

Frequently asked questions about

# IT CONSOLIDATION

**September 14, 2011**

*Information contained in these FAQs is for informational purposes only and should not be considered policy. Implementing the state's IT consolidation will inherently create a constantly changing environment related to the State's IT infrastructure and staff. Responses to some of these questions could change as the consolidation moves forward.*

A new law resulting from the 2011 legislative session calls for the consolidation of Minnesota executive branch information technology under the State Chief Information Officer. This statute significantly affects every aspect of state IT business and operations. In particular, it affects over 1800 state employees and the IT systems upon which the State of Minnesota depends to get its business done. Done well, this consolidation offers the State a unique opportunity to position IT as an enabler of government reform.

OET has determined the overall timeline for IT consolidation and developed a framework for the State and agencies during the early stages of planning. [The Phase One Project Plan](#) provides a high-level strategy for the overall two-year milestones as outlined in the law, but focuses on the immediate tasks in Phase One. The following provides the basic timeline, as we know it today. It may change once planning is underway.



The plan has used as guidelines several important tenets and values based on input from entity and state leadership, as well as legislative intent.

- The framework should emphasize and facilitate the alignment of authority, responsibility and accountability for information technology at the enterprise level as priority number one.
- Business leadership is and always will be the customer of information technology, regardless of how it is delivered and by whom. Therefore, new organizational structures and processes should not break the close tie between information technology operations and entity business lines and programs.
- Consolidation phases should be designed to minimize disruption of the daily business of government and without changing the priorities of the State and of individual agencies.
- Thorough resource analysis will be a key success factor to creating a central organization that has the resources to serve the State well. It is in everybody's interest to "get it right." We should utilize lessons learned (what worked and what *didn't* work) from other states and private sector in similarly scoped consolidation efforts, and aim to be a national model for innovative reform.
- The plan should respect the specialized skills, experience and value of state IT employees.
- The planning process should emphasize communication at all times so that agency business partners and employees understand the context of changes.

## GENERAL INFORMATION

### What agencies and entities are included in the consolidation?

The language is very broad, encompassing the executive branch. A few entities were directly excluded in the language (the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board). The final list is being completed in consultation with the Governor's Office. When complete, it will be posted on [OET's website](#).

### What is the strategy so far for achieving the mandate in the legislation?

The strategy has been to meet the first two milestones in the law with as little disruption as possible to the business of state government. The first milestone transferred the reporting of agency CIOs to OET via an interagency agreement on August 22. In preparation for the next milestone – the transfer of authority for all IT to OET on October 3 - we are now in the process of defining what is included in IT (and therefore consolidated) and analyzing the total amount each executive branch agency currently spends on that activity. This includes people, things and contracts related to IT, and also measures the levels of support the entity provides to IT activity (HR, finance, etc.).

It is important for both OET and the entities in scope that we have a common understanding of what is being transferred. This analysis will be done before October 3 by reviewing current and historical data and by involving individual agency resources to validate the information.

The analysis lays the groundwork to assign oversight of those resources to the agency CIO via interagency agreement on October 3. The strategy leaves resources (people, things, contracts) in the agencies but centralizes oversight/direction for them under the agency CIO, with ultimate authority residing with the State CIO. The October interagency agreements will define the current "IT Spend" for each entity and define the meaning of "oversight" more clearly. How the CIO provides day-to-day functional oversight of all resources will be worked out at the agency level in the next phase of the project.

### What happened on August 22?

Interagency agreements that create a foundation for how agency CIOs will function within their agencies and report to OET were signed by cabinet agency leadership and OET. The interagency agreements transferred the reporting function of CIOs to OET and prepared for the transfer of authority for all information technology resources and activity to OET through the agency CIOs. No interagency agreements were signed by non-cabinet agencies as these did not meet the legislatively mandated transfer date for CIOs. Agreements with these entities will be signed October 3.

### What will happen on October 3?

All executive branch entities and OET will sign revised interagency agreements that establish a baseline for each entity's IT spend, and transfer authority for those resources and activity to OET. The agreement is an important step. It allows both the entity and OET a window into the entity's current total IT spend and a definition of what's "in" for the purposes of consolidation; it gives CIOs the authority they need to begin planning the centralization of IT within the entity and to centralize IT-related decision-making on behalf of OET; and it provides a framework for OET and each entity to work towards a more detailed service level agreement next June that reflects service expectations and specifies ongoing costs for IT services.

