Government Efficiency Task Force
401 Senate Office Building
December 16, 2011
2:00 p.m. – 3:00 p.m.

1) Call to Order

2) Roll Call

3) Approval of Minutes

4) Recommendations from the Enterprise Information Technology Work Group

5) Adjourn

Government Efficiency Taskforce
110 Senate Office Building
Tallahassee, Florida
Wednesday, December 7, 2011
4:30 p.m. – 6:30 p.m.

MEETING MINUTES

Members Present:
 Chair Abraham Uccello
 Representative Frank Attkisson
 Vice Chair Lizbeth Benacquisto
 Speaker Larry Cretul
 Ms. Ann Duncan
 Mr. Matthew Falconer
 Mrs. Julie Fess
 Mr. Michael Heekin (by phone)
 Mrs. Belinda Keiser
 Senator Patrick Neal (by phone)
 Lt. Col. Frances Rice (by phone)
 Mr. Robert Rohrlack
 Mr. Eric Silagy
 Mr. Robert Stork
 Representative Rob Wallace

Members Absent:
 none

Chair Uccello called the meeting to order at 4:34 p.m.

Staff called the roll and announced the presence of a quorum.

Belinda Keiser moved to approve the minutes for the November 16, 2011, meeting. The motion was adopted without objection.

Chair Uccello reviewed the recommendation format and voting procedure. Mrs. Keiser provided an overview of the recommendations by the childcare work group. Members discussed the recommendations, and Chair Uccello called for a roll call vote. The recommendation passed by a vote of 12 yeas and 1 nay.

Chair Uccello summarized the progress of the enterprise information technology work group.

Chair Uccello introduced Lisa Vickers, Executive Director of the Florida Department of Revenue. Ms. Vickers presented on enterprise information technology consolidation and governance, and then took questions from members.

Chair Uccello introduced Secretary David Wilkins of the Florida Department of Children and Families. Secretary Wilkins presented on enterprise information technology consolidation and governance, and then took questions from members.

Chair Uccello opened the floor for public comment. Gail Marie Perry, representing Communications Workers of America, spoke on state information technology.

The meeting adjourned at 6:17 p.m.

Florida Government Efficiency Task Force Work Group Recommendations

Subject Matter: Enterprise Information Technology
Work Group Members: Abraham Uccello (Chair), Senator Lizbeth Benacquisto, Ann Duncan, Michael Heekin, Belinda Keiser, Robert Rohrlack, and Eric Silagy

<u>RECOMMENDATION SUMMARY</u>

The enterprise information technology work group met on November 15th, December 5th, and December 12th and makes the following recommendations to the Government Efficiency Task Force:

State of Florida Enterprise Information Technology:

- Redefine the role of the Agency for Enterprise Information Technology (AEIT) in governance of state enterprise information technology (IT) and clarify designated enterprise applications and operations.

- Strengthen statutory language to provide AEIT with enforceable governance.

- Provide AEIT with budget and procurement authority for enterprise projects and services.

- Maintain the current organizational structure of AEIT under the Governor and Cabinet.

- Establish an Enterprise Technology Advisory Council (ETAC) of public and private industry chief information officers and IT professionals to function in an advisory capacity to the state Chief Information Officer (CIO).

- Task the CIO with modifying AEIT's organizational structure to provide flexibility and nimbleness and to accommodate further adjustments as necessary.

- Direct AEIT to identify and align agencies in process oriented design structures (PODS), grouping similar business processes and functions across state government.

- Direct AEIT to implement enterprise IT in support of this alignment, executed in successful phases according to business processes and functions.

- Direct AEIT to immediately begin identification and alignment of PODS with financial management, due to the foundational importance of the Florida Accounting and Information Resource (FLAIR) subsystem.

