

2015-17

**Legislatively Adopted Budget
Information Technology Summary**



**Legislative Fiscal Office
October 2015**

Table of Contents

Overview of Information Technology in the 2015-17 Legislatively Adopted Budget	1
Information Technology Projects Recommendations and Legislative Direction	3
Additional Information Technology Projects and Initiatives of Interest	24
Information Technology Related Budget Notes	26

Overview of Information Technology in the 2015-17 Legislatively Adopted Budget

Information technology (IT) is a critical component in the State of Oregon's ability to operate government programs efficiently and effectively, provide access to government information and to provide services to Oregonians.

During the 2015 legislative session, the Joint Committee on Ways and Means ensured the following work was completed:

- Reviewed proposed IT related law and policy changes.
- Evaluated business case, value, and foundational work and provided recommendations on agency IT budget requests.
- Provided oversight for IT projects exceeding \$1 million.
- Identified IT projects requiring budget notes or other legislative directives.
- Reviewed agency IT organizational structure, budget and project requests, project status, budget notes, and proposed measures.

IT-related initiatives reviewed and discussed include:

- Update on the Oregon Transparency Website and adoption of the Transparency Oregon Advisory Commission's biennial report
- Statewide IT Overviews – Executive, Legislative, and Judicial Branches
- Enterprise IT Systems and budget note reports
- Secretary of State Audit – DAS Major IT Project Oversight
- Agency IT Overview Presentations by more than 20 agencies including:
 - Department of Administrative Services
 - Department of Consumer and Business Services
 - Department of Corrections
 - Department of Education
 - Oregon Education Investment Board
 - Employment Department
 - Department of Forestry
 - Oregon Health Authority
 - Higher Education Coordinating Commission
 - Department of Human Services
 - Judicial Department
 - Department of Justice
 - Legislative Administration
 - Public Employees Retirement System
 - Department of Revenue
 - Secretary of State
 - Department of State Police
 - Oregon State Treasury
 - Department of Transportation
 - Oregon Youth Authority
- HB 3099 related to state information technology:
 - Transfers certain duties, functions and powers related to enterprise information technology and telecommunications operations, service delivery, policy and oversight from the Department of Administrative Services to State Chief Information Officer (CIO).
 - Provides that the State CIO is primary information technology and telecommunications advisor to Governor and that the duties of the State CIO are specified by the Governor.

Budget Notes and Reports

Of the major IT projects and initiatives included in the 2015-17 legislatively adopted budget, several were of particular interest to the Legislature due to their overall cost, complexity and risk, cross-biennium implementation timeframes, or importance to state government.

In nearly all cases, the sponsoring agency was requested to return to the Legislature during the 2015-17 interim and/or the 2016 regular session to report on project status and progress toward satisfying legislative direction or budget note requirements. By program area, these Major IT projects and initiatives included the following:

Education

- OEIB – State Longitudinal Data System Project
- HECC – Oregon Student Assistance Commission Project – Financial Aid Management (FAM) Information System Replacement

Human Services

- OHA – MAGI Medicaid System Transfer Project
- DHS – Non-MAGI Eligibility Automation Project
- DHS – Statewide Adult Abuse and Report Writing System
- DHS/OHA – Race, Ethnicity, Language and Disability (REAL+D)/Master Client Data Svc.

Public Safety

- OJD – Oregon e-Court Program
- OSP – CRIMEvue System Replacement Project
- DOJ – Legal Case Management Project
- DOJ – Child Support Enforcement Application System (CSEAS) Project
- DOJ – Attorney General Website Upgrade Project
- DOC – Electronic Health Record Project
- DOC – Inmate Thin Client Network Replacement Project
- OMD – Next Gen 9-1-1 Implementation Project

Economic Development

- OED – Modernize Business Systems and Technology Infrastructure Project

Natural Resources

- ODF – Forestry Activity Electronic Reporting and Notification System (FERNS) Enhancement Project

Transportation

- ODOT – State Radio Project
- ODOT – DMV Service Transformation Program

Administration

- DAS – Human Resource Information System
- DOR – Core System Replacement Project and Fraud Analytics and Detection
- DOR – Property Valuation System Project
- OST – Business Systems Renewal Projects (ACH, Local Government Investment Pool, & Core Banking)
- PERS – Individual Account Program (IAP) Administration Project
- PERS – Technology Maintenance and Enhancements Project
- PERS – Disaster Recovery Infrastructure Upgrades
- OLCC – Recreational Marijuana Licensing and Tracking System

Information Technology Projects Recommendations and Legislative Direction

The recommendations from the Joint Committee on Ways and Means Subcommittee on Information Technology to other subcommittees were predicated on the assumption that some level of funding, expenditure limitation, and personnel resources would be made available within the agency's 2015-17 budget.

EDUCATION

Oregon Education Investment Board

State Longitudinal Data System Project

The Joint Ways and Means Subcommittee on Education recommended conditional approval of Policy Option Package #802 within HB 5022 which provided \$550,000 General Fund and three limited duration positions (1.14 FTE) to continue development of the P-20 Statewide Longitudinal Data System (SLDS).

Current law requires the Oregon Education Investment Board (OEIB) to deliver a data system to measure outcomes from educational investments across the P-20 continuum (early learning through post-secondary). The SLDS, once developed, will combine data from multiple agencies (primarily the Department of Education and the Higher Education Coordinating Commission) to evaluate the effectiveness of education investments.

The funding in this package provided resources to continue the development of the necessary project planning and management documents through March 2016. The package included three limited duration positions that make up the current project staff. Two of these positions have been filled with Oregon Department of Education employees who will transfer to OEIB.

During the 2016 legislative session, the agency should provide a cost estimate for the overall package so the Legislature can then determine whether to fund implementation of the system. In developing the SLDS, the agency must fulfill the following due diligence, project management, and oversight requirements:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office (LFO) throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Retain, hire, appoint, or contract for qualified project management services who have experience in planning and managing projects of this type, scope, and magnitude.
- Update the business case and other foundational project management documents as required by OSCIO.
- Work with OSCIO to contract with an independent quality management services firm to conduct an initial risk assessment, perform quality control reviews of foundational project documents as appropriate, and perform ongoing, independent quality management services as directed by OSCIO.
- Submit the updated business case, other project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2016 legislative session and/or to other legislative committees as required.

- Request legislative approval to proceed with the project prior to initiating project execution activities.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and quality assurance reporting activities throughout the life of the project.

