services to state agencies, other than monies received and disbursed for emergency weather warning system operations, monies received from the provision of information technology development and management services to executive branch agencies and monies transferred to the appropriation from any other appropriation as directed by the chief information officer. Specify that funding in the appropriation be used for providing the identified services and the general program operations of the Department.

The new PR continuing appropriation in the Department of Electronic Government combines: (a) DOA's continuing appropriation associated with state agency use of the state computer utility; (b) DOA's annual appropriation for state telecommunications services and data processing oversight and management services and telecommunications and data processing inventory items primarily to state agencies; and (c) publishing services and mail services functions currently performed by DOA.

c.   *Justice Information Systems, Interagency Assistance.* Transfer the justice information systems, interagency assistance appropriation from DOA to the Department of Electronic Government. Delete the DOA appropriation for development and operation of automated

justice information systems, which receives $2 of the $9 justice information system fee. Modify the justice information systems, interagency assistance appropriation by renaming the appropriation "justice information systems." Further modify the appropriation to specify that the appropriation not only receives funding from the Office of Justice Assistance's (OJA) federal Byrne grant, but also from justice information system fee revenues. [A technical correction is needed to properly reflect receipt of Byrne federal dollars.]

Modify the definition of program revenues-service (PR-S), to exempt the justice information system appropriation in the Department of Electronic Government, from the definition of this revenue source. Under current law, PR-S appropriations consist of appropriated monies in the general fund derived from any revenue source that are transferred between or within state agencies or miscellaneous appropriations. These monies are shown as expenditures in the appropriation of the state agency or program from which the monies are transferred and are also shown as program revenue in the appropriation of the agency or program to which the monies are transferred. Under the bill, the justice information system appropriation would consist of revenues transferred from OJA (PR-S) and from the justice information systems fee deposited directly to the justice information system appropriation (PR).

Specify that the unencumbered balance in the DOA appropriation for development and operation of automated justice information systems is transferred to the justice information systems, interagency assistance appropriation. As combined, this appropriation is transferred to the Department of Electronic Government.

Delete the court operations information technology appropriation in the Director of State Courts Office which provides information technology development and management services to the court system, using monies transferred from DOA's appropriation for development and operation of automated justice information systems.

d.   *Justice Information Systems Development, Operation and Maintenance.* Transfer the justice information systems development, operation and maintenance appropriation from DOA to the Department of Electronic Government. Funding in the appropriation is generated from penalty assessment surcharge revenues transferred by OJA.

e.   *Information Technology Development and Management Services.* Delete DOA's appropriation for information technology development and management services.

f.   *Relay Service.* Transfer the relay service appropriation from DOA to the Department of Electronic Government. Modify the appropriation to delete the phrase "and for general program operations" from the purposes for which the appropriation may be used. [According to the Legislative Reference Bureau, this reference was originally intended to finance the operation of a proposed Relay Service Board, the creation of which was partially vetoed.] Relay services allow a hearing or speech impaired person to communicate by telephone with hearing persons. Relay services utilize operators who translate between a person using a telecommunications device for the deaf (TDD) and a person who does not use a TDD.

g.   *Gifts, Grants, and Bequests.*   Create a continuing appropriation for all monies received from gifts, grants and bequests, to be used to carry out the purposes for which the gifts, grants or bequests are made and received.

h.   *Electronic Communication Services for Nonstate Entities.*   Create a continuing appropriation for all monies received from state authorities, units of the federal government, local governmental units, and entities in the private sector for electronic communications services provided to those entities by the Department of Electronic Government. Under the bill, the chief information officer may develop or operate and maintain any system or device facilitating internet or telephone access to information about programs of agencies, authorities, local governmental units, or entities in the private sector, or otherwise permitting the transaction of business by agencies, authorities, local governmental units, or entities in the private sector by means of electronic communication.

i.   *Electronic Communications Services for State Agencies.*   Create a continuing appropriation for all monies received from state agencies for electronic communications services provided to the agencies by the Department and for all monies transferred to the appropriation from any other appropriation as directed by the chief information officer, to be used for the purpose of providing these services. Services included under the appropriation are those to develop or operate and maintain any system or device facilitating internet or telephone access to information about programs of agencies or otherwise permitting the transaction of business by agencies by means of electronic communication.