FULL RECOMMENDATION(S) ANALYSIS

I. RECOMMENDATIONS(S) AND BACKGROUND

AGENCY FOR ENTERPRISE INFORMATION TECHNOLOGY (AEIT):

In 2006, the Florida House of Representatives issued a report that identified the following issues with Florida's information technology (IT) governance:

- A lack of a clear vision for the future of IT, its role in government operations, and its value to the state;
- An absence of an enterprise governance framework, which limits Florida's ability to capitalize on enterprise-wide technology solutions; and
- Inadequate visibility into IT funding of agencies and across the enterprise.[1]

In 2007, the Florida Senate issued a similar report that cited insufficient planning, management, and governance of enterprise IT services. The report provided that many state projects experienced cost overruns and fall behind schedule, management does not understand or value IT governance and investments, and IT is often an impediment to innovative new processes.[2] Additionally, lack of planning, contract management, and accurate assessment of IT capabilities resulted in suspension of projects and led to substantial changes in direction and scope during development and implementation.[3]

The Senate report concluded that "The state would benefit financially and organizationally from defining enterprise- and agency-level IT projects and operations."[4] The report also provided that Florida "would improve its enterprise IT capabilities by requiring shared service delivery, planning, management, and operations for common, non-strategic IT services."[5]

The Senate and House committee recommendations led to the creation of the Agency for Enterprise Information Technology (AEIT or the agency). The agency's focus is on IT as an enterprise responsibility linking the state's separate business and jurisdictional entities.[6] The agency reports to the Governor and Cabinet, and is administratively housed within the Executive Office of the Governor (EOG), but is a separate budget entity and not subject to control, supervision, or direction by EOG. The agency is headed by a Chief Information Officer (CIO) who is appointed by the Governor and confirmed by the Cabinet, subject to confirmation by the Senate, and serves at the pleasure of the Governor and Cabinet.[7]

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[1] *Information Technology Management in Florida,* Florida House of Representatives State Infrastructure Council/Spaceport and Technology Committee. Tallahassee, FL: January 2006, pp 10-15. (Report on file with Task Force staff.)

[2] *Enterprise Information Technology: Senate Review and Study*, Report No. 2007-140. Tallahassee, FL: January 2007, p 5. (http://archive.flsenate.gov/data/Publications/2007/Senate/reports/interim_reports/pdf/2007-140golong.pdf) (Last visited 12/12/2011).
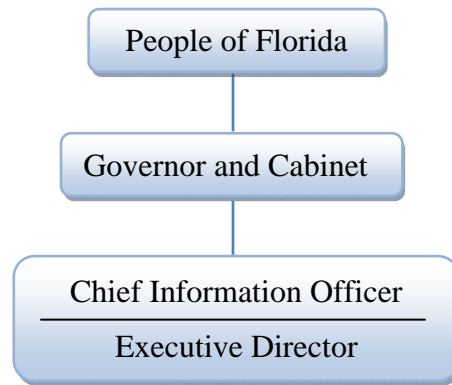
[3] *Id.* at p 9-11.

[4] *Id.* at p 11.

[5] *Id.*

[6] See Ch. 2007-105, L.O.F.

[7] Section 14.204(1), (2), and (3), F.S.

Current AEIT high-level organizational structure

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│      People of Florida      │
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               │
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│     Governor and Cabinet    │
└──────────────┬──────────────┘
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┌──────────────┴──────────────┐
│  Chief Information Officer   │
│ ─────────────────────────── │
│     Executive Director       │
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Principal responsibilities of AEIT include:

- Developing strategies for the design, delivery, and management of enterprise IT services;
- Planning and establishing policies and standards for enterprise IT services;
- Identifying and recommending strategies and opportunities to improve delivery of cost-effective and efficient enterprise IT services;
- Coordinating acquisition planning and procurement negotiations for hardware and software products and services;
- In consultation with the Department of Management Services (DMS), establishing best practices for the procurement of IT products; and
- Providing recommendations for consolidating the purchase of IT commodities and services, and for establishing a process to achieve savings through consolidated purchases.[8]

Pursuant to legislative direction, AEIT organizes the required consolidation of agency data centers, and is working on the implementation of an enterprise-wide email system.[9]

Change and Efficiency

Governance

The current operations and organizational configuration of IT is dispersed throughout individual state agencies and departments. This process limits the ability to execute system-wide changes and oversight. A lack of centralized IT governance also hinders streamlining and elimination of duplication to achieve efficiencies and cost savings.