Higher Education Coordinating Commission

Oregon Student Assistance Commission Project – Financial Aid Management (FAM) Information System Replacement

The Joint Ways and Means Subcommittee on Education recommended conditional approval of Policy Option Package #313 within HB 5024. This package provides the funding for the planning phase of the Financial Aid Management Information System (FAMIS) replacement project. FAMIS is used by the Office of Student Access and Completion (OSAC) to process the Free Application for Federal Student Aid (FAFSA) data used to determine student eligibility and award amounts for the Opportunity Grants. FAMIS is near the end of its useful life and was at some risk of security breaches in the past. Some steps were taken to address issues on a temporary basis, but the system still needs to be replaced. The agency is currently working on a business case and other initial project management needs, but is not at the point where it is ready to ask for full funding for the project. This package included \$800,000 General Fund as a "down payment" until February 2016. At that time, HECC can return to the Legislature to request any further funding, if necessary, after following the necessary project management requirements below:

- Work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the project's lifecycle.
- Follow the Joint State CIO and LFO Stage Gate Review Process.
- Retain, hire, appoint, or contract for qualified project management services who have experience in planning and managing projects of this type, scope, and magnitude.
- Update the business case and other foundational project management documents as required by OSCIO.
- Work with OSCIO to contract with an independent quality management services firm to conduct an initial risk assessment, perform quality control reviews of foundational project documents as appropriate, and perform ongoing, independent quality management services as directed by OSCIO.
- Submit the updated business case, other project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2016 legislative session and/or to other legislative committees as required.
- Request legislative approval to proceed with the project prior to initiating project execution activities.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and quality assurance reporting activities throughout the life of the project.

HUMAN SERVICES

Oregon Health Authority

MAGI Medicaid System Transfer Project

The overall purpose of the MAGI Medicaid System Transfer Project is to allow the State of Oregon to comply with federal Affordable Care Act (ACA) requirements and thereby help provide all Oregonians with access to affordable health care. More specifically, the purpose of this project is to replace the agency's existing eligibility system with a new automated eligibility system for MAGI (Modified Adjusted Gross Income) Medicaid programs.

MAGI Medicaid is a medical assistance program provided to Oregonians who are below certain income thresholds. The project encompasses the acquisition and implementation of an ACA compliant solution for automated MAGI Medicaid eligibility and enrollment. The State of Kentucky's MAGI Eligibility System has been selected as the "transfer system" to be implemented to meet Oregon's MAGI Medicaid related eligibility needs.

Within SB 5526, the Joint Ways and Means Subcommittee on Human Services recommended an increase of \$12.4 million General Fund and \$80.1 million totals funds for the Oregon Health Authority (OHA) MAGI Transfer Project, to develop a Medicaid eligibility system in Oregon. Of this total, about \$3.7 million General Fund is related to completing the information technology transfer from the Kentucky system to Oregon, and \$8.7 million is for eligibility staff and IT costs related to continuing the current hybrid process of enrolling members and doing redeterminations.

This project is currently being overseen by the Office of the State CIO and the Legislative Fiscal Office utilizing the Joint State CIO/LFO Stage Gate Review Process. OHA is expected to:

- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and quality assurance reporting activities throughout the life of the project.

Department of Human Services

Non-MAGI Eligibility Automation Project

The purpose of this project is to replace the Department of Human Services (DHS) existing eligibility system with a new automated eligibility system for Non-MAGI (Modified Adjusted Gross Income) Medicaid programs. Between now and the 2016 legislative session, DHS will focus on planning activities directly related to replacing its Non-MAGI eligibility system, with the intention of requesting legislative approval to proceed with the balance of the project in the 2016 session. At this very early stage of project development, the overall project is estimated to cost between \$50 million and \$75 million.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #103 within HB 5026 on the condition that DHS:

- Immediately develop the following materials for the proposed planning effort: a project charter (including deliverables and roles/responsibilities); a workplan (including a schedule, a budget/spending plan, and a resource plan); and a description of project deliverables (including

purpose and value) that clearly address the questions and concerns identified by LFO. These deliverables should be provided to both OSCIO and LFO for review.

- Work with OSCIO and LFO to finalize a controlled funding release plan that is based upon completing all remaining stage gate #1 foundational documentation deficiencies, and all additional stage gate #2 and #3 requirements.
- Clearly document the plans, documents, and related schedule that DHS plans on following in preparation for asking for the balance of the project's funding in the 2016 legislative session.
- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Retain/hire/appoint or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Update the business case and foundational project management documents as required.
- Work with OSCIO to obtain independent quality management services. The contractor shall:
 - Conduct an initial risk assessment and respond to DHS feedback.
 - Perform quality control reviews on the key project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents as appropriate.
 - Perform ongoing, independent quality management services as directed by OSCIO.
- Submit the updated business case, updated project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for Stage Gate Review.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate #3 to validate readiness and ability to proceed. Legislative approval to proceed with the execution and implementation phase of the Non-MAGI Eligibility Automation Project will be dependent upon OSCIO and LFO concurrence that DHS is both ready and able to initiate project execution activities.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, project status, and QA reporting activities throughout the life of the project.

Statewide Adult Abuse and Report Writing System

The purpose of the Integrated Statewide Adult Abuse Data and Report-Writing System Project (SAADRWS) is to develop an all-encompassing record management system to capture abuse referrals across all programs from the time of screening through report-writing, case closure, and referral. The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #107- Statewide Adult Abuse Data and Report-Writing System (SAADRWS) Project within HB 5026 on the condition that the proposed funding for any remaining planning activities be approved; any remaining General Fund or Other Funds expenditure limitation be unscheduled by the Department of Administrative Services; and DHS be required to request Office of the State CIO, Chief Financial Office (CFO), and Legislative Fiscal Office approval, that a portion, or all of the remaining unscheduled funds, be rescheduled for agency use to initiate and complete project execution activities.

In addition, the Subcommittee recommended that DHS:

- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.

- Retain/hire/appoint or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Develop a plan and schedule for re-evaluating the recently completed vendor business case and options analysis (that recommended a custom developed application system).
- Develop an estimate for the cost of continuing SAADRWS Project planning work between July 1, 2015 and March 1, 2016.
- Work with OSCIO and LFO to finalize a controlled funding release plan that is based upon completing all remaining stage gate #2 foundational documentation deficiencies, and all additional stage gate #3 requirements.
- Clearly document the plans, documents, and related schedule that DHS plans on following in preparation for asking for the balance of the project's funding in the 2016 legislative session.
- Update the business case and foundational project management documents as required.
- Submit the updated detailed business case, all project management documents, and copies of all QA vendor deliverables to OSCIO and LFO for Stage Gate Review.
- After obtaining stage gate #3 endorsement from OSCIO, return to the Legislature during the 2016 session with a report, including implementation funding requirements for the SAADRWS Project.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate #3 to validate readiness and ability to proceed. Legislative approval to proceed with the execution and implementation phase of the Statewide Adult Abuse Data and Reporting Writing System will be dependent upon OSCIO and LFO concurrence that DHS is both ready and able to initiate project execution activities.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the project.

Department of Human Services and Oregon Health Authority

Race, Ethnicity, Language and Disability (REAL-D)/Master Client Data Service Project

The purpose of this project is to establish uniform standards and practices for the collection of data on race, ethnicity, preferred spoken or signed language, preferred written language, and disability status by the Oregon Health Authority and Department of Human Services. This project addresses both the business and technical changes required to create a unified, sustainable model for collecting client data across both agencies.

