IT Infrastructure Initiative (I.3) Program Overview

January 2013

- Background
- Executive Order
- Implementation
- Next Steps

IT Assessment Initiative

As part of Governor Beshear's Smart Government Initiative (SGI), the Commonwealth contracted with Pacific Technologies, Inc. (PTI), to perform an objective assessment of the IT management practices, organization and costs for the executive branch. The study was completed in August 2012.

PTI analyzed data collected from state agency survey responses and interviews, comparing it against its proprietary database of public sector benchmarks as well as benchmarks from other consulting organizations.

PTI conducted best practices research to compare Kentucky's IT organization, governance and funding models with those of other states.

PTI provided a final report outlining their findings and recommendations.

Findings: IT Governance and Funding

Unlike most other states, Kentucky does not have a full time CIO – inhibiting the Commonwealth's ability to establish long-term IT direction.

The lack of an effective IT advisory body diminishes agency input on strategic IT direction and contributes to a perception of COT as lacking a customer orientation.

The existing approach to funding IT is complex and not tied to service levels.

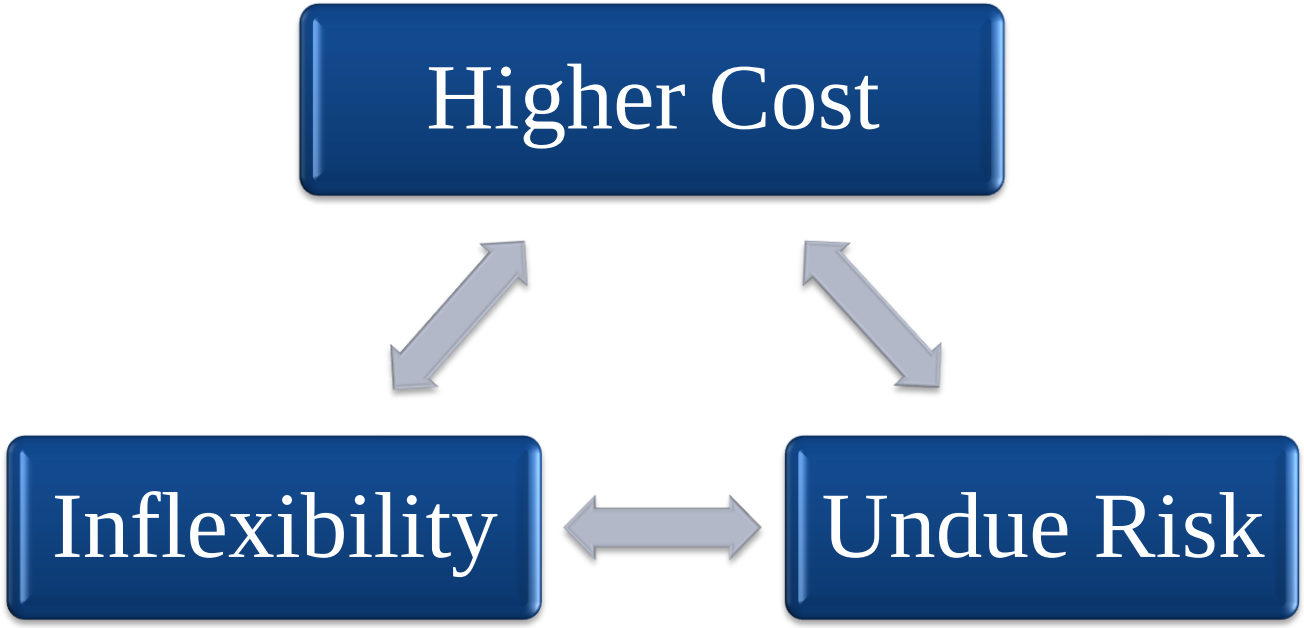
The Commonwealth has had difficulty delivering major capital IT projects.

Vendor contract management is inconsistent.

