

THE OFFICE OF
ENTERPRISE TECHNOLOGY
STATE OF MINNESOTA



State IT Consolidation

Phases Two and Three Tactical Plan

October 31, 2011

658 Cedar Street Saint Paul, MN 55155 www.oet.state.mn.us

PROVIDING THE LEADERSHIP AND SERVICES THAT IMPROVE GOVERNMENT THROUGH THE EFFECTIVE USE OF INFORMATION TECHNOLOGY.

Introduction

The purpose of this plan is to identify the steps for Phases Two and Three of IT consolidation as mandated in Laws of Minnesota 2011, First Special Session chapter 10, article 4. The plan provides a high-level strategy for the overall two-year milestones as outlined in the law, but will focus on the immediate tasks in Phase Two, as identified below.

The plan has been developed by OET's consolidation work team with input from agency CIOs and consultation with the Governor's Office and Minnesota Management and Budget, in order to establish a framework for the State and all agencies within the executive branch during the next stages of planning.

It is important to note that this plan is subject to change as Phase Two gets underway.

Required Milestones for the Legislative Mandate

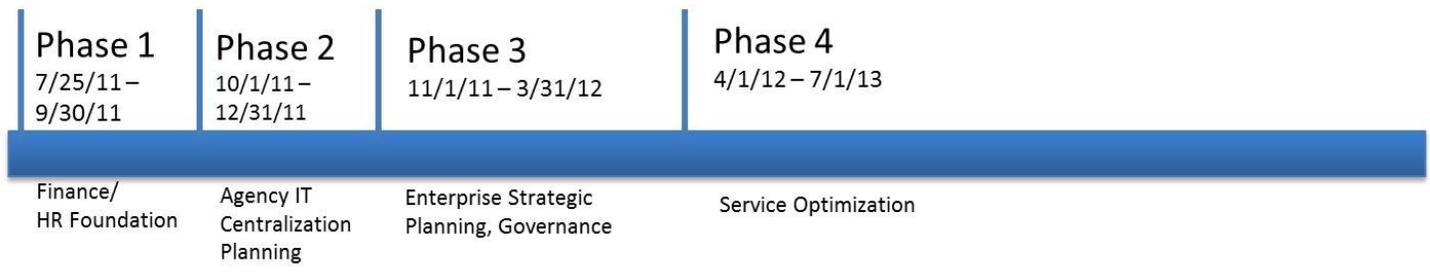
The following milestones are specified in the legislation.

- 1. Milestone: Agency CIOs transfer**
Date: August 20, 2011
- 2. Milestone: State IT employees, powers, duties transfer**
Date: October 1, 2011
- 3. Milestone: Service Level Agreements (SLA)**
Date: Now through July 1, 2012
 - a. Authority to enter into the SLAs is effective immediately and must take place before July 1, 2012
 - b. The CIO, with assistance from the commissioner of MMB, must enter into an SLA governing the provision of IT systems and services, assets, and personnel with each state agency
 - i. Must include services to be provided
 - ii. Must include charges or cost allocation for these services
- 4. Milestone: MnGEO Transfer**
Date: Now through July 1, 2013
 - a. Authority to transfer is effective immediately and must take place before July 1, 2013
 - b. Functions of the Geospatial Information Office are transferred to OET
 - c. State CIO is to appoint a Chief Geospatial Information Officer
- 5. Milestone: IT Advisory Committee**
Date: Now through July 1, 2013
 - a. Members appointed by Governor
 - b. Authority to form the advisory committee is effective immediately and must take place before July 1, 2013
- 6. Milestone: Report to Legislature**
Date: January 15, 2012
 - a. State CIO must report to the legislature any statutory changes needed to implement consolidation
- 7. Milestone: IT Projects**
Date: 2013
 - a. Effective July 1, 2013 (Not retroactive)
 - b. Appropriation for state IT projects will be made to the State CIO
 - c. The State CIO must manage and disburse the appropriation on behalf of the sponsoring state agency
- 8. Milestone: Report to Legislature**
Date: 2014
 - a. January 15, 2014
 - b. CIO must report to the legislature on the feasibility and desirability of the office entering into SLA's with the State Lottery, the Statewide Radio Board, pension funds, and the Campaign Finance and Public Disclosure Board

Phased Implementation

The planning and implementation of consolidation will be divided into four phases. Because much of the activity of Phase Two will cross over into Phase Three, this plan broadly outlines both Phase Two and Phase Three. Due to the large size and scope of this project, the timing and sequencing of this plan is subject to change.