The Information Technology Subcommittee accepted the LFO recommendation and referred Policy Option Package #201 back to the Joint Ways and Means Subcommittee on Human Services for final action. The Human Services Subcommittee recommended incremental, conditional approval of Policy Option Package #201 and the unscheduling of all but \$140,000 of the funding associated with this project within SB 5526. Specifically, DHS and OHA were directed to report back to the Legislature in the fall of 2015 with a more detailed plan. The agencies may then request that some or all of the remaining expenditure limitation be rescheduled based on this report and the approval of the Office of the State Chief Information Officer, the Chief Financial Office, and the Legislative Fiscal Office. It is expected that the agencies will be able to utilize capabilities from the Medicaid eligibility system that is being put into place, rather than designing this program from the ground up.

PUBLIC SAFETY

Judicial Department

Oregon e-Court Program

The Judicial Department's (OJD) Oregon eCourt program is a multi-biennium effort to modernize Oregon court business practices, service delivery, and information technology infrastructure. The program officially began in February 2008 and is scheduled to be completed in the 2015-17 biennium. Oregon eCourt encompasses the activities of the Supreme Court, Court of Appeals, Tax Court, and circuit courts.

To date, the integrated Odyssey system, which replaces the Oregon Judicial Information Network (OJIN) and other OJD systems, has been implemented in nineteen circuit courts. All remaining circuit courts, and the Tax Court, are scheduled for implementation in the 2015-17 biennium.

The Joint Ways and Means Subcommittee on Public Safety recommended approval of a budget of \$19,254,876 total funds; including \$1,978,661 General Fund, \$17,276,215 Other Funds, and 38 positions (22.24 FTE) for the continued implementation of the Oregon eCourt Program.

This Oregon e-Court Program is currently being overseen by the Legislative Fiscal Office on behalf of the Legislature. OJD is expected to:

- Continue to work closely with and regularly report project status to LFO throughout the remainder of the program's implementation lifecycle.
- Report back to the Legislature on program implementation status as required.

Department of State Police

CRIMEvue System Replacement Project

The Department of State Police (OSP) CRIMEvue System Replacement Project involves the replacement of two primary systems: 1) CRIMEvue (Criminal History & Hot File databases) - originally designed, custom developed, and deployed in 1996; and, 2) the Law Enforcement Message Switch (LEMS) which was last upgraded in 2010, but will likely be ready for replacement in the 2017-19 biennium.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #101 within SB 5531 on the condition that OSP:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Retain/hire/appoint or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Update the Business Case and foundational project management documents as required.
- Work with OSCIO to contract with an independent quality management services firm to:
 - Conduct an initial risk assessment.
 - Perform quality control reviews foundational project documents as appropriate.
 - Perform ongoing, independent quality management services as directed by OSCIO.
- Submit the updated Business Case, updated project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for Stage Gate Review.

- Report back to the Legislature on project status during the 2016 legislative session and/or to interim legislative committees as required.
- Request legislative approval to proceed with the project prior to initiating project execution activities (i.e., prior to contract signature/execution).
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) system as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the OSP CRIMEvue System Replacement Project.

Department of Justice

Legal Case Management Project

The purpose of this project is to replace the Department of Justice's (DOJ) outdated, home-grown Legal Matters Management System.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #111 within SB 5516 on the condition that DOJ:

- Work with the Office of the State Chief Information Officer and Legislative Fiscal Office to finalize a controlled funding release plan that is based upon completing all remaining stage gate #1 foundational documentation deficiencies, and all additional stage gate #2 and #3 requirements.
- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Update the business case and foundational project management documents as required.
- Submit the updated business case, updated project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for Stage Gate Review.
- Retain/hire/appoint or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Work with OSCIO to obtain independent quality management services. The contractor shall:
 - Conduct an initial risk assessment and respond to DOJ feedback.
 - Perform quality control reviews on the key project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents, as appropriate.
 - Perform ongoing, independent quality management services as directed by OSCIO.
- Provide both OSCIO and LFO with copies of all QA vendor deliverables.
- Submit the updated detailed business case, all project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for stage gate review.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate #3 to validate readiness and ability to proceed. Legislative approval to proceed with the Legal Case Management System Project will be dependent upon OSCIO and LFO concurrence that DOJ is both ready and able to initiate project execution activities.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the project.

Child Support Enforcement Application System (CSEAS) Project

The purpose of this project is to replace the current highly-aged Department of Justice (DOJ) Child Support Enforcement Automated System (CSEAS), which was originally designed and implemented in the 1980's. Since 2010, the DOJ Division of Child Support has been working with federal oversight on a multi-year, federally prescribed process to replace the current antiquated COBOL-based mainframe child support case management and financial system. Although this system has been modified over the years to keep current with federal system certification requirements and state mandates, it still retains much of its original deficient functional and technical design for performing the Oregon Child Support Program's (CSP) essential functions. The CSP, through its 700+ state and county staff, serves more than 227,000 families and their child support cases. The Program collects over \$350,000,000 in child support a year and passes most of the collections directly to families.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #201 within SB 5516 and SB 5507 on the condition that: the proposed funding for any remaining planning activities be approved; any remaining expenditure limitation be unscheduled by the Department of Administrative Services (DAS); and DOJ be required to request Joint Committee on Ways and Means or Emergency Board approval that a portion or all of the remaining unscheduled expenditure limitation be rescheduled for agency use to initiate and complete project execution activities.

The Subcommittee further recommended that DOJ:

- Work with the Office of the State Chief Information Officer and the Legislative Fiscal Office to finalize a corresponding incremental funding release plan that is based upon completing all remaining foundational documentation deficiencies and stage gate #2 and #3 requirements.
- Regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Utilize a qualified project manager with experience in planning and managing programs and projects of this type, scope, and magnitude.
- Work with OSCIO to obtain independent quality management services. The contractor shall:
 - Conduct an initial risk assessment and respond to DOJ feedback.
 - Perform quality control reviews on the key CSEAS Project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents, as appropriate.
 - Perform ongoing, independent quality management services as directed by OSCIO.
- Provide both OSCIO and LFO with copies of all QA vendor deliverables.
- Submit the updated detailed business case, all project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for stage gate review.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate #3 to validate readiness and ability to proceed to the execution phase of the project. Legislative approval to proceed with the CSEAS Project will be dependent upon OSCIO and LFO concurrence that DOJ is both ready and able to initiate project execution activities.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the CSEAS Project.

Attorney General Website Upgrade Project

The purpose of this project is to upgrade the current Department of Justice (DOJ) Attorney General Website which has not been redesigned or retooled in over a decade. DOJ's plan is to upgrade its current website by hiring an external consultant and a permanent Web Master (0.88 FTE – Information Systems Specialist 7) to design and deliver an upgraded website that meets the demands of constituents by providing easily accessible content and services, encourages and facilitates engagement with DOJ, and provides a platform for future change and growth.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #111 within SB 5516 on the condition that DOJ:

- Complete all remaining stage gate #1 foundational documentation deficiencies and send them to the Legislative Fiscal Office and the Office of the State Chief Information Office.
- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process consistent with a project of this type and size.
- Retain/hire/appoint or contract for qualified website services to design, develop, and implement the updated Attorney General Website.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the project.