Multiple attempts to create new enterprise IT governance structures have been unsuccessful or have had limited success.[10] The creation of new agencies may provide solutions, but may also create additional problems. For example, business processes could be transferred without sufficient evaluation. Also, new and unanticipated issues may arise from insufficient planning and management in the transfer of duties and creation of a new agency. Creation of a new entity is not the most effective

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[8] Section 14.204(4), F.S.

[9] Section 282.201, F.S. and s. 282.282.34, F.S.

[10] The Legislature created the State Technology Office (STO) in 2000 to oversee agency IT resources. Due to issues in funding and legislative support, the law authorizing STO as the central state IT service entity was only partially implemented. Further changes to the responsibilities of STO and creation of the Florida Technology Council (FTC) to take over the role of IT oversight were vetoed by the Governor on June 27, 2005, and STO underwent de facto dissolution. *Information Technology Management in Florida*, Florida House of Representatives State Infrastructure Council/Spaceport and Technology Committee. Tallahassee, FL: January 2006. (Report on file with Task Force staff.) See also Ch. 2000-164, L.O.F., Ch. 2001-261, L.O.F., Senate Bill 1494 (2005), and Executive Office of the Governor, Veto Message for Committee Substitute for Committee Substitute for Senate Bill 1494, June 27, 2005.

solution. Any adjustments to IT centralization should include a thorough evaluation of business processes and sufficient planning and management to avoid past mistakes.

The work group recommends redefining the role of AEIT in governance of state enterprise IT and clarifying designated enterprise applications and operations. Enterprise IT services for all state agencies and departments should be further defined under AEIT, with special considerations and exemptions determined by the agency. Centralizing all enterprise IT under AEIT will allow the agency to examine technology across all agencies to identify duplication in applications, operations, and associated processes. Eliminating duplication and consolidating technology assets will achieve cost savings and lead to more efficient, effective service for both agencies and the citizens they serve. Centralization will lead to a great economy of scale, which can be leveraged for significant cost savings in negotiation of contracts, licensing, and purchasing.

Clarifying enterprise applications and operations under a single agency will provide clear direction to the agency. This will allow AEIT to evaluate and make decisions on maintaining, advancing, or outsourcing technology solutions to best achieve efficiencies and cost savings.

Current law limits the scope of AEIT to IT services established in law as enterprise and used by all agencies or a subset of agencies. AEIT makes recommendations to the Legislature concerning services that should be designed, delivered, and managed as enterprise IT services, but the Legislature designates services as enterprise.[11]

The Legislature should include the following applications and operations identified by the work group for centralization under AEIT:

- MyFloridaMarketPlace (MFMP);
- Legislative Appropriations System/Planning and Budgeting System (LAS/PBS);
- Florida Accounting and Information Resource (FLAIR) subsystem;
- PeopleFirst;
- Network services;
- E-mail; and
- Data centers.

Telecommunications and call centers should also be considered for centralization. These applications have considerable impact and utilization across multiple agencies. Centralization would eliminate duplicative equipment costs and physical lease space, streamline agency support models, and provide world class customer service.

Recommendations:

- The work group recommends redefining the role of AEIT in governance of state enterprise IT and clarifying designated enterprise applications and operations.

Authority

AEIT is tasked with the responsibility for developing strategies for enterprise IT and writing policies for enterprise IT services established in law.   Design, planning, project management and implementation are the responsibility of AEIT, while supervision, design, delivery, and management are handled by

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[11] See s. 282.0041(11), F.S.

individual agencies.[12] In its current form, AEIT lacks the ability to implement and enforce its administrative rules across all state agencies.[13] This inhibits AEIT's effectiveness and allows agencies to delay or decline implementation of rules and recommendations for cost-effective and efficient enterprise projects.

The work group recommends strengthening statutory language to provide AEIT with enforceable governance. Section 14.204 and Chapter 282, F.S., should be modified to remove optional language for agency implementation of AEIT's recommendations and rules.[14] Affirmative language will allow AEIT to enforce its policies to effectively design, plan, and manage enterprise IT services in order to leverage assets in the most effective and efficient manner. AEIT should have the authority to create and enforce rules related to enterprise IT strategy, planning, standards, policy, project management, licensing, and contract management. AEIT should work with the Legislature to create enforceable standards that facilitate communication, collaboration, and consensus among agencies.