Findings: IT Organization and Service Delivery

- Federated IT service delivery is inefficient for provision of commodity IT services.
- Previous shared services efforts have had limited success.
- IT contractors are costly and use exceeds industry benchmarks.
- Efficiency of some IT services is below benchmark levels.
- Critical infrastructure is highly distributed and a variety of infrastructure standards exist.
- Business continuity capabilities are limited.
- Kentucky is positioned poorly for emerging trends in IT service delivery.

The Commonwealth's decentralized IT delivery results in



PTI's Commonwealth of Kentucky IT Assessment can be found at:
http://finance.ky.gov/initiatives/Documents/Assessment%20of%20IT%20in%20the%20Commonwealth%20of%20Kentucky.pdf

Recommendations

Establish a new cabinet level office and hire a full time CIO.

Optimize IT infrastructure.

Reduce statewide IT labor.

Increase statewide IT accountability and transparency.

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Key Points

- The CIO reports to the Secretary of the Finance & Administration Cabinet (FAC) and is a member of the Governor's Executive Cabinet.
- Operational control of infrastructure services shall be the responsibility of the Commonwealth Office of Technology (COT).
- Agencies need the FAC Secretary's approval prior to expending funds for information technology infrastructure services or components.
- All personnel, funds, records, files, and equipment associated with the initiative are assigned to COT.
- Agencies will be able to focus more on the applications that automate agency business functions to support direct public services.

The scope of IT Infrastructure Services includes:

- Computing Equipment, Server, Storage, Network, Desktop Support, Telephony, and IT Facilities
- Enterprise-Level Shared Systems
- IT Security
- Disaster Recovery and Business Continuity
- Database Administration
- Software Licensing
- All Related Planning, Administration, Asset Management & Procurement for IT Infrastructure

Applies to all Executive Branch Cabinets and all agencies except as follows:

- Agencies led by any other Statewide Elected Official
- The Nine (9) Postsecondary Education Institutions
- The Department of Education's Services provided to Local School Districts (K-12)
- The Agencies Administering the Retirement Systems
- The Kentucky Higher Education Student Loan Corporation
- The Kentucky Higher Education Assistance Authority

The Executive Order can be found at:
http://apps.sos.ky.gov/Executive/Journal/execjournalimages/2012-MISC-2012-0880-224547.pdf

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Executive Sponsorship

- Governor Beshear
- Secretary Lassiter, Governor's Executive Cabinet
- Secretary Flanery, Finance & Administration Cabinet
- Cabinet Secretaries and Non-Cabinet Equivalents
- Office of the State Budget Director

Cost Savings

- PTI's IT Assessment estimated annual net savings of $16.7M to $27.8M.
- FY2013 - FY2016, total net savings are estimated to be $32.1M to $55.6M.