Department of Corrections

Electronic Health Record Project

The purpose of the Department of Corrections (DOC) Electronic Health Record Project is to plan, acquire, configure, and implement commercially available off-the-shelf (COTS) Software as a Service (SaaS) Electronic Health Records solution.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #101 within SB 5504 on the condition that only the funding requested for project planning activities be approved and that DOC be required to seek additional funding and obtain legislative approval to proceed with project execution activities during the 2016 legislative session.

In addition, the Subcommittee recommended that DOC:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the lifecycle of the proposed DOC Electronic Health Record (EHR) project.
- Follow the Joint State CIO/LFO Stage Gate Review Process.
- Hire/retain or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Update the Business Case and foundational project management documents as required.
- Work with OSCIO to acquire Independent Quality Management Services as required to:
 - Conduct an initial risk assessment.

- Perform quality control (QC) reviews on the Business Case and foundational project management documents, as appropriate.
- Perform ongoing, independent quality management services as directed by OSCIO
- Submit the updated Business Case, project management documents, initial risk assessment, and QC reviews to OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2016 legislative session and/or to interim legislative committees as required.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) system as it is deployed for all project review, approval, and project status and closeout reporting activities throughout the life of the DOC EHR project.

Inmate Thin Client Network Replacement Project

The purpose of the Department of Corrections (DOC) Inmate Thin Client Network Replacement project is to plan and complete the lifecycle replacement of end-of-life network, server, and thin client PC hardware and out of date operating system and database software to provide continued/uninterrupted intranet inmate access to agency legal library and education resources as required by law.

The Information Technology Subcommittee recommended conditional approval of Policy Option Package #105 within SB 5504 on the condition that DOC:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the lifecycle of the proposed DOC Inmate Thin Client Network Replacement project.
- Follow all Department of Administrative Services and OSCIO rules, policies, and standards related to the review, approval, and oversight of IT projects and the procurement of IT hardware and software.
- Hire/retain or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) system as it is deployed for all project review, approval, and project status and closeout reporting activities throughout the life of the DOC Inmate Thin Client Network Replacement project.

Military Department

Next Gen 9-1-1 Implementation Project

The Joint Ways and Means Subcommittee on Public Safety recommended approval of Policy Option Package #301 within HB 5035. This package provides \$500,000 Other Funds (9-1-1 Tax) expenditure limitation to enable the Oregon Military Department's (OMD) Office of Emergency Management (OEM) to proceed with one portion of the Next Generation 9-1-1 implementation project. This funding supports the Office of the State CIO Enterprise Technology Services Division efforts to coordinate the conversion of the existing frame-relay network to an internet protocol broadband network at all 43 Public Safety Answering Points (PSAPs). This work is consistent with activities in other states and will need to be accomplished regardless of Next Gen 9-1-1 migration.

During the 2013-15 biennium, OMD OEM and OSCIO jointly determined to focus first on the planning and implementation of the 9-1-1 network transition from frame relay to an internet protocol based network, which will set the stage for future, incremental planning and implementation of other project components. The project's next critical component involves the identification, planning, and

coordination of the geographic data and geographic information systems (GIS) capabilities required to implement and operate Oregon's Next Generation 9-1-1 system into the future. With that in mind, the Legislature approved the following budget note.

BUDGET NOTE: OMD OEM is directed to work with the OSCIO to produce a Next Generation 9-1-1 GIS Project Plan for the collection, management, and sharing of geographic data sets and geographic information systems capabilities required to effectively implement Next Generation 9-1-1 throughout the state of Oregon. The Next Generation 9-1-1 GIS Project Plan is to be submitted to LFO in December 2015 and jointly presented by OMD and the OSCIO to the Joint Legislative Committee on Information Management and Technology and to the Joint Committee on Ways and Means during the 2016 legislative session.

ECONOMIC DEVELOPMENT

Employment Department

Modernize Business Systems and Technology Infrastructure Project

Currently, the Oregon Employment Department (OED) utilizes a number of disparate information systems that were developed and deployed using different technology platforms and/or computer programming languages in the early 1990s (essentially before the internet was widely deployed or used to conduct business in the public sector). The purpose of this request is to enable OED to complete the initial planning phase which will include: the completion of a detailed business case, feasibility study, risk assessment, project management plans, procurement statements of work, and independent quality assurance review and oversight of this modernization project as required by the Joint State CIO/LFO Stage gate review process.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #101 within SB 5508 on the condition that OED:

- Work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the project's lifecycle.
- Follow the Joint State CIO/LFO Stage Gate Review Process.
- Contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Develop and update the Business Case and foundational project management documents as required.
- Work with the Office of the State CIO to obtain independent quality management services. The contractor shall:
 - Conduct an initial risk assessment.
 - Perform quality control reviews on the Business Case and foundational project management documents as appropriate.
 - Perform ongoing, independent quality management services as directed by the Office of the State CIO.
- Submit the Business Case, project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for Stage Gate Review.

- Report back to the Legislature on project status during the 2016 legislative session and/or to interim legislative committees as required.
- Request legislative approval to proceed with the project prior to initiating project execution activities (i.e., prior to contract signature/execution).
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the OED Modernize Business Services and Technology Infrastructure Project.

NATURAL RESOURCES

Department of Forestry

Forestry Activity Electronic Reporting and Notification System (FERNS) Enhancement Project

The purpose of Forestry Activity Electronic Reporting and Notification System (FERNS), initially deployed in October 2014, is to replace the Oregon Department of Forestry's (ODF) paper processes for the public to submit a Notification of Operation / Application for Permit (NOAP) with an on-line process for E-Notification submission; to provide ODF with mobile inspection and automated review, approval, and reporting capabilities; and enable ODF to more efficiently administer and enforce the Forest Practices Act. The purpose of this FERNS Enhancement project request is to plan and implement incremental enhancements to FERNS and provide funding required for system maintenance and support for FERNS over time.

The Information Technology Subcommittee recommended conditional approval of Policy Option Package #151 within HB 5019 on the condition that ODF:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the lifecycle of the proposed FERNS enhancement project.
- Follow the Joint State CIO/LFO Stage Gate Review Process.
- Hire/retain or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Update the Business Case and foundational project management documents as required
- Work with OSCIO to acquire Independent Quality Management Services as required to:
 - Conduct an initial risk assessment and perform Quality Control (QC) reviews.
 - Submit the updated Business Case, project management documents, initial risk assessment, and QC reviews to OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2016 legislative session and/or to interim legislative committees as required.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, and project status and closeout reporting activities throughout the life of the FERNS enhancement project.

TRANSPORTATION

Department of Transportation

State Radio Project

The State Radio Project is rebuilding the existing Department of Transportation (ODOT) and Department of State Police (OSP) radio systems to create an integrated statewide network. The project partners with local public safety agencies, allowing for integration between state and local systems as envisioned in the original State Interoperability Executive Council (SIEC) plan. The revised project is significantly scaled back in scope and cost from its predecessor, the Oregon Wireless Interoperability Network (OWIN). The ODOT State Radio Project is managing to a budget of \$229.9 million and is currently scheduled to be completed and transitioned to ODOT Wireless Communications Services staff in June 2016. Additional work to finalize the trunked radio system will extend further into the 2015-2017 biennium.

