

MANAGEMENT MEMO

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| SUBJECT: INFORMATION TECHNOLOGY CAPITAL PLANNING PROCESS, FORMS AND INSTRUCTIONS; REVISION OF THE STATE ADMINISTRATIVE MANUAL SECTIONS RELATED TO THE ESTABLISHMENT OF THE OFFICE OF THE STATE CHIEF INFORMATION OFFICER; REVISIONS TO THE STATEWIDE INFORMATION MANAGEMENT MANUAL | NUMBER: MM 08-07 |
| REFERENCES: GOVERNMENT CODE 11545, STATE ADMINISTRATIVE MANUAL SECTIONS 4800 - 5180, STATEWIDE INFORMATION MANAGEMENT MANUAL SECTION 05A AND 57, BUDGET LETTER 08-07 | DATE ISSUED: June 30, 2008 EXPIRES: January 1, 2013 ISSUING AGENCY: OFFICE OF THE STATE CHIEF INFORMATION OFFICER |

PURPOSE

The purpose of this Management Memo (MM) is to:

- Establish an Information Technology (IT) Capital Planning process, including new State Administrative Manual (SAM) and Statewide Information Management Manual (SIMM) content regarding the IT Capital Planning process and associated forms, instructions, and timeframes;
- Remind Agency¹ and department officials and staff of the July 15, 2008, submission date for Feasibility Study Reports (FSR) and Special Project Reports (SPR);
- Announce that all documents submitted to the OCIO should be submitted electronically in searchable Portable Document Format (PDF);
- Update the information technology sections of the SAM that were transferred from the Department of Finance (Finance) to the Office of the State Chief Information Officer (OCIO); and
- Announce that future OCIO policy guidelines will be issued through IT Policy Letters rather than through MMs.

BACKGROUND

California needs an overarching business-driven IT strategy that ensures the statewide strategic use of technology, rather than the individual initiatives commonly developed in the past. One of the OCIO's responsibilities, as stated in Government Code Section 11545, is the development of the annual IT Strategic Plan to guide the acquisition, management, and use of IT. To achieve the required integration of multi-agency business and strategic technology planning, a five-year planning process will be implemented and updated annually. The new process will involve completion of Agency and Department IT Capital Plans that must be submitted by October 1, 2008 for review by the OCIO and Finance. The IT Capital Plans will be used to prepare a Statewide IT Capital Plan. The

¹ When capitalized, the term "Agency" refers to one of the state's super agencies such as the State and Consumer Services Agency or the Health and Human Services Agency. When used in lower case, the term "agency" refers to any office, department, board, bureau, commission or other organizational entity within state government. Within this MM, "agency" and "department" are used interchangeably.

Statewide IT Capital Plan will represent the state's plan for strategic IT investments, and will be supported by the Governor's Budget and the CIO's Statewide IT Strategic Plan.

Additionally, Government Code Section 11545 transfers the responsibility and authority for the SAM sections related to information technology from Finance to the OCIO. With certain exceptions, references to Finance in SAM Sections 4800 – 5180 have been changed to the OCIO where appropriate. Exceptions are the areas relating to:

- **Information Security** – which has been transferred to the Office of Information Security and Privacy Protection;
- **IT Procurement** – which is being retained by the Department of General Services; and
- **IT Fiscal Policy** – which is being retained by Finance.

POLICY

Beginning in 2008-09 and consistent with the preparation of the Governor's 2009-10 Budget, Agencies, constitutional offices, departments, boards, commissions, and offices will provide Five-Year IT Capital Plans to the OCIO and to Finance for concurrent review. Upon review of the collective IT Capital Plans, the OCIO will prepare a Statewide IT Capital Plan that is consistent with the Administration's statewide IT goals and objectives.

The University of California, the California State University, the State Compensation Insurance Fund, community college districts, agencies provided by Article VI of the Constitution, and the Legislature, while not required, are strongly encouraged to participate in the IT Capital Planning process.

The 2009-10 Department and Agency IT Capital Plans serve the following three purposes:

- Identify planned agency investments that coincide with IT projects requested during the fall 2008 process for preparation of the 2009-10 Governor's Budget;
- Provide information to the OCIO to facilitate the preparation of the Statewide IT Capital Plan; and
- Initiate state entities into the OCIO's long-term IT planning process to provide an understanding of where this process is headed, which will include planning/coordinating all IT expenditures and coordination/consolidation of like efforts.

Given the shortened timeframe to prepare the 2009-10 Statewide IT Capital Plan, the Department and Agency IT Capital Plans will not incorporate the depth of information that will be required in future years. However, beginning with the preparation of the 2010-11 Statewide IT Capital Plan, Department and Agency IT Capital Plans will include additional IT-related information, including but not limited

to all IT projects, IT infrastructure, and completed IT efforts that are in the Maintenance and Operations phase. Similarly, while the 2009-10 Department and Agency IT Capital Plans are due by October 1, 2008, we anticipate that submission of the Department and Agency IT Capital Plans for the following year will occur sooner.

