MANAGING *IT*
State of Iowa Information Technology Department

Information Technology is at the Core of All Business

Whether work occurs in an office, at home, or on a factory floor, information technology (IT) is integral to any successful business. Today, 50 percent of all business capital spending goes to IT, compared with just 7 percent in 1970. Moreover, the Internet is revolutionizing how business does business. In 1998 Internet business-to-business (B2B) transactions reached an estimated value of $43 billion. By 2003, they are expected to reach an astounding $1.3 trillion, surpassing 9 percent of total business sales.

IOWA TECHNOLOGY INVESTMENT AND TARGET

Current Annual Spending
$57.000.000

Desired Annual Spending
$115.000.000

Annual Spending required to offset software & development and acquisition deficiencies
$35.000.000

Information Technology IS the productivity engine

Over half the capital investment of the US goes into IT

IT investment in information businesses is even higher

Government is an INFORMATION BUSINESS

(McGladrey State of Iowa Executive Branch Enterprise Technology Assessment)

Iowa Begins First Comprehensive State Government "Return on Investment" Initiative in U.S.

Earlier this year, Iowa Gov. Thomas Vilsack asked Richard Varn, Iowa Chief Information Officer, to develop a methodology for evaluating the benefits of information technology (IT) projects in Iowa State government. These benefits are those that apply to Iowa citizens, to State government, or to both. The Governor wanted to know the extent to which IT projects deliver a bona-fide "return on investment (ROI)."

> Many state programs have aspects of an ROI, but none contains all the elements of the Iowa plan.

The results from the initial ROI review have been impressive. An immediate $1.6 million (10%) in savings was achieved through the ROI process for FYO1. The Governor will use the ROI process in evaluating all major IT projects in FYO2. Eventually, the methodology may be used on existing programs to determine their value.

Executives from the State Information Technology Consortium (SITC) were interviewed about the Iowa ROI initiative. SITC is a non-profit organization and a technical arm of the National Association of State Information Resource Executives (NASIRE). This organization maintains a current knowledge base of IT processes, IT procedures, and IT protocols that are in place throughout all levels of government.

In general, the following observations were made about the Public Sector:

• A comprehensive implementation of an ROI in Iowa would be useful to most states. Many state programs have aspects of an ROI, but none contains all the elements of the Iowa plan. Most federal, state, and local government IT projects appear not to include any significant evaluation effort.

• Not every project or system in the public sector equally lends itself to the quantification of benefits. For example some IT initiatives or activities are undertaken for "political" or "legislative" reasons, while others may be "leap of faith" efforts, and strict ROI ground rules may be more difficult to establish.

• Independent verification and validation of IT project results have generally not been positively received by government agencies or by their respective IT shops. This is especially true for organizations which have been permitted to operate quasi-independently for years.

• The ROI initiative is consistent with Gov. Vilsack's Leadership Agenda of "Accountable, Innovative, & Technologically Advanced" State government. Legislators will be asked to use the data in evaluating the results of IT projects and in judging which IT projects should be funded.

The Information Technology Council

The Information Technology Council (ITC) is established with the authority to oversee the new Information Technology Department and the information technology activities of the executive branch of state government. The ITC is composed of the following 17 members:

- Sharman Smith - Chair
- Diane Kolmer - Vice Chair
- Richard Varn
- David Bolender
- Bob Tibor
- Harold "Tommy" Thompson
- Carol French-Johnson
- Jessie Rasmussen
- Cindy Eisenhower
- Betsy Brandsgard
- Tim Lapointe
- Sandy Glenn
- Larry Murphy
- Sen. Steve King
- Sen. Robert Dvorsky
- Rep. Bill Dix
- Rep. Steve Falck

(Richard Varn - Director of ITD)

The ITC has the following duties:

1 Adopt rules in accordance with Chapter 17A which are necessary for the exercise of the powers and duties granted by this chapter and the proper administration of the department.

2 Develop recommended standards for consideration with respect to the procurement of information technology by all participating agencies (most of the executive branch).

3 Appoint advisory committees as appropriate to assist the ITC in developing strategies for the use and provision of information technology.

4 Prepare and annually update a strategic information technology plan for the use of information technology throughout state government. The plan shall promote participation in cooperative projects with other governmental entities. The plan shall establish a mission, goals, and objectives for the use of information technology, including goals for electronic access to public records, information, and services. The plan shall be submitted annually to the Governor and the General Assembly.

5 Review and recommend to the General Assembly, as deemed appropriate by the ITC, legislative proposals recommended by the Director, or other legislative proposals as developed and deemed necessary by the ITC.

6 Review the recommendations of the IowAccess Advisory Council regarding rates to be charged for access to and for value-added services performed through IowAccess, and make recommendations to the General Assembly regarding such rates. A rate shall not be approved or charged unless approved by act of the General Assembly.
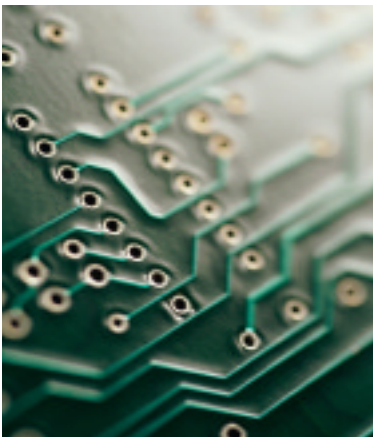
7 Review and approve, as deemed appropriate by the ITC, the annual budget recommendation for the Department as proposed by the Director.

(Sharman Smith, Chair ITC)

Information Technology Department

The Information Technology Department (ITD) was created in 2000 through SF 2395 to effectively plan for, develop, and manage information technology and related resources for the State of Iowa. The ITD, through its new Information Technology Council (ITC) and IowAccess Advisory Committee, is to assure that the information technology needs of the citizens of Iowa as well as the state's needs are met. We are making every effort to communicate with our stakeholders on what our standard process has become in accomplishing some of the large enterprise projects or standards highlighted in the following pages. Our first goal is to **Educate** ourselves and our stakeholders (often with outside experts like Gartner Group). We then **Communicate** to all stakeholders what may make sense for Iowa government. At that point, we seek **Collaboration**, **Participation** and **Partnership** to determine what will be done and who will do it. Finally, we will ensure that *It Gets Done!* We accomplish as much of the following as possible and when applicable:

- *Create an architecture to guide us,*
- *Identify specific standards to follow,*
- *Vendors and staff who can or will do the work,*
- *Determine products that are needed and either buy them or establish the contract for their acquisition,*
- *Determine what tools will be necessary to support, maintain, or modify the products and buy them or establish the contract for their acquisition,*
- *Create or acquire objects which are components of software that are needed for this project or which can be reused for multiple projects.*

The Information Technology Department includes the following divisions:

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In our next issue:
ITC Sends IT Project Priorities to Governor
Board of Nursing Licensing Renewals
IT Success Story
E-Government Comes to Life

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