This project is currently being overseen by the Office of the State CIO and the Legislative Fiscal Office utilizing the Joint State CIO/LFO Stage Gate Review Process. ODOT is expected to:

- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Report on project status to the Oregon Legislature as required.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and quality assurance reporting activities throughout the life of the project.

DMV Service Transformation Program

The purpose of the ODOT Driver and Motor Vehicle Services Division (DMV) Services Transformation Program is to: improve ODOT DMV services to partner agencies and the public; streamline DMV business processes and improve operational efficiency; and, upgrade and replace obsolete technology which in many cases was originally designed and deployed in the 1960s and 1970s.

The Information Technology Subcommittee accepted the LFO recommendation and referred the ODOT DMV Service Transformation Program (STP) request back to the Joint Ways and Means Subcommittee on Transportation and Economic Development for final action.

The Transportation and Economic Development Subcommittee recommended approval of Policy Option Package #140 within HB 5040 which provides \$30,446,463 Other Funds expenditure limitation and 42 permanent positions (29.91 FTE) to provide resources to modernize the information systems used by DMV. The approval of this Policy Option Package was conditioned upon the Subcommittee's recommendations that ODOT:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Update the STP business case and develop/update associated cost benefit and alternative analysis documents for program subprojects.
- Hire/appoint or contract for qualified project management services with experience in planning and managing programs and projects of this type, scope, and magnitude.
- Develop foundational STP program and project management documents.

- Work with OSCIO to contract with an independent quality management services provider to:
 - Conduct a STP initial risk assessment.
 - Perform quality control reviews on the STP Business case, individual cost benefit/alternatives analysis documents, and foundational project management documents, as appropriate.
 - Perform ongoing, independent quality management services as directed by OSCIO.
- Submit the updated STP business case, project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on Service Transformation Program status during the 2016 legislative session and/or to interim legislative committees as required.
- Request legislative approval to proceed with the Service Transformation Program prior to initiating project execution activities.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) system as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the Service Transformation Program.

In addition, the Joint Committee on Ways and Means approved the following budget note as part of ODOT's budget bill (HB 5040).

BUDGET NOTE: The Oregon Department of Transportation (ODOT) is directed to convene a legislative workgroup to oversee the near-term phase and the long-term strategy to modernize all aspects of the DMV Service Transformation Program. The Workgroup shall consist of the following: 3 Oregon Senate Members, 3 Oregon House Members, State Chief Information Officer or designee, State Legislative Fiscal Office representative, and 2 Private-sector members from the Technology Association of Oregon. The Department (ODOT) is further directed to work with the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office, to engage and follow the "Stage-gate" project and approval process. Additionally, ODOT is directed to report to the Joint Committee on Ways and Means during the 2016 legislative session on the status of the DMV Service Transformation Program.

ADMINISTRATION

Department of Administrative Services

Human Resource Information System

The purpose of the Human Resource Information System Project (HRIS) is to replace the two statewide systems that comprise the current HRIS: the Position and Personnel Data Base (PPDB) and the Position Information Control System (PICS). PPDB and PICS track information on approximately 45,000 permanent and seasonal positions, which equates to almost 38,000 full-time equivalents (FTEs).

The Joint Ways and Means Subcommittee on Capital Construction recommended a one-time \$951,393 Other Funds expenditure limitation increase and establishment of six limited-duration positions (1.71 FTE) for the Oregon Department of Administrative Services Chief Human Resource Office to review the Human Resource Information System (HRIS) Project. The positions will review and update the preparations in the current project for business processes realignment that will be necessary with the adoption and deployment of any new HR IT system, review and update existing IT modernization plans, and study and improve conversion planning for implementation of HRIS. DAS is required to report initial

findings of this review to the appropriate subcommittees of the Joint Committee on Ways and Means during the 2016 legislative session.

Department of Revenue

Core System Replacement Project and Fraud Analytics and Detection

The purpose of the DOR Core System Replacement (CSR) Project is to replace a majority of DOR's core tax systems with the commercial off-the-shelf (COTS) GenTax solution provided by Fast Enterprises, LLC (FAST). The Fraud Analytics and Detection portion of the project has two primary components: 1) the purchase and implementation of a fraud analytics module from FAST for connection to/integration within the GenTax solution; and, 2) the creation of a real-time withholding match prior to issuing personal income tax refunds by working with the Oregon Employment Department to modify the combined quarterly payroll report.

The Information Technology Subcommittee recommended conditional approval of Policy Option Packages #181 (Core System Replacement – CSR Project) and #151 (Fraud Analytics and Detection) within HB 5035 on the condition that DOR:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Report back to the Legislature on project status in the fall of 2015 (on readiness to proceed with the CSR Project's Rollout 2 in December 2015) to the Interim Joint Committee on Ways and Means and to the Joint Committee on Ways and Means during the 2016 legislative session.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the Core Systems Replacement Project, to include information on the new Fraud Analytics and Detection project planning and execution activities funded by package #151.

Property Valuation System Project

The purpose of the DOR Property Valuation System (PVS) Project is to plan, acquire, configure, and implement a commercial off-the-shelf (COTS) Computer Assisted Mass Appraisal (CAMA) software system.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #141 within HB 5035 on the condition that:

- The proposed funding for any remaining planning activities be approved.
- Any remaining expenditure limitation be unscheduled by the Department of Administrative Services, and DOR be required to request Office of the State Chief Information Officer, DAS Chief Financial Office, and Legislative Fiscal Office approval, that a portion, or all of the remaining unscheduled expenditure limitation, be rescheduled for agency use to initiate and complete project execution activities.

In addition, the Subcommittee recommended that DOR:

- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the lifecycle of the proposed DOR Property Valuation System (PVS) project.
- Follow the Joint State CIO/LFO Stage Gate Review Process.

- Hire/retain or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Update the Business Case and foundational project management documents as required
- Work with OSCIO to acquire Independent Quality Management Services as required to:
 - Conduct an initial risk assessment.
 - Perform quality control reviews on the Business Case, and foundational project management documents as appropriate.
 - Perform ongoing, independent quality management services as directed by the OSCIO.
- Submit the updated Business Case, project management documents, initial risk assessment, and QC reviews to OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2016 legislative session and/or to interim Legislative committees as required.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, and project status and closeout reporting activities throughout the life of the DOR PVS project.

Oregon State Treasury

Business Systems Renewal Projects (ACH, Local Government Investment Pool (LGIP), and Core Banking)

The purpose of these three closely related "business system renewal" (BSR) projects is to re-engineer the business processes, and to upgrade the technology infrastructure, related to OST's: 1) Automated Clearing House (ACH) business processing; 2) Local Government Investment Pool (LGIP) business processing; and 3) Core Banking (CB) Business processing.