Executive Branch IT Consolidation Timeline



Key Milestones Reached in Phase One

Phase One focused primarily on the immediate tasks necessary to meet the first two legislative milestones outlined on page 2.

Interagency agreements signed between each executive branch agency and the Office of Enterprise Technology on October 3, 2011 marked the end of Phase One and set the stage for the consolidation and optimization of IT functions and services over the next few years. The agreements transfer authority for all executive branch IT resources to OET. Specifically, the agreements accomplish the following:

People

- Agency CIOs report and are accountable to the State CIO for all IT operations, planning and management at the agency, board or commission, but continue to have an administrative reporting relationship to the agency commissioner or deputy commissioner in order to ensure that the agency's IT strategic direction and business relationships are maintained. The agency CIO maintains all appropriate hiring, purchasing, payroll and delegated authority to manage agency IT staff and budgets. Entities without a CIO or equivalent have been grouped to share a CIO or IT Lead that reports to OET (see Appendix 1).
- All agency IT resources report indirectly to OET through the agency CIO and remain administrative employees of the agencies they serve. IT staff retain current classifications, compensation levels and seniority within their agency structure.
- Support for agency IT resources (finance, HR, etc.) continues to be provided by the agency.
- Communications to agency IT employees continues primarily to be managed at the agency level through the agency CIO. Communications to all state IT employees will occur primarily through email and/or on the new State IT intranet created for the purpose.

Finance

- All financial assets and resources related to information technology have been identified and serve as the baseline budget for the agency's IT, managed within and by the agency CIO on behalf of OET.

Services

- Agency IT services continue to be delivered through the existing mix of sourcing, i.e., internal delivery, contracted to OET, and/or externally sourced.
- Enterprise service improvements/projects will continue, including but not limited to data center relocation, implementation of the Enterprise Unified Communication and Collaboration (EUCC) services, and Identity and Access Management (IAM).

Projects

- IT-component agency projects are accounted for in the agency IT budget and managed by the agency CIO.

Phase Two: Agency IT Centralization Planning

October 1 – December 31, 2011

The focus of Phase Two is on the planning for centralization and standardization of IT services within each agency, under the direction of OET. Centralization at the agency level sets several important foundations for the eventual optimization of IT consolidation in Phase Four.

- It facilitates the single agency-level view of IT spend within an agency and consolidates decision-making and accountability.
- It facilitates the delegation of authority from the State CIO to the agency CIO for all IT decision-making and reporting.
- It lays the groundwork for standardized IT management and structure across agencies.
- It facilitates the implementation of enterprise IT policy and common employee policy for the statewide “virtual organization.”
- It sets the stage for early service consolidations and the definition and establishment of additional utility (centrally provided) services.
- It facilitates communication and messaging among the State IT workforce.

At the end of Phase Two, each state agency will have an individual plan and timeline for how they will reach a common organizational and functional structure. The plan will also specify the process and timing for the agency’s adoption of current enterprise utility services. The implementation timeline for each agency will differ based on the current state of centralization or de-centralization at that agency. Implementation will generally occur in Phases Three and Four.

Agency CIOs will work with the State CIO and OET staff to determine the appropriate common organizational structure and planning templates upon which they will model individual agency plans, and will consult with OET on the development of common financial and human resource policies.

Phase Three: Strategic Planning

November 1, 2011 – March 31, 2012

Phase Three will focus on the establishment of governance and strategic planning. This phase will establish the framework within which ongoing management of the enterprise IT organization occurs, and set the agenda for service delivery improvements that will occur in Phase Four. The strategic planning process will include input from both business and technical leadership as well as IT employees.

- It will, through a master planning process, articulate the “why” of IT consolidation, i.e., the aspirations and business benefits of the state government business leadership and key government stakeholders for what IT should do for the State.