The interagency agreement that is signed on that date does not automatically transfer staff to OET for reporting purposes. They will continue to have administrative support from, and report to the local entity through their agency CIO or an identified "IT Lead".

Further, it does not transfer dollars to OET beyond current service spend/obligations. IT spending will continue to happen at the entity level under the ultimate direction of the State CIO.

It also does not transfer support staff to the management of the agency CIO. In fact, the entity will be expected to provide current levels of support for things like financial management, communications and HR to IT staff.

### **What is the next milestone?**

The October 3 interagency agreements are an interim step to a later, more thorough definition of what agencies can expect in terms of services and service delivery. By June 30, 2012, each entity will enter into a Service Level Agreement with OET. This SLA will define, in detail, services, service levels and costs for IT services. The SLA will include SLA's for central utility-type OET services, entity-specific application/system support services, and system creation or ramp-up services (new projects). The work for defining and creating the SLAs will begin once the October interagency agreements are signed.

### **Does this mean that entities will be required immediately to consume OET services as utility services and what happens to the customer/service provider relationship?**

This consolidation, in itself, does not change the existing definition of "utility" (required) and "market" (optional) services for individual agencies. Agencies will continue to operate as they are while working, together with OET, on an enterprise-level strategic plan. That long-range plan will outline the State's opportunities and strategies for service delivery efficiencies that benefit all. It is likely that there are efficiencies to be gained from quickly consolidating some services, just as there are reasons for some functions to remain distributed. We simply don't know until we plan. Ultimately, the law stipulates that the State CIO has discretion in granting exceptions to sourcing decisions made on behalf of the enterprise. Such exceptions will be based on the business case and business needs of the organization.

### **How is OET going to change? Will it get bigger or will there be a new organization?**

The central organization itself will grow, as it must, to manage the activity of over 1800 employees, regardless of where they are located, but just how it will do that remains to be determined within the long-range planning. Commissioner Parnell has been very clear that this mandate is an opportunity to lead all state IT employees - in OET and in agencies - to envision a state IT organization that reflects the business needs of all state government, provides quality services and is conducive to a productive work environment.

### **Will this consolidation result, in the end, in fewer jobs?**

When we have a full view of the current resources dedicated to information technology and can determine the State's overall need for IT, we will know how we can best deploy the resources we have. Right now we're more focused on using the consolidation as an opportunity to address the likelihood that the large number of retirements in the next few years will leave us with too few people – a "brain drain." By strategically managing and deploying our human resources across all agencies, we hope to avoid the disaster we might have if each entity had to cope with the loss of skilled expertise on its own.

## **IT EMPLOYEES**

### **Who is going to determine which IT employees will be included in the consolidation?**

Each entity is working to determine the number and responsibilities of all IT employees in the entity, working from some common definitions. Once that assessment is complete, the State will have a better understanding of the number of IT employees within the State, their responsibilities and associated costs. This will form the baseline for how IT services are delivered in the future and who is considered to be part of the transfer. There will be amendment opportunities built into the agreement if some people are missed or categorized inappropriately.

## **What if I'm in an IT class, but I don't do IT work? Am I considered a part of the consolidation?**

All IT classifications are included in the consolidation. If it is clear that you are in an incorrect classification that will be determined and rectified at a later date.

## **What if I do IT-related work but I am not in the IT classification? Am I considered a part of the consolidation?**

If you do IT-related work, you are considered part of the consolidation. All IT-related work will be included.

It is important to remember that the goal is to create an IT organization within each entity that can deliver the same level of IT service that is delivered today. Therefore, it is important to categorize people appropriately so that your entity's IT operation can continue to be at least as productive as it has been in the past.

## **What if I provide support functions to IT? Am I considered a part of the consolidation?**

In the current analysis, your CIO or IT lead will be identifying and accounting for the level of administrative support that the entity provides its IT function. That support will continue to be provided by your entity's support staff, but the support staff will not be transferred to the authority of the agency CIO.

## **Will I receive a notification that tells me I'm a part of the consolidation? When will I know?**

Your entity CIO or IT Lead will be in communication with employees as soon as there is an agreement on between your agency and OET.

# REPORTING FOR IT EMPLOYEES

## **As of October 3, 2011, am I an OET employee or will I remain an employee of my current entity?**

As of October 3, 2011, oversight of all IT resources in your entity – regardless of where they currently report – will be transferred functionally to the authority of the agency CIO or IT Lead in the entity. That means that the authorized CIO or IT Lead will direct the budget and the activity of all IT in the entity on behalf of, and under the direction of the State CIO and OET.