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #102 within HB 5041 on the condition that OST:

- Work with the Quality Assurance (QA) Contractor to address all outstanding areas of high risk identified in its Initial Risk Assessment Report – Deliverable 5.1 – April 14, 2015.
- Work with LFO to immediately conduct a formal readiness/ability assessment for both the ACH and LGIP Business Systems Renewal (BSR) Projects, to validate readiness and ability to proceed on project execution and implementation.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process throughout the life of each project.
- Regularly (at least monthly) report project status to the appropriate internal OST oversight groups (i.e., steering committees, etc.) and LFO throughout each project's lifecycle.
- Review/update/develop the business case and supporting workplans, as required, for the CB Business Systems Renewal (BSR) Project. Advise internal OST stakeholders and LFO of any significant changes to project scope, costs, and schedule for all projects.
- Utilize a qualified project manager with experience in planning and managing projects of this type, scope, and magnitude of the CB (BSR) Project.
- Continue the development of required foundational project management documents, and provide all key documents to the QA vendor for quality reviews.
- Obtain independent quality management services for the CB (BSR) Project. The contractor shall:
 - Conduct an initial risk assessment and respond to OST feedback.

- Perform quality control reviews on the key project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents as appropriate.
- Perform ongoing, independent quality management services as directed by LFO.
- Provide LFO with copies of all QA vendor deliverables for all projects.
- Submit updated detailed business cases, project management documents, initial risk assessments, and quality control reviews to LFO for review.
- Complete a formal “project close out” report upon completion of all projects.

Public Employees Retirement System

Individual Account Program (IAP) Administration Project

The purpose of this project is to eliminate third party administration (TPA) of the current externally outsourced Individual Account Program (IAP) by developing and integrating an independent new application system into PERS’s current hosted system environment. It is anticipated that a new IAP Administration System (integrated into PERS ORION) will eliminate the current and future ongoing (and increasing) TPA charges (administration costs in 2013 were \$2.4 million).

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package (POP) #102 within HB 5034 on the condition that the entire expenditure limitation be unscheduled by the Department of Administrative Services, and the Public Employees Retirement System (PERS) be required to request Office of the State Chief Information Officer, Chief Financial Office, and Legislative Fiscal Office approval, that a portion, or all of the remaining unscheduled expenditure limitation, be rescheduled for the agency to use to initiate and complete project execution activities.

In addition, the Subcommittee recommended that PERS:

- Clearly document the actual status of the IAP Project Phases I and II, including deliverables completed, how much has been spent to date of the legislatively approved \$1,018,750 in expenditure limitation, and what corresponding value was received for these expenditures.
- Provide a clear written assessment of the impacts of the recent Supreme Court ruling on PERS’s ability to simultaneously do work on POP #102 and the work that is needed to address the impacts of the recent court rulings. Include in this assessment a detailed plan and explanation of how PERS can simultaneously support all of work that is on its “platter” for the 2015-17 biennium and complete all the remaining IAP Project work by the revised January 1, 2018 deadline.
- Clearly document progress on the outstanding stage gate #2 and #3 foundational documentation on the IAP Project, and develop a detailed plan and schedule for remediating all deficiencies. Provide all key documents to OSCIO, LFO, and to the Quality Assurance (QA) vendor (for quality reviews, which must be completed prior to the OSCIO’s stage gate #3 endorsement).
- Regularly report to OSCIO and LFO on the progress on the foundational documentation “deficiency remediation plan.” If adequate progress is not observed by both the OSCIO and LFO, PERS may be requested to report to interim legislative committees.
- If the Legislature recommends that a jClarety “system health assessment” and related “needs assessment” be conducted by PERS as part of the recommendation for POP #104 – Technology Maintenance and Enhancement Project, PERS should evaluate any proposed go-forward strategy for POP #102, given the results of these assessments and the possibility that jClarety may be totally replaced in the foreseeable future.

- PERS should provide OSCIO, LFO, and the Legislature with the results of the impacts of the Supreme Court ruling on POP #102 and any assessments that are completed on the viability of jClarety. PERS should include a go-forward recommendation and plan for POP #102 as part of any go forward and controlled funding release decisions on POP #102.
- Work with OSCIO and LFO to finalize a corresponding incremental funding release plan that is based upon completing all remaining foundational documentation deficiencies and stage gate #2 and #3 requirements.
- Regularly (at least monthly) report project status to OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Hire, appoint, or contract for a qualified project manager with experience in planning and managing programs and projects of this type, scope, and magnitude.
- Work with OSCIO to retain independent quality management services throughout the life of the project. The contractor shall:
 - Conduct an initial risk assessment and respond to PERS feedback.
 - Perform quality control reviews on the key IAP Project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents as appropriate.
 - Perform ongoing, independent quality management services as directed by OSCIO.
- Provide both OSCIO and LFO with copies of all QA vendor deliverables.
- Submit the updated detailed business case, all project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for stage gate review.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate #3 to validate readiness and ability to proceed on Phase III. Legislative approval to proceed with the IAP Project will be dependent upon OSCIO and LFO concurrence that PERS is both ready and able to initiate project execution activities.
- Complete a formal "project close out" report upon completion of all projects.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the project.

Technology Maintenance and Enhancements Project

The purpose of this proposed project is to: 1) upgrade and enhance the jClarety application system software architecture, thereby extending the system's useful "life-span" until 2020; and, 2) add some important basic membership support functions that were not addressed in the original implementation of jClarety, but are now emerging as important needs as the retirement population served by PERS grows.

The Information Technology Subcommittee recommended that the funding for Policy Option Package #104 within HB 5034, not be approved. In addition, the Subcommittee recommended that some amount of expenditure limitation be provided for the planning work needed to complete a detailed assessment of the current jClarety environment, in order to determine its current state and how best to proceed in dealing with the problems identified in POP #104. Specifically, the Subcommittee recommended that PERS:

- Conduct a "system health assessment" and "needs assessment" via an independent private sector vendor, highly experienced in state retirement systems, to determine the true status of the current

jClarety application system “environment,” including its level of technical obsolescence, and its current systems capabilities versus critical PERS customer needs.

- Depending upon the findings of the “system health and needs assessments,” if it is determined that the current jClarety system is so unable to meet PERS needs that either significant funds must be spent to upgrade it, or even replace it, then PERS must have a robust business case and options analysis developed by an independent private sector vendor (again, highly experienced in state retirement systems), to determine the best options for proceeding.
- The “results” of the health assessment, the needs assessment, any business case/options analysis, and associated go-forward plans that are produced should be provided by PERS to the Legislature in the 2016 session.

Disaster Recovery Infrastructure Upgrades

The purpose of this project is to provide operational infrastructure needed to restore critical information systems and business services in the event of a localized disaster to the PERS main service center in Tigard.

The four major high-level objectives for this project include: 1) the “disaster recovery infrastructure” required to overcome a localized event that compromises PERS’s hosted systems; 2) a “virtual desktop environment” to reduce current hardware requirements and facilitate remote operations when required; 3) a “single sign-on” (SSO) protocol; and 4) an updated and tested “business continuity plan” (utilizing the new tools).

The Information Technology Subcommittee recommended incremental, conditional approval of Policy Option Package #105 within HB 5034 on the condition that the entire expenditure limitation be unscheduled by the Department of Administrative Services, and the Public Employees Retirement System be required to request the Office of the State Chief Information Officer, Chief Financial Office, and Legislative Fiscal Office approval, that a portion, or all of the remaining unscheduled expenditure limitation, be rescheduled for the agency to use to initiate and complete project execution activities.