j.   *Federal Aid.*   Create a continuing appropriation for all monies received from the federal government, to be used for the purposes for which received.

k.   *Incurring of Financial Liability.*   Modify current law to specify that the Department of Electronic Government may create liabilities and expend monies from four of its appropriations (the general program operations appropriations for state agencies and for nonstate entities and the electronic communications services appropriations for state agencies and for nonstate entities) in an additional amount not exceeding the depreciated value of the equipment for operations financed under these appropriations. As under current law, the Secretary of the Department of Administration may require such statements of assets and liabilities as he or she deems necessary before approving expenditure estimates in excess of the unexpended monies in the appropriation.

8.   FUNDING AND POSITIONS IN THE NEW DEPARTMENT

Governor: Provide funding and create positions in the Department of Electronic Government as follows:

a.   *Transferred IT Appropriations from DOA.*   Provide $109,427,400 in 2001-02 and $109,473,300 in 2002-03 and 197.3 positions annually (195.3 classified positions and 2.0 unclassified positions) in the Department of Electronic Government's general program operations services for state agencies appropriation. Funding in the appropriation would be

used to support costs of IT processing, mail processing, printing, telecommunications services, IT development and management services and general program operations of the Department. The appropriation is composed of funding and positions transferred from DOA's: (a) continuing appropriation for state agency use of the state computer utility ($50,335,100 in 2001-02 and $50,311,400 in 2002-03 with 123.3 classified positions and 1.0 unclassified position after standard budget adjustments and base budget reductions); (b) annual appropriation for state telecommunications services and data processing oversight and management services ($37,102,300 and 28.0 classified position and 1.0 unclassified position annually after standard budget adjustments, base budget reductions and the transfer of 2.0 positions associated with DOA's land information program); and (c) publishing services and mail services ($21,990,000 in 201-02 and $22,059,600 in 2002-03 with 44.0 classified positions).

Specify that the unencumbered balances in the information technology processing services for state agencies appropriation and the information technology development and management services appropriation, immediately before the effective date of the bill are transferred to the Department of Electronic Government's general program operations services to state agencies appropriation.

In DOA, base level funding in the appropriation for state agency use of the state computer utility is $49,859,000 with 124.0 classified position, 1.0 unclassified position and 1.0 project position. Base level funding in the state telecommunications services and data processing oversight and management services appropriation is $37,359,600 with 33.0 classified position, 1.0 unclassified position and 1.0 project position.

b.   *Create Unclassified Positions.* Provide $409,800 and 3.0 new unclassified positions annually and convert 1.0 classified position to unclassified status in the Department's general program operations services for state agencies appropriation to establish 1.0 chief information officer position, 1.0 deputy secretary position, 1.0 executive assistant position and 1.0 division administrator position. Under the bill, an unspecified 1.0 classified position that is transferred from DOA would be eliminated to create an additional division administrator. In total, the Department of Electronic Government would have 6.0 unclassified positions, including 3.0 division administrators. Decrease the statutory number of unclassified division administrator positions in DOA to 10 from 12, and specify that the Department of Electronic Government is authorized three unclassified division administrators.

c.   *Transfer Support Services Positions from DOA.* Provide $258,200 and 4.0 positions annually in the Department's general program operations services for state agencies appropriation to fund support services positions. The 4.0 positions (1.0 financial specialist, 1.0 IT management consultant and 2.0 information services positions) would be transferred from DOA and are currently performing duties in DOA that are primarily associated the activities of the Division of Technology Management.

d.   *General Program Operations, Services to Nonstate Entities.* Provide $12,666,600 annually in expenditure authority in the continuing appropriation for general program operations services to nonstate entities. Funding in the appropriation currently in DOA is

generated primarily from charges to educational agencies associated with the TEACH Board program for telecommunications access. While the current base level funding for the DOA appropriation is $0, the current budget authority for the appropriation is $12,800,000 in 2000-01.

e. *Transfer Relay Service.* Provide $5,013,500 and 1.0 position associated with the provision of telecommunications relay services. In DOA, base level funding for the relay service appropriation is $5,011,400 and 1.0 position.

f. *Justice Information Systems.* Provide a total of $4,668,300 and 22.0 positions annually for operations of the Bureau of Justice Information Systems (BJIS). Funding would be provided as follows: (a) $3,759,800 and 19.0 positions annually funded from a combination of revenues from the justice information system fee and federal Byrne grant monies through OJA; and (b) $908,500 and 3.0 positions annually funded from penalty assessment surcharge revenues. Base level funding in DOA for BJIS is: (a) $1,355,100 and 19.0 positions funded from the justice information system fee; (b) $2,024,100 funded from federal Byrne grant monies through OJA; and (c) $1,208,700 and 3.0 positions funded from penalty assessment surcharge revenues.