However, for administrative purposes (the paperwork side of things), employees will not be transferred. State IT employees will remain employees of their entity for the purposes of payroll, administrative support, etc. Seniority, classifications and bumping rights will remain the same. In most cases, employees will keep the job they have now and will stay in the same place physically. However, the organizational and management structure within the entity may change over the first few months. This will be determined by the agency CIO or entity IT Lead after October 3 as planning begins for IT centralization within each organization.

Over time, as a long-range strategy is developed, we will better know what changes may be needed in order to best serve both agencies and the enterprise.

## **As of October 3, 2011, to whom will I report?**

On October 3, the agency CIO or IT lead – with direction from OET - will be responsible for all IT in your entity and that includes all people who perform IT-related activity. Unless you hear otherwise from your CIO, however, you will report October 3 to your normal work unit and supervisor.

The first step the CIO will undertake will be to centralize IT within the entity. Each CIO is scheduled to have a centralization plan by December. How long the centralization takes and what it looks like will depend on the size

and current structure of your entity. For some, nothing will change in the near future. For others, the reporting structure may change within the entity.

### **Will IT employees continue using entity timesheet entry or OET's timesheet entry? How will vacation approval / sick leave call-in be handled?**

Even though state IT employees will be under the functional direction and authority of OET, they will continue to be employees of their entity. Timesheets, vacation approval, sick leave, etc. will all be handled as they are right now, by the entity.

## **TRANSITION**

### **How will IT staff be integrated? Is my job in jeopardy due to IT consolidation?**

Since we do not yet have a complete view of all IT, there is no way of knowing whether changes in roles and responsibilities will occur either at the agencies or within the current OET. The goal is to keep operations running to continue and improve on meeting the business needs of agencies through IT while we plan for the future.

### **Will I be assigned to a different entity or a different job once the consolidation takes place?**

In the near future, state IT employees will still work on behalf of their agencies and be housed in their current location. And their primary responsibility will remain the same – *to serve the business needs of their entity*. After a strategic plan for state IT has been developed, there may be a business need for some employees to take on new roles and tasks. Decisions such as these will be the result of collaborative conversations and decision-making.

### **When the transition occurs for IT employees to become employees of OET, how will they be placed into the organization?**

The logistics of how transitions will be made for employees has not yet been determined.

### **How will consistency among IT classifications and class options be handled among agencies across the State?**

An extensive analysis is being done in each entity to define all IT staff and the work they do, both within the IT classifications and beyond. This analysis will first be used to centralize the IT staff within the entity.

Planning for consistency among IT classifications and class options, seniority across all agencies will occur in the long-range planning phase that begins in November. It is anticipated that the consolidation will eventually result in more consistency in how positions are classified among agencies.

However, it is important to note that there are no easy answers to some of these questions.

### **How are data practices impacted by IT consolidation and how will citizen requests be handled?**

To answer this question, OET consulted with the Information Policy Analysis Division at the Department of Administration. The short answer is that IT consolidation does not impact data practices requests. Agencies will continue to be responsible for responding to requests made under the Minnesota Government Data Practices Act for entity data or information, even if it resides on OET-owned and managed technology equipment. When needed, agency CIOs and OET can assist in the search and retrieval of entity data or information that has been requested under the Act. If OET directly receives a request under the Act for entity data, OET will inform the requesting party that OET is not the responsible authority under the Act for responding to the request and provide contact information for appropriate entity staff.

# CONCLUSION

## **What kind of ongoing input will agencies have in IT direction and decision-making?**

OET is currently working on a new governance structure for IT management to recommend to the Governor, one that fits the revised structure of IT management in the executive branch. This governance structure will be in addition to the Technology Advisory Committee prescribed in legislation and will focus on the strategy of IT operational management within the executive branch.

Governance activity will begin during the upcoming planning phase.

## **As an IT employee, will I have the opportunity to provide input during the consolidation process?**

IT employees are well positioned to have valuable insight on their entity's IT services, particularly in light of the early consolidation of IT within the entity. IT employees should communicate any suggestions, ideas, or concerns to their agency CIO or IT Lead.

On an enterprise level, OET is currently creating mechanisms for employee input into the overall consolidation process, including a discussion board on the upcoming State IT intranet. That site will launch on October 3 – we look forward to your feedback!

For more information immediately, please continue to check the OET website: <http://mn.gov/oet/>.