- It will create a context for IT service management and development based on the goals of the enterprise and the business needs of IT customers.
- It will evaluate current service delivery maturity and create a service strategy that identifies common utility services that should be centralized and those that remain unique and de-centralized, and will result in a tactical plan and timeline for consolidation and service improvement projects.
- It will identify the governance by which state information technology is managed and through which agency business leadership has input in direction and goals.
- It will frame many of the operational, legal, human resources, financial, and administrative details that were not addressed and/or clarified in Phase One.
- It will establish the framework for service level agreements by which IT services will be operated and measured at the agency and enterprise level.
- It will plan and implement the optimized central and de-centralized organizational structures necessary for long-range service delivery strategies to be successful.

Managing the Program

OET has instituted program management rigor for this complex program, with a working team and assigned projects. The program consists of the projects below.

Projects within the program are led by executives within OET. As specified in legislation, OET is consulting with Minnesota Management and Budget on matters related to finance and human resources. Agency subject matter experts will be consulted as necessary for individual projects within the program.

For the overall program, agency CIOs participate in the planning at a consultative level, providing more direct input into particular projects within the program.

OET continues to inform key state leadership on the activity and progress of the IT Consolidation Program through regular informational meetings with the Governor, legislators, commissioners, deputies, CFOs, HR directors, and others to share information.

Phase Two and Three IT Consolidated Program

October 1, 2011 – March 31, 2012

The following projects comprise the IT Consolidation Program during Phases Two and Three. Most have component deliverables in both phases (see page 5). A program diagram is available in Appendix 2.

Projects	Description
Agency Centralization (1)	Building the framework and templates for a standardized approach to agency centralization and the development of individual agency plans (Phase Two). Implementation of agency plans (Phases Three and Four); development of service level agreements.
Enterprise Human Resource Planning (2)	Development of standard employee, employment and management policies, procedures and processes.
Financial Planning (3)	Development of standard strategies, procedures, KPIs and policies for financial management of IT spend at agency and enterprise level.
Strategic Planning (4)	Enterprise long-range, tactical and organizational planning for state IT.
Enterprise Governance (5)	Redesign and launch of Minnesota's enterprise IT governance based on the legislative requirements and changes of authority at the agency and central level.
Central Organization Planning (6)	Development and implementation of an end-state central organization structure and staffing strategy.

Deliverables in Phases Two and Three

1. Agency IT Centralization

- Agency IT centralization best practices document: documented review of best practices for the structure and management of comparable government IT organizations.
- Agency planning template: standard template for agencies to analyze current structure and to complete their centralized planning within a common construct. Includes planning template and instructions.
- Agency plans: completion of individual agency plans based on a common template and agreed-up parameters; includes implementation timelines, current state "maturity assessment" based on best practices validation, utility service migration plans.
- SLA framework: A common structure and template for SLAs between OET and individual agencies for FY2013, including all services, regardless of provider.
- Standards & templates for ongoing agency IT management: standard policies, reporting and accounting structures for agency CIOs to use in managing agency-level IT functions; template OLAs for formalizing agency support services.
- Legal clarifications and policy development on key issues relating to agency IT and agency business leadership roles and responsibilities. This includes, but is not limited to data practices, budgeting authority, intellectual property, and interagency agreement revision processes.
- Utility service migrations: short-term conversion to existing utility services for those agencies/entities currently using alternative services.

2. Enterprise Human Resource Policies

- Common hiring policies and practices for state IT positions, including agency CIOs.
- Common management policies and practices for state IT managers and supervisors: common expectations and policies and a plan for training and development of all IT managers statewide.
- Strategy for enterprise-wide employee policies including compensation, classification, and seniority, and a documented process for transferring personnel across agencies.
- Documented roles for agency and central IT organization HR: distinguishing roles between the central organization and individual agency HR support services, and established OLA requirements for agency HR support services.