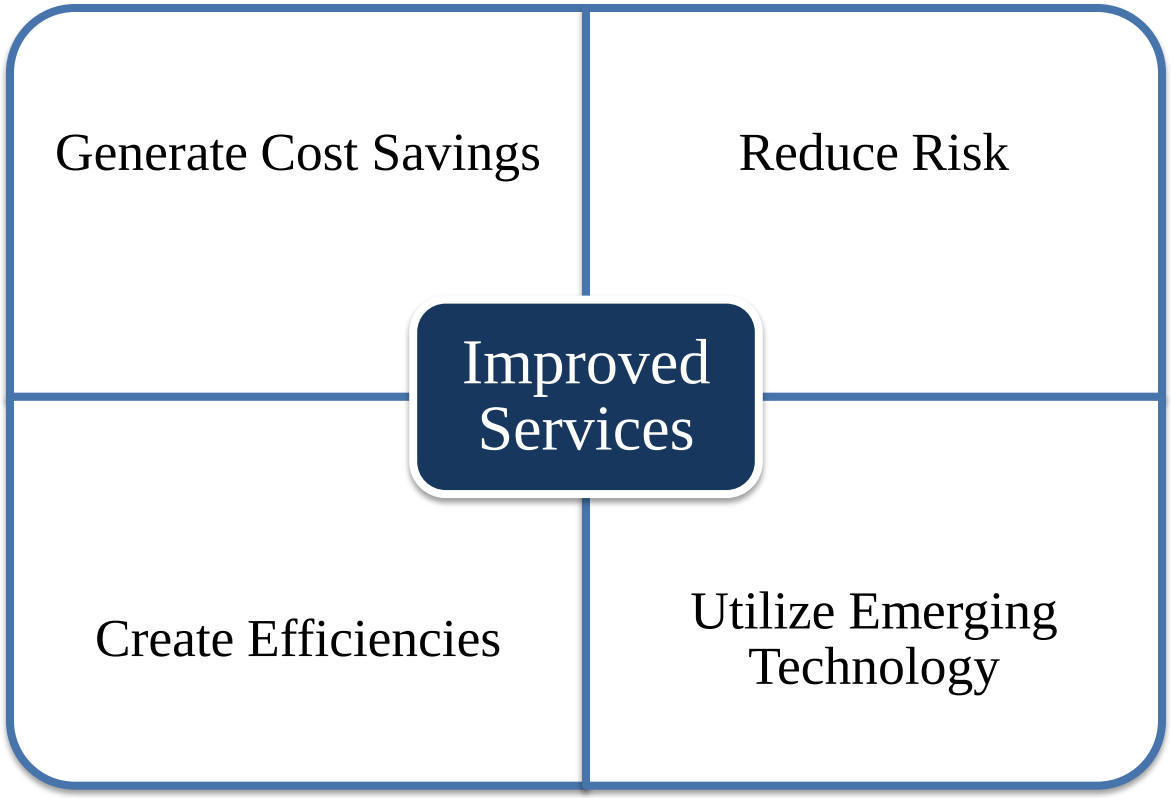
Risk Mitigation

- Improved Security
- Disaster recovery and business continuity capabilities matched to business need
- IT skills focused on a core set of technologies
- Enhanced IT asset management

Improved Governance and Future Positioning

- New focus for agency CIOs
- Centralized infrastructure service provision
- Effective governance structures