The work group recommends providing AEIT with budget and procurement authority for enterprise projects and services. Placing budget authority within AEIT instead of under disparate agencies will enhance consistency in IT allocations and spending. Budget authority will provide AEIT with the ability to enforce its recommendations and standards. Centralizing IT budgets will also provide transparency for IT funding across agencies. This transparency will facilitate faster discovery of efficiencies and cost savings.

Recommendations:

- The work group recommends strengthening statutory language to provide AEIT with enforceable governance.

- The work group recommends providing AEIT with budget and procurement authority for enterprise projects and services.

Structure

Current law provides that the head of AEIT is the Governor and Cabinet, with an executive director who is the state's Chief Information Officer.[15] AEIT's responsibility is limited to executive branch agencies, including Cabinet agencies and departments.[16]

The work group recommends maintaining the current organizational structure of AEIT under the Governor and Cabinet. With governance of IT projects across all state agencies, AEIT should continue to be overseen by the Governor and Cabinet. This will provide appropriate oversight by stakeholders whose IT functions are managed by AEIT.

Successful implementation of enterprise IT projects requires agency cooperation and support. This issue has been raised by current agency CIOs as a critical element in establishing strong, centralized IT governance. Agency CIOs suggested that a method to improve the AEIT's ability to garner agency

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[12] See s. 282.0055, F.S.

[13] See s. 14.204(4),(6) and (7), F.S. and s. 282.201(6), F.S.

[14] An example of strengthening language would be: "Develop, publish, and biennially update a long-term strategic enterprise information technology plan that identifies and provides governance for ~~recommends~~ strategies and opportunities to improve the delivery of cost-effective and efficient enterprise information technology services to be proposed for establishment pursuant to s. 282.0056." Section 14.204(4)(e), F.S.
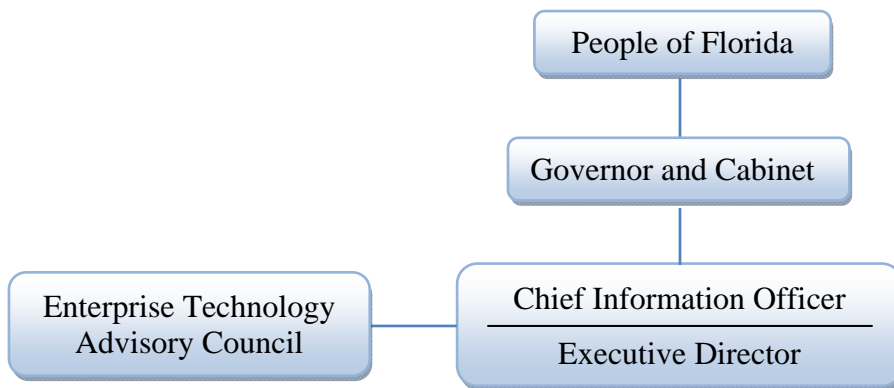
[15] See s. 14.204(1) and (3), F.S.

[16] AEIT services are limited to "executive branch agencies created or authorized in statute to perform legislatively delegated functions." Section 282.0055, F.S. A list of executive branch agencies can be found at the State of Florida website, http://www.myflorida.com/taxonomy/government/executive%20branch/. (Last visited 12/12/2011.)

support is through increased leverage of industry best practices, including those of both public and private sectors.[17]

The work group recommends establishing an Enterprise Technology Advisory Council (ETAC) of public and private industry chief information officers and IT professionals to function in an advisory capacity to the state CIO. ETAC will provide independent analysis of data to assist the CIO in developing standards and policies for enterprise services. Input from industry professionals with knowledge of current industry best practices will provide the CIO with additional resources and support for enterprise initiatives. ETAC will also assist in building consensus across agencies for enterprise projects and provide additional credence to AEIT initiatives. The council will help facilitate AEIT's ability to develop standards, and manage procurement and contracts to maximize efficiency and cost savings.