3. Financial Management

- Key financial strategies and policies developed for the successful management of IT resources at the agency and enterprise level. These policies will include but are not limited to, asset ownership, allocations and rates strategy, internal agency funding management, federal funding issues, biennial budget process, savings and investment strategies.
- Design and implementation of a SWIFT chart of accounts for information technology budgets and expenses, based on financial strategies.
- IT asset inventory, coordinated with MMB.
- Centralized procurement strategy, including software licensing/contract inventory, and strategy for consolidating purchasing activity and contracts.

4. Enterprise Strategic Planning

- Defined planning goals and process for the development of key strategic and tactical planning documents; clear roles and responsibilities in the planning process, including state leadership, customer business leadership, IT leadership and IT employees.

Strategic Plans

- **State Information Technology Master Plan:** goals and aspirations for state information technology, led by business needs. This is a high-level view of the question “How does IT serve the State?” The Master Plan outlines the business benefits of information technology and serves as the foundation for all other strategic and tactical planning.
- **IT Organization Strategic Plan:** goals and aspirations of the State’s information technology enterprise organization, answering the question, “who are we and how do we manage our business?” This plan deals with mission, vision and values for the combined organization that operates in a manner capable of accomplishing the vision in the Master Plan.
- **Service Strategy Plan:** an overview of the strategy for delivering the State’s IT services. The plan will analyze the maturity level and scalability of current services; outlines service development, delivery and financial models; defines KPIs and measurable outcomes; and defines in broad terms the State’s service sourcing strategies.
- **IT Consolidation Program Plan:** Based on the State IT strategic plan and the Service Strategy Plan, this two-year tactical plan will define the ongoing IT Consolidation Program. It will combine a discreet list and timeline for service development, improvement and consolidation with an implementation plan for the financial, HR and administrative changes that are identified throughout this program as being necessary for full consolidation to a single IT organization.

5. State IT Governance

- Enterprise governance structure: Defined roles and responsibilities for demand-side (what should IT be doing? is IT meeting our needs?) governance and supply-side governance (operational governance for IT strategy and operations).
- Formation and launch of governance bodies, including the Technology Advisory Committee outlined in statute.
- Legislative report (January 2012) on the plans and progress of IT consolidation and outline of necessary statutory changes to implement the consolidation law.

6. Central Organization Planning

- Revised definition of the central organization (OET) based on long-range, strategic planning and the two-year IT Consolidation Plan (above).
- Updated organizational and reporting structure based on industry norms and end-state requirements.
- Key leadership positions defined and filled; internal state IT operational governance defined and implemented.
- Transfer plan for MNGeo move to OET, as outlined in statute.
- Plan for centralized HR: definition of responsibilities for the central organization's HR department, and staff increases to meet needs, based on tactical plans for service consolidation.
- New/transferring employee onboarding process and space strategy for central organization, based on tactical plans for services consolidation.
- ITC Program Management Plan: program plan for managing implementation of components and projects in the 2-year tactical plan.

Communications, Phases Two and Three

Clear and frequent communications is vital to the success of this program and the smooth transition of authority and responsibility.

Audiences

Audience	Need To Know	Primary Mediums / Frequency
Governor's Office	Program strategy, scope and structure; timelines, key issues, key successes, problem areas to help solve	Regular updates to Chief of Staff. Forward program status reports.
Key Legislators	Program strategy, scope and structure; high-level project reports, issues identified that may need statutory changes	Consultative visits and emails
MMB	Program strategy, scope and structure; finance plan, HR plan, key issues to solve; mechanics of financial strategy	Regular consultation; team participation
Commissioners and non-cabinet equivalents	Program strategy, scope and structure; program updates; regular reporting from agency CIO	Status reports Leadership Team meetings as requested