Program Goals



The following Cabinets and Agencies are included

CABINETS

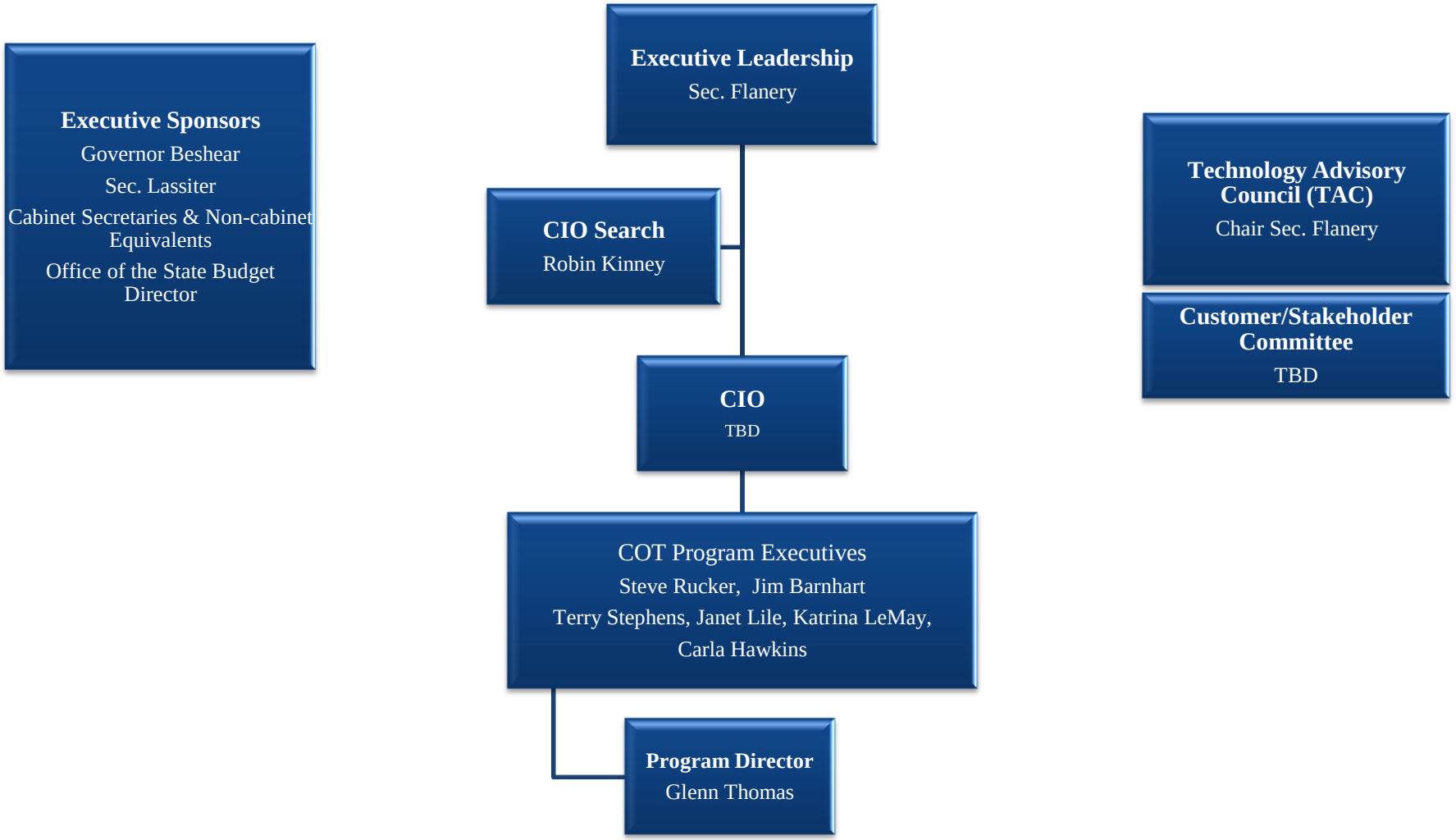
- Economic Development
- Education
- Energy and Environment
- Finance and Administration
- Health and Family Services
- Justice and Public Safety
- Labor
- Personnel
- Public Protection
- Tourism, Arts and Heritage
- Transportation