The work group recommends tasking the CIO with modifying AEIT's organizational structure to provide flexibility and nimbleness and to accommodate further adjustments as necessary. The CIO should be given authority to determine AEIT's internal organizational structure with consideration for the needs of the Governor, Cabinet, state agencies, and citizens of Florida. Flexibility to modify AEIT's structure will help the agency adapt to changing technology, business processes, and state needs.

Recommended AEIT high-level organizational structure

Recommendations:

- The work group recommends maintaining the current organizational structure of AEIT under the Governor and Cabinet.

- The work group recommends establishing an Enterprise Technology Advisory Council (ETAC) of public and private industry chief information officers and IT professionals to function in an advisory capacity to the state CIO.

- The work group recommends tasking the CIO with modifying AEIT's organizational structure to provide flexibility and nimbleness and to accommodate further adjustments as necessary.

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[17] An enterprise IT questionnaire developed by Task Force was distributed to select state agency CIOs on November 18, 2011. Responses were compiled and distributed to the enterprise IT work group members on December 2, 2011. (Questionnaire and CIO responses on file with Task Force staff.)

Agencies have historically approached IT projects within the scope of the individual agency, even when administering enterprise services. It is a challenge for agencies to accurately examine their role in the larger picture of state IT. Current enterprise projects would benefit from the focus provided by a single agency tasked with developing and implementing an overarching vision for enterprise services.

The work group recommends directing AEIT to identify and align agencies in process oriented design structures (PODS), grouping similar business processes and functions across state government. Lisa Vickers, Executive Director of the Florida Department of Revenue, presented a framework of state entities organized into Process Oriented Design Structures (PODS), or units based on similar functions, processes, and resources.[18] This model can be used to create an overarching schema for enterprise IT that supports all agencies, encourages collaboration, and locates efficiencies.[19]

The work group recommends directing AEIT to implement enterprise IT in support of this alignment, executed in successful phases according to business processes and functions. A phased approach will allow AEIT to effectively implement new strategies, governance concepts, and processes within logical, focused units.

The work group recommends directing AEIT to immediately begin identification and alignment of PODS with financial management, due to the foundational importance of the Florida Accounting and Information Resource (FLAIR) subsystem. Financial management serves a critical function to state operations, and its applications and data are utilized across numerous state agencies. An effective enterprise financial application would create efficiency and transparency, and provide effective tools for cost analysis.

The work group recommends implementing Phase 1 in a unit comprised of financial management agencies, including: the State Board of Administration, the Department of Financial Services, the Financial Services Commission, the Office of Financial Regulation, and the Office of Insurance Regulation.[20] Before starting Phase 1, AEIT should communicate with agencies to build consensus on the basic framework for a statewide financial management system. Initiating implementation with financial management, which includes a significant IT component, would provide a greater benefit to the state and realize substantial cost savings.

Recommendations:

- The work group recommends directing AEIT to identify and align agencies in process oriented design structures (PODS), grouping similar business processes and functions across state government.

- The work group recommends directing AEIT to implement enterprise IT in support of this alignment, executed in successful phases according to business processes and functions.

- The work group recommends directing AEIT to immediately begin identification and alignment PODS within financial management, due to the foundational importance of the Florida Accounting and Information Resource (FLAIR) subsystem.

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[18] Lisa Vickers, Executive Director of the Florida Department of Revenue, presented a consolidated government concept utilizing this structure to the Task Force on December 2, 2011. Presentation video, audio podcast, and materials are available at www.floridaefficiency.com/meetings.cfm (last visited 12/13/2011).

[19] Appendix 1 includes the diagram for the Financial Management unit using the PODS system.

[20] See appendix 1.

Appendix 1

Diagram of Financial Management agencies using PODS system.

FINANCIAL MANAGEMENT									
State Board of Administration		Department of Financial Services		Financial Services Commission		Financial Regulation		Insurance Regulation	
Workforce Management									
Technology Management									
Financial Management									
Asset Management									
Risk Management									
		Licensing and Registration							
		Remittance Processing							
Distribution									