Specifically, the Subcommittee recommended that PERS:

- Immediately increase the offsite storage frequency of PERS “disaster recovery tapes,” from once weekly to daily, to immediately mitigate this obvious and unnecessary risk.
- Conduct a detailed risk assessment of the current state of PERS’s disaster recovery and business continuity environment (including the status of the current “disaster recovery and business continuity plans”). Include a detailed priority analysis and list of the key DR/BCP-related problems and risk areas that are identified within the assessment. Develop an action plan based upon this risk assessment. Review the findings of this assessment with OSCIO and LFO.
- Provide OSCIO and LFO with an analysis of the PERS 2015-17 information technology workload, clearly showing how this project can be timely completed, given the magnitude of what is already on PERS’s “platter” for the 2015-17 biennium.
- Provide OSCIO and LFO with a prioritized go-forward plan (including the justification for each priority) that would allow the more critical elements of this project to be the focus of initial PERS efforts, with less critical elements being delayed later in the 2015-17 biennium.
- Early in the project, work with OSCIO and LFO to determine which elements of the Joint State CIO/LFO Stage Gate Review Process will be followed for a project of this type, including what key deliverables will be required.

- Work with OSCIO and LFO to finalize a corresponding incremental funding release plan that is based upon a prioritized implementation plan for each of the prioritized three key components of POP #105.
- Work closely with and regularly report project status to OSCIO and LFO throughout all elements of the project's lifecycle.
- Utilize a qualified project manager with experience in planning and managing programs and projects of this type, scope, and magnitude.
- Develop appropriate foundational project management documents, and provide all key documents to the QA vendor for quality control reviews.
- Work with OSCIO to obtain independent quality management services. The contractor shall:
 - Conduct an initial risk assessment.
 - Perform quality control reviews on the key project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents as appropriate.
 - Perform ongoing, independent quality management services as directed by OSCIO.
- Submit all key project documents, the initial risk assessment, and quality control reviews to OSCIO and LFO.
- Regularly report to OSCIO and LFO on project progress and on the development of key project documentation.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) system as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the project.

Oregon Liquor Control Commission

Recreational Marijuana Licensing and Tracking System

The purpose of this project is to enable OLCC to properly oversee the regulation of recreational marijuana as required by Measure 91, and achieve the objectives provided by the United States Department of Justice within the February 2014 *Cole Memo* via the acquisition, configuration, and implementation one or more information technology systems that give OLCC: 1) the ability to issue and manage licenses; 2) the ability to track tax invoices and process receipts; and 3) the ability to track marijuana from plant to end product.

The Joint Committee on Implementation of Measure 91 recommended approval of \$1.9 million in funding for the development, procurement, and management of the OLCC Recreational Marijuana Licensing and Seed to Sale Tracking System.

This project is currently being overseen by the Office of the State Chief Information Officer and the Legislative Fiscal Office utilizing the Joint State CIO/LFO Stage Gate Review Process. OLCC is expected to:

- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Develop and update the Business Case and foundational project management documents as required.

- Work with OSCIO to obtain independent quality management services. The contractor shall:
 - Conduct an initial risk assessment.
 - Perform quality control reviews on the Business Case, and foundational project management documents as appropriate.
 - Perform ongoing, independent quality management services as directed by the Office of the State CIO.
- Submit the Business Case, project management documents, initial risk assessment, and quality control reviews to OSCIO and LFO for Stage Gate Review.
- Report quarterly to the Legislative Fiscal Office and to the Legislature as required.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the Project.

Additional Information Technology Projects and Initiatives of Interest

Education

- HECC – Information Systems Transition and Consolidation
- ODE – Early Learning Information System (ELIS)

Human Services

- OHA – Oregon Health IT Program Implementation (HB2294)
- OHA – Medical Marijuana Licensing and Tracking System (HB 3400)
- OHA – Medicaid Management Information System (MMIS) Workgroup (SB 5526)
- DHS – Provider Time Capture Project

Public Safety

- OYA – Juvenile Justice Information System (JJIS) Modernization

Economic Development

- ODVA – Loan Program IT Modernization
- OED – Agency Security Compliance Project
- OED – Oregon Payroll Reporting System Project
- OED – OAH Case Management System Project
- OED – PRISM Enhancement Project

Consumer and Business Services

- DCBS – Oregon Health Insurance Marketplace Transition Project

Natural Resources

- ODA – Laboratory Infrastructure Improvements
- DEQ – Water Quality Permitting (WQSIS) Replacement Project
- DOGAMI – Agency IT Operational Assessment
- DOGAMI – Oregon LIDAR Project and Data Acquisition

Transportation

- ODOT – Road Usage Charge Program

Administration

- Office of the State CIO – Implementation of HB3099 (Transfer of Enterprise IT Authority)
- Office of the State CIO – Implementation of SB 515 (Transparency Website)
- Office of the State CIO – FirstNet (Public Safety Broadband Network Planning)
- Office of the State CIO – Develop New Governance Structure for IT
- Office of the State CIO – Quality Assurance Policy Implementation
- Office of the State CIO – Project and Portfolio Management System
- Office of the State CIO – Enterprise GIS Software License
- Office of the State CIO – ETS Reorganization and Rate Development
- Office of the State CIO – ETS Security and IT Operations Audit Support

- GEC – Electronic Filing System
- DOR – CSR Marijuana Point of Sale functionality
- OLCC – Online and E-Commerce Licensing Project (Liquor Program)
- SOS – Oregon Business Registry Enhancements
- SOS – Oregon Central Voter Registration System Modernization
- SOS – ORESTAR Upgrade project
- SOS – HB 2177 Implementation Project
- SOS – License Directory Modernization Subscription
- OST – Information Security Management Program
- Legislative Administration – Disaster Recovery Cold Site

Information Technology Related Budget Notes

Teacher Standards and Practices Commission

SB 5538 (Chapter 602, Oregon Laws 2015)

BUDGET NOTE: The Teacher Standards and Practices Commission is instructed to report to the Joint Committee on Ways and Means during the 2016 legislative session or to the Interim Joint Committee on Ways and Means on the following areas: fee related revenue and expenditure trends for the first months of the 2015-17 biennium; progress in addressing the backlogs for investigations and responding to emails and phone calls; impact on agency workload from the implementation of the new on-line licensing system; and progress on the scanning of investigative case files and implementation of a case management system for the investigative case files.

Oregon Health Authority

SB 5526 (Chapter 838, Oregon Laws 2015)

BUDGET NOTE: The Oregon Health Authority shall put together a work group to compile a list of the current issues of concern in regards to the functioning of the Medicaid Management Information System (MMIS) as it relates to other systems and interfaces, and to make recommendations on resolving those issues. The group shall include staff from the agency, three coordinated care organizations, three health care providers, and the Legislative Fiscal Office. By November 2015, the agency will report the findings of the group, and the resolution or expected resolution of the issues, to the Interim Joint Committee on Ways and Means.