Under the bill, standard budget adjustments totaling $265,300 annually ($247,300 funded from the justice information system fee and $18,000 funded from penalty assessment surcharge revenues) are applied to BJIS prior to the transfer of the program to the Department of Electronic Government. In addition, subsequent to the transfer, expenditures funded from the combined justice information system fee and Byrne grant monies are increased by $133,300 annually, while expenditures funded from the penalty assessment surcharge are reduced by $318,200 annually. Under the bill, total funding for BJIS would be increased by $80,400 annually from $4,587,900 to $4,668,300 in each year of the 2001-03 biennium.

9.   INFORMATION TECHNOLOGY PROCUREMENT AUTHORITY

Governor: Require every executive branch agency, including the University of Wisconsin System, to make all purchases of materials, supplies, equipment and contractual services related to information technology and telecommunications from the Department of Electronic Government, unless the Department requires the agency to make the purchases under a master contract (identified below) or the Department grants written authorization to the agency: (a) delegating it authority to make the purchase; (b) allowing it to procure the materials, supplies, equipment and contractual services from another agency; or (c) allowing it to provide the materials, supplies, equipment and contractual services itself. Specify that the procurement statutes do not apply to purchases of information technology and telecommunications materials, supplies, equipment or contractual services purchased by any agency from the Department of Electronic Government.

Under current law, every agency, other than the Board of Regents of the University of Wisconsin System and the legislative and judicial branches, is required to purchase all computer services from DOA's Division of Information Technology Services, unless the Division grants written authority to the agency to procure the services, purchase the services

from another agency or provide the service itself. Under current law, the UW System is allowed to purchase computer services from DOA. Further, current law exempts any agency making a purchase of computer services from DOA's Division of Information Technology Services from the procurement statutes.

Specify that DOA may not delegate to any executive branch agency the authority to enter into any contract for materials, supplies, equipment, or contractual services relating to information technology or telecommunications prior to review and approval of the contract by the head of the new Department (the chief information officer). Specify that no executive branch agency may enter into any such contract without review and approval of the contract by the chief information officer. Require that DOA delegate authority to make all purchases for the Department of Electronic Government to that Department. Specify that the delegation may not be withdrawn, but that the Department of Electronic Government may elect to make any purchase through DOA.

Specify that any procurement specification for the purchase of materials, supplies, equipment or contractual services for information technology or telecommunications are subject to the approval of the chief information officer.

Specify that the Department of Electronic Government is exempt from the following requirements: (a) all supplies, materials, equipment and contractual services be purchased for and furnished to any agency only upon requisition to DOA; (b) DOA prescribe the form, contents, number and disposition of requisitions and promulgate rules as to time and manner of submitting such requisitions for processing; and (c) no agency or officer may engage any person to perform contractual services without the specific prior approval of DOA for each such engagement. Under current law, purchases of supplies, materials, equipment or contractual services by the Legislature, the Courts or legislative service or judicial branch agencies do not require approval. Under the bill, this authority would be extended to include the Department of Electronic Government.

Specify that procurement statutes related to low bid, general bid procedures and procurement from prison industries do not apply to the Department of Electronic Government. Require that annually, not later than October 1, the Department of Electronic Government report to DOA, concerning all procurements by the Department of Electronic Government during the preceding fiscal year that were not made in accordance with low bid, general bid procedures and procurement from prison industries statutes. Specify that the Department of Electronic Government does not have to obtain materials, supplies, equipment and services from a list maintained by the State Use Board for procurements from work centers for the severely disabled.

Delete the definition of "major procurement" (a procurement by DOA for the use of the Division of Information Technology Services that is related to the functions of the division).