Audience	Need To Know	Primary Mediums / Frequency
Deputies	Program strategy, scope and structure; detailed timelines, finance plan, HR plan; regular detailed updates from OET Deputy Commissioner and agency CIO	Regular status reports (email and special meetings)
Agency HR Directors	Program strategy, scope and structure; HR plan, issues that arise	Regular status reports (email and special meetings)
Agency CFOs	Program strategy, scope and structure; issues that arise; Swift instructions for account changes	Updates and instructions (email and special meetings)
Agency CIOs – cabinet and non-cabinet equivalents	Program strategy, scope and structure; responsibilities and timelines; tools and instructions for consolidation; reporting templates for OET and for business managers; talking points and memos for agency employees; updates on communications to leadership	Weekly meetings Email instructions and updates SharePoint sub-site and discussion board in StateIT
Executive Branch IT Staff	Program strategy, scope and structure; clear understanding of roles, expectations and changes; sense of belonging to a larger organization	Regular emails from State CIO StateIT SharePoint site discussion board and documents Regular FAQs (website and SharePoint) “Morning Java” announcements (daily) Face Book (informal communications)
OET Staff	In addition to communications to Executive Branch IT staff, organizational changes affecting OET employees only	Emails from leadership, OET IntraNews
Media		Updates on OET website; interview in response to inquiries; press releases at milestones
General Public		Updates on OET website