Military Department

HB 5032 (Chapter 594, Oregon Laws 2015)

BUDGET NOTE: Oregon Emergency Management (OMD) is directed to work with the Oregon State Chief Information Officer (OSCIO) to produce a Next Generation 9-1-1 GIS Project Plan for the collection, management, and sharing of geographic data sets and geographic information systems capabilities required to effectively implement Next Generation 9-1-1 throughout the state of Oregon. The Next Generation 9-1-1 GIS Project Plan is to be submitted to the Legislative Fiscal Office in December 2015, and jointly presented by OMD and the OSCIO to the Joint Legislative Committee on Information Management and Technology and to the Joint Committee on Ways and Means during the 2016 legislative session.

Department of Geology and Mineral Industries

SB 5512 (Chapter 657, Oregon Laws 2015)

BUDGET NOTE: The Department is directed to work with the Office of the State Chief Information Officer (OSCIO) to conduct a comprehensive assessment of the agency's information technology

related operations. The assessment is to include, but not be limited to, an evaluation of the following: IT organizational structure, policies and practices, management and staffing, funding and expenditures, and governance; inventory of current systems, hardware, software, data resources, and applications; business drivers and organizational mandates for information technology and data management; current operational and technical deficiencies and gaps; current, and any potential alternative methods, for data exchange and providing online access to data resources; operation and technical requirements for systems, data, and applications; and requirements necessary for any recommended changes or enhancements to IT management, staffing, funding, policies, and practices. A report on this comprehensive assessment is to be submitted to the Legislative Fiscal Office in December 2015 and jointly presented by DOGAMI and the OSCIO to the Joint Legislative Committee on Information Management and Technology and to the Joint Committee on Ways and Means during the 2016 legislative session.

Department of Transportation

HB 5040 (Chapter 761, Oregon Laws 2015)

BUDGET NOTE: The DMV STP will replace aging hardware and software solutions with a modern business and information platform. The approved budget incorporates ODOT-DMV request for \$30.4 million for the DMV Service Transformation Program (STP). Resources to implement this program may be unscheduled. The Oregon Department of Transportation (ODOT) is directed to convene a legislative workgroup to oversee the near-term phase and the long-term strategy to modernize all aspects of the DMV Service Transformation Program. The Workgroup shall consist of the following: three Oregon Senate Members; three Oregon House Members; the State Chief Information Officer or designee; one Legislative Fiscal Office representative, and two private sector members from the Technology Association of Oregon. The Department (ODOT) is further directed to work with the OSCIO and LFO, to engage and follow the “Stage-Gate” project and approval process. Additionally, the Department is directed to report to the Joint Committee on Ways and Means during the 2016 legislative session on the status of the DMV Service Transformation Program.

BUDGET NOTE: ODOT DMV and Motor Carrier Divisions are instructed to work collaboratively with the State Treasurer to develop necessary systems, agreements and requirements to implement a credit card merchant fee cost recovery method. This may include, but not be limited to: an assessment of transactions wherein the user of the card is charged the bank transaction fee, in addition to payment made to the agency for the tax, fee or other charge required by the Department, and the 2014 recommendations of the Task Force on Transportation and Customer Service Efficiency.

Department of Administrative Services

SB 5502 (Chapter 654, Oregon Laws 2015)

BUDGET NOTE: Enterprise Technology Services: Given the uncertainty involving which services Enterprise Technology Services will offer in the future due to the ongoing IT Common Service Delivery review currently underway and concerns over management of ETS which have led to numerous outside reviews and audits, the Subcommittee agreed to only partially fund the Enterprise Technology Services budget requests for 2015-17. The State Chief Information Officer (SCIO),

through the Department of Administrative Services (DAS), shall return during the 2016 legislative session to the appropriate subcommittee of the Joint Committee on Ways and Means with recommendations on changes to ETS information technology services provided, which services it will no longer offer and state agencies will then be responsible, the budgetary impact of these decisions on state agencies, as well as DAS, changes in ETS operations implemented or considered as a result of outside reviews and audits completed by the time of the report, and timelines for additional changes to ETS services or operations being contemplated and how those could affect budgets. In addition, SCIO shall recommend a new funding formula for ETS that refocuses charges to state agencies on fees for service and deemphasizes the use of assessments which fund all positions regardless of reductions in services delivered, show how reductions in services purchased by state agencies would be reflected in reductions in operating expenses, and include price list adjustments needed for implementation of a new revenue formula at the start of second year of the biennium.

Government Ethics Commission

HB 5020 (Chapter 465, Oregon Laws 2015)

BUDGET NOTE: The Government Ethics Commission is to report to the Interim Joint Committee on Ways and Means in the fall of 2015 to document the Agency's readiness to proceed with the implementation of the Electronic Filing System by the statutory date of January 1, 2016.

Oregon Liquor Control Commission

HB 5047 (Chapter 817, Oregon Laws 2015)

BUDGET NOTE: When setting fees for the recreational marijuana program, the Oregon Liquor Control Commission shall consider the following: fees charged should provide for sustainable operations in the 2017-19 biennium and beyond; fees charged should consider the relative size and scale of operation for all classes of licenses (growers, processors, wholesalers and retailers); and fees charged to licensees should not be lower than those charged by the Oregon Health Authority for equivalent medical marijuana license classes. The Oregon Liquor Control Commission shall report quarterly to the Legislative Fiscal Office on the number of license applications, the number of licenses approved, fee amounts received, marijuana program expenditures, and progress on implementing technology initiatives associated with the recreational marijuana program.

Public Employees Retirement System

HB 5034 (Chapter 595, Oregon Laws 2015)

BUDGET NOTE: The Public Employees Retirement System, in consideration of a future information technology upgrade of its retirement applications, is directed to undertake a statutory review to identify recommendations for simplifying and reducing the costs of the statutory benefits structure and its administration. The report is to be submitted to the appropriate legislative committee(s) by September 2016.

BUDGET NOTE: The Public Employees Retirement System (PERS) is directed to conduct a detailed health check and risk assessment of the current state of its disaster recovery and business continuity

environment, including the state of its current disaster recovery and business continuity plans. PERS is to develop an associated prioritized action plan to correct all identified deficiencies and to ensure that its disaster recovery and business continuity plans are in alignment with state policies, standards, and guidelines. PERS is directed to report to the Joint Committee on Ways and Means during the legislative session in 2016 with its findings and prioritized action plan.

Department of Revenue

HB 5035 (Chapter 596, Oregon Laws 2015)

BUDGET NOTE: The Department of Revenue is to report to the Interim Joint Committee on Ways and Means in the fall of 2015 to document the agency's readiness to proceed with the final implementation of the Core Systems Replacement project's Personal Income Tax program.

Oregon State Treasury

HB 5041 (Chapter 689, Oregon Laws 2015)

BUDGET NOTE: The State Treasurer is to report to the Legislature in 2016 on the hiring of newly authorized positions and the associated improvements to: risk management; compliance; investment decision support systems; investment analysis; data security; management reporting; internal controls; segregation of duties issues; internal auditing; and the updating of policy and procedures.