Transfer to the Department DOA's current authority related to purchases of computers by teachers. Under current law, DOA is required to negotiate with private vendors to facilitate the purchase of computers and other educational technology by public and private elementary and

secondary school teachers for their private use. DOA is also required to attempt to make available types of computers and other educational technology that will encourage and assist teachers in becoming knowledgeable about the technology and its uses and potential uses in education.

10. STRATEGIC PLANS FOR EXECUTIVE BRANCH AGENCIES

Governor: Annually, require that as a part of each proposed strategic plan, the Department of Electronic Government must require each executive branch agency to address the business needs of the agency and identify all proposed IT development projects that serve those business needs, the priority for undertaking such projects, and the justification for each project, including the anticipated benefits of the project. Specify that each proposed plan identify any changes in the functioning of the agency under the plan. In each even-numbered year, require that the plan include an identification of any IT development project that the agency plans to include in its biennial budget request.

Specify that each proposed strategic plan separately identify the initiatives that the executive branch agency plans to undertake from resources available to the agency at the time that the plan is submitted and initiatives that the agency proposes to undertake that would require additional resources.

Specify that following receipt of a proposed strategic plan from an executive branch agency, the chief information officer must, before June 1, notify the agency of any concerns that the chief information officer may have regarding the plan and provide the agency with his or her recommendations regarding the proposed plan. Specify that the chief information officer may also submit any concerns or recommendations regarding any proposed plan to the Information Technology Management Board (described below) for its consideration. Specify that the Board must then consider the proposed plan and provide the chief information officer with its recommendations regarding the plan. The executive branch agency may submit modifications to its proposed plan in response to any recommendations.

Require that before June 15, the chief information officer must consider any recommendations provided by the Board and must then approve or disapprove the proposed plan in whole or in part. Specify that no executive branch agency may implement a new or revised information technology development project authorized under a strategic plan until the implementation is approved by the chief information officer in accordance with procedures prescribed by the officer.

Require the Department of Electronic Government to consult with the Joint Committee on Information Policy and Technology in providing guidance for planning by executive branch agencies.

Under current law, the Secretary of DOA is required to compile and submit to the Governor or the Governor-elect and to each person elected to serve in the Legislature during the next biennium, not later than November 20 of each even-numbered year, a compilation giving

information regarding the state budget for the succeeding biennium, except for the recommendations of the Governor. Specify that the Secretary of DOA may not include in the statutorily required budget compilation any provision for the development or implementation of an IT development project for an executive branch agency that is not consistent with the approved strategic plan of the agency.

Under current law, each executive branch agency is required to adopt, revise biennially, and submit for DOA's approval, a strategic plan for the utilization of information technology to carry out the functions of the agency. As a part of each plan, the Division of Technology Management must require each executive branch agency to address the business needs of the agency and identify all proposed IT development projects that serve those business needs, the priority for undertaking such projects and the justification for each project, including the anticipated benefits of the project. Under current law, each plan must identify any changes in the functioning of the agency under the plan. Current law also specifies that the Division of Technology Management must consult with the Joint Committee on Information Policy and Technology in providing guidance for and scheduling of planning by executive branch agencies.

11. INFORMATION TECHNOLOGY PORTFOLIO MANAGEMENT

Governor: Specify that, with the assistance of executive branch agencies and the advice of the Information Technology Management Board (described below), the Department of Electronic Government manage the information technology portfolio of state government in accordance with a management structure that includes all of the following: (1) criteria for selection of information technology assets to be managed; (2) methods for monitoring and controlling information technology development projects and assets; and (3) methods to evaluate the progress of information technology development projects and the effectiveness of information technology systems, including performance measurements for the information technology portfolio.

12. INFORMATION TECHNOLOGY MANAGEMENT BOARD

Governor: Create a seven member Information Technology Management Board, attached to the Department of Electronic Government, consisting of the Governor, the chief information officer, the Secretary of DOA, two heads of departments or independent agencies appointed to serve at the pleasure of the Governor, and two other members appointed to serve four-year terms. As under current law, the public members would not be subject to confirmation by the Senate. Specify that the Governor serve as chair of the Board and the chief information officer serve as vice-chair. Require the Board to meet at least four time per year and at other times on the call of the Governor.

Require the Board to provide the chief information officer with its recommendations concerning any elements of the strategic plan of an executive branch agency that are referred to