Appendix 1: Agency Organization and Leadership

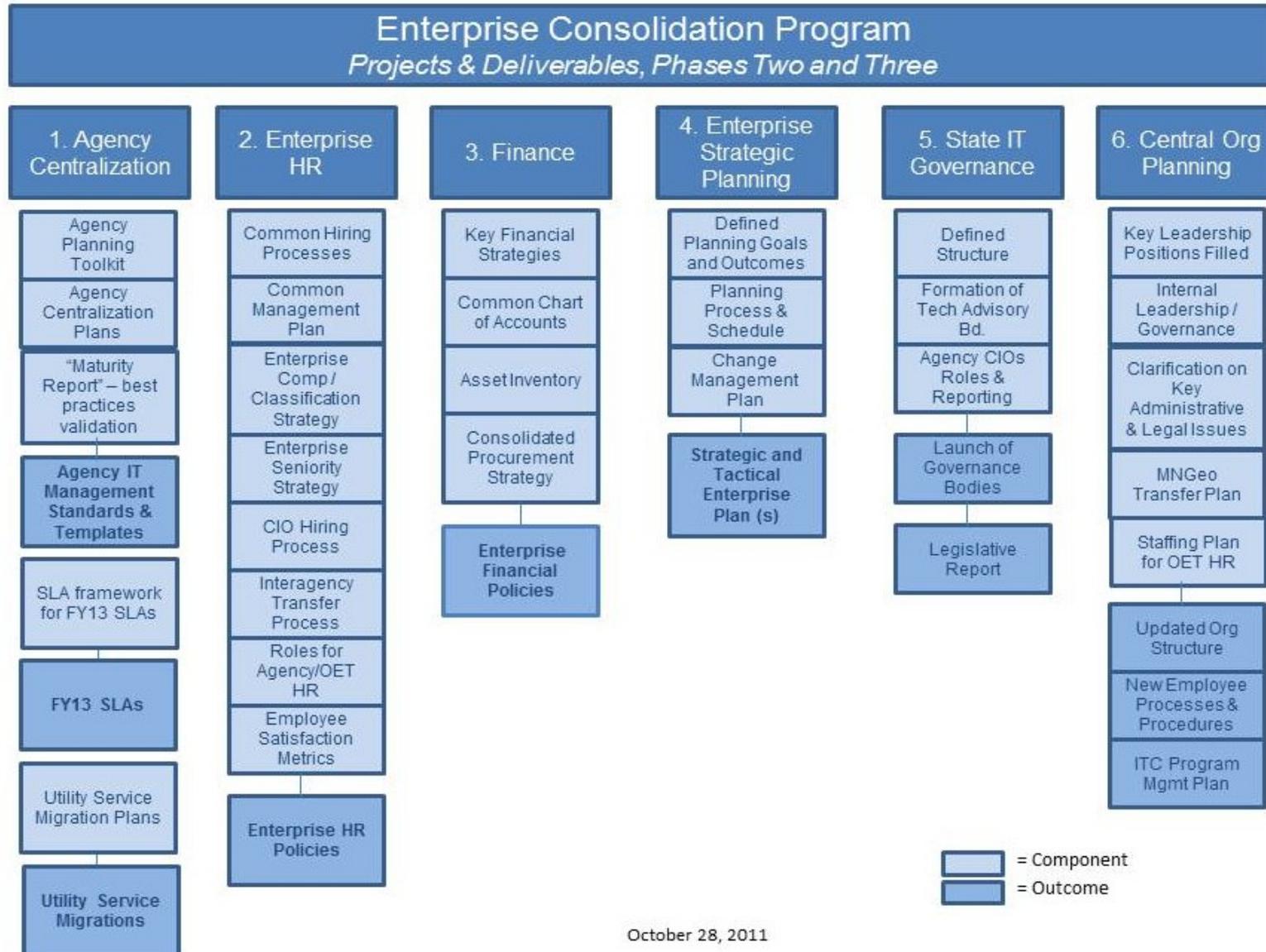
As of October 28, 2011

- Administration Department – CIO: Greg Jonsen, Interim
- Agriculture Department Managed Group – CIO: Larry Palmer
 - Animal Health Board
- Commerce Department Managed Group – CIO: Greg Fetter
 - Accountancy Board
 - AELSLAGID Board
 - Public Utilities Commission
- Corrections Department – CIO: Lon Erickson
- Education Department Managed Group – CIO: Cathy Wagner, Interim
- Employment & Economic Development Department – CIO: Henry May
 - Explore Minnesota Tourism
- Health Department Managed Group – CIO: John Paulson
 - Health Licensing Boards – IT Lead: Rick Bostrom
 - Barber Examiners Board
 - Behavioral Health & Therapy Board
 - Chiropractic Examiners Board
 - Cosmetologist Examiners Board
 - Dentistry Board
 - Dietetics & Nutrition Practices Board
 - Emergency Medical Services Board
 - Marriage & Family Therapy Board
 - Medical Practices Board
 - Nursing Board State of Minnesota Standards
 - Nursing Home Administrations Board of Examiners
 - Optometry Board
 - Pharmacy Board
 - Physical Therapy Board
 - Podiatric Medicine Board
 - Psychology Board
 - Social Work Board
 - Veterinary Medicine Board
- Housing Finance Agency – CIO: Tony Peleska
- Human Rights Department – IT Lead: Kaytee Hansen
- Human Services Department - CIO: Tom Baden
- Iron Range Resources & Rehabilitation - CIO: Jean Dolensek
- Labor & Industry Department – CIO: Betty Baron, Interim
- Mediation Services Bureau – Administrative Support: Carol Clifford
- Military Affairs Department – CIO: Bill Hose
- Minnesota Management and Budget – CIO: Steve Jorgenson
- Minnesota State Academies – IT Lead: Dan Scissons
- Minnesota Zoological Garden Board – IT Lead: Bryce Gerber
- Natural Resources Department – CIO: Robert Maki
- Office of Enterprise Technology Managed Group – CIO: Vacant
 - Governor and Lieutenant Governor
 - Administrative Hearings Office
- Office of Higher Education – CIO: Terry Schmidt

- Pollution Control Agency – CIO: Ed Meyer
- Public Safety Department Managed Group – CIO: Paul Meekin
 - Peace Officers Standards and Training Board
 - Private Detectives Board
- Revenue Department – CIO: Steve Kraatz
- Transportation Department - CIO: Jim Close, Interim
- Veterans Affairs Department – CIO, Daniel Abdul
- “Group 2” – IT Lead: Tim Ogg
 - Amateur Sports Commission
 - Arts Board, Minnesota
 - Asian-Pacific Minnesotans Council
 - Black Minnesotans Council
 - Capitol Area Architectural and Planning Board
 - Chicano Latino Affairs Council
 - Combative Sports Commission
 - Disability Council
 - Gambling Control Board
 - Higher Education Facilities Authority
 - Indian Affairs Council
 - Ombudsman for Mental Health & Developmental Disabilities
 - Ombudsperson for Families
 - Perpich Center for Arts Education
 - Racing Commission
 - Sentencing Guidelines Commission
 - Tax Court
 - Water & Soil Resources Board
 - Workers Compensation Court of Appeals

Appendix 2

The following diagram shows the high-level OET program plan for Phases Two and Three. Each project within the program has deliverable sub-sets and work breakdowns. Individual projects and sub-projects are subject to change as planning and implementation get underway.



October 28, 2011