AGENCIES

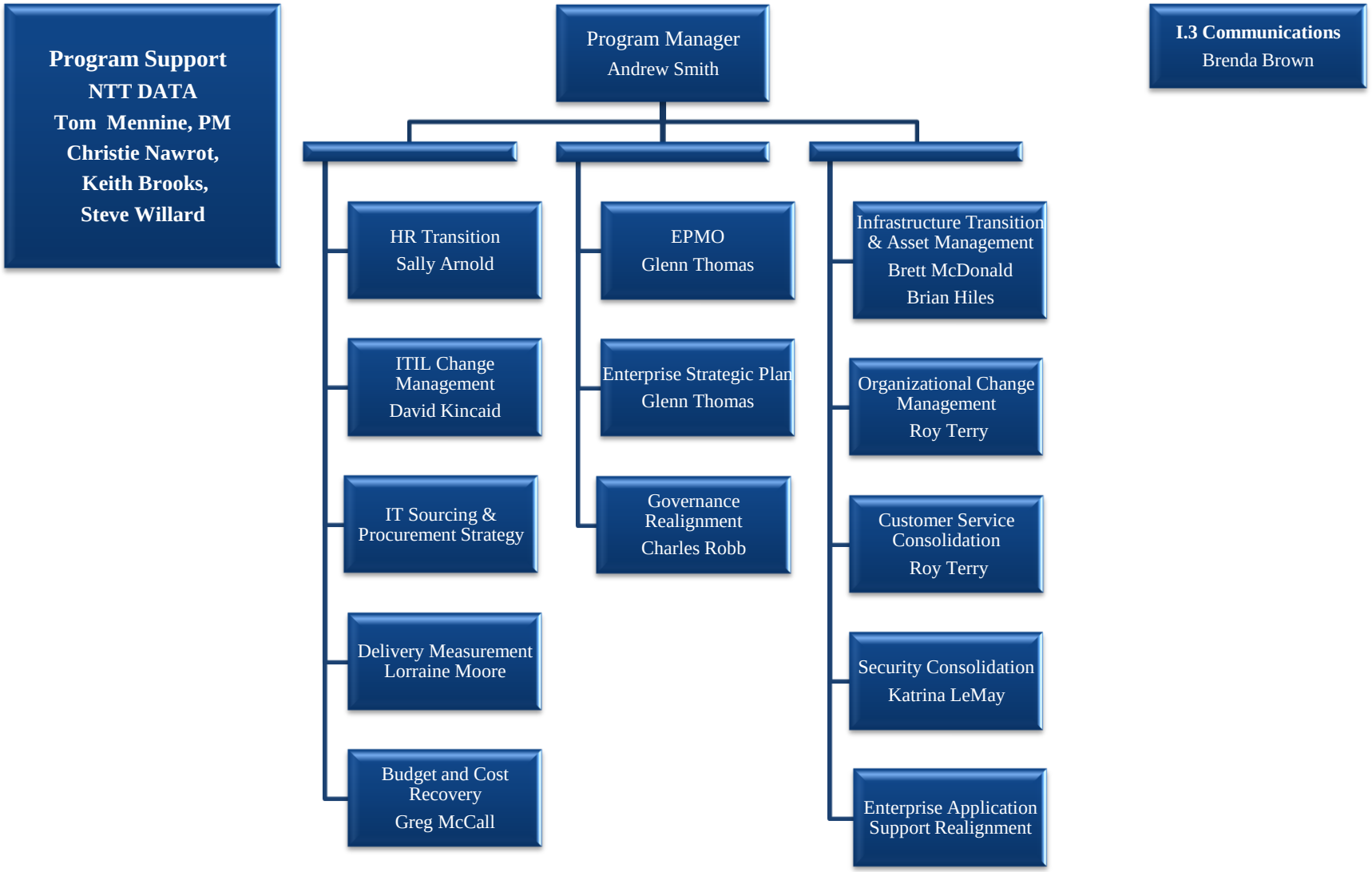
- Board of Nursing
- Council on Post Secondary Education
- Department for Veteran's Affairs
- Human Rights Commission

- Other Agencies upon their request

I.3: Planning and Organization Phase Governance Structure



I.3: Planning and Organization Phase Work Structure



NTT will provide Program Support in the following areas

- Program Management
  - Current / Future State; Roadmap
- Infrastructure Transition & Asset Management
  - Agency and COT Assessment / Evaluation / Integration
- Organizational Change Management (OCM)
  - Leadership Engagement; Communication
- Customer Service Consolidation
  - Service Management Assessment / Evaluation / Integration
- Security Consolidation
  - Security Services Assessment / Evaluation / Integration
- Enterprise Application Support Realignment

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Critical Tasks - To be completed by June 30, 2013

- Hire a CIO
- Implement the Technology Advisory Council (TAC)
- Complete Communications and Organizational Planning
- Finalize Tactical & Implementation Planning
- Deliver Short Term Business Continuity and Provisioning
- Define Agency Assessments (Current State)
- Finish Human Resource Activities
- Provide Rate Structure for Fiscal Year 14
- Support Leadership Engagement

Prior to hiring the new CIO, Secretary Flanery will remain the interim CIO and will serve as the clearinghouse for questions and issue resolution.

The latest updates on this initiative can be found on the FAC I.3 web page at:
http://finance.ky.gov/initiatives/ITinfrastructureinitiative/Pages/default.aspx.

Any transition of this magnitude carries risk. Cooperation, collaboration and communication among executive management and employees will be essential to its success...

The ultimate responsibility of government is to its citizens. This transition is an opportunity to demonstrate more efficient government service to our citizens and to those who do business in the commonwealth.

Governor's Executive Cabinet Meeting
September 24, 2012