Section 4904, included in this MM as Attachment A, will be added to the SAM to establish the IT Capital Planning policy. Similarly, IT Capital Plan Preparation Instructions will be added to SIMM Section 57, which provides the IT Capital Plan instructions and format for completing the department-level and Agency IT Capital Plans.

Finally, with the transfer of IT-related responsibilities from Finance to the OCIO, future policy guidance previously issued through Budget Letters will now be issued through IT Policy Letters. However, revisions and updates to SAM will continue to be issued through MMs.

IT CAPITAL PLAN PROCESS

For Agencies, the process for preparing and submitting IT Capital Plans to the OCIO and Finance, is as follows:

- Agencies will provide direction to their departments regarding timelines for the submission of the department IT Capital Plans to their Agency.
- Departments will prepare the Department IT Capital Plan and return it to their Agency. The IT Capital Plan preparation process will include discussion and coordination among the departments and their Agency to identify Agency-wide opportunities. Further, Agencies should identify initiatives with multi-Agency or statewide implications. The goal is to achieve consensus on direction, avoid overlap or duplication of IT activities, and identify opportunities to combine or leverage common or similar efforts across their Agency.
- Agencies will then consolidate their department IT Capital Plans into the Agency IT Capital Plan. The Agency IT Capital Plan will include the Agency-approved departments' IT Capital Plans and attachments as appendices.

Constitutional Offices and entities with no departments (e.g., the California State Library and the Student Aid Commission) should use the Department IT Capital Plan form.

Completed IT Capital Plans for 2008-09 must be submitted to the OCIO and Finance by October 1, 2008. The IT Capital Plans and all attachments should be submitted electronically in searchable PDF in lieu of hard copy documents. Instructions for electronic submittal will be released separately.

For 2008-09, departments should continue their preparation of Feasibility Study Reports (FSRs) and Special Project Reports (SPRs) related to fall process budget actions for submission by the July 15, 2008, deadline indicated in Budget Letter (BL) 08-07.

Pending further instructions regarding electronic submittal, FSRs and SPRs should be submitted to your OCIO manager in searchable PDF. FSR and SPR documents exceeding 50MB in size should be subdivided into separate submissions and clearly identified (e.g., "FSR/SPR (Department Name), file 1 of X, file 2 of X, etc"). Signature pages may be submitted digitally or scanned and submitted separately.

Since detailed information concerning these project proposals is expected to be included in the July 2008 FSRs and SPRs, information for those projects need only be included in the IT Capital Plan summary tables. In addition, departments should continue activities to prepare and submit Budget Change Proposals to Finance in accordance with the dates specified in BL 08-07.

Detailed instructions for completing both the department and Agency Summary IT Capital Plans may be found in SIMM Section 57 located at: <http://www.cio.ca.gov/ITpolicy/SIMM.html>.

CONTACT

Specific instructions for submitting documents electronically to the OCIO will be released in a separate transmittal. Until those instructions are released, FSRs and SPRs should be submitted in searchable PDF to your assigned OCIO manager. Please refer to the organization-specific list of contact information available at the following OCIO web page:
<http://www.cio.ca.gov/staffAssignments.html>.

SIGNATURE

Original signed by Teri Takai, State Chief Information Officer

Teri Takai, State Chief Information Officer

Attachment:

The following will be added to the State Administration Manual:

4904 INFORMATION TECHNOLOGY FIVE-YEAR CAPITAL PLAN

(New 09/08)

To forge the necessary integration of the business and IT functions in California state government, state Agencies are required to prepare and submit a Five Year IT Capital Plan (Agency IT Capital Plan) for review by OCIO and the Department of Finance. These plans will serve to inform the Statewide Five Year IT Capital Plan. The Agency IT Capital Plans will:

- Ensure that IT investments drive program efficiency and effectiveness and improve the quality of government services for Californians.
- Facilitate improvements in internal business processes and financial management through IT investments.
- Link IT investments to state and agency priorities and business direction.
- Promote the alignment of IT investments with the Agency's enterprise architecture (Technology, Standards, and Infrastructure).
- Enhance and promote enterprise data sharing through IT investments.
- Facilitate consideration and conceptual approval to pursue selected IT investments.

The scope of the Agency IT Capital Plans will include (see SIMM Section 57):

- All projects or IT investments (including infrastructure changes) that are proposed for initiation during a five year period; and
- The documentation necessary for OCIO to provide conceptual approval.

The Agency IT Capital Plans must be updated annually or more frequently as needed and do not eliminate the requirement for a detailed business case for conceptually approved IT projects.

The Statewide IT Capital Plan will represent the Administration's plan for strategic IT investments and will be supported by the Governor's Budget, the CIO's Statewide IT Strategic Plan, Budget Change Proposals, and Feasibility Study Reports.