

INFORMATION RESOURCES MANAGEMENT BOARD

[Note: Paper copies of these letters were sent individually.]

September 13, 2002

Honorable Lincoln C. Almond
Governor of the State of Rhode Island
Office of the Governor
222 State House
Providence, RI 02903

Honorable John B. Harwood
Speaker, House of Representatives
State House
Providence, RI 02903

Honorable William V. Irons
Senate Majority Leader
State House
Providence, RI 02903

Dear Governor Almond, Speaker Harwood, and Senator Irons:

Attached is the Annual Report of the Information Resources Management Board (Board) for Fiscal Year 2002.

Fiscal Year 2002 was highlighted by the successful growth of the RI.gov portal. This portal, which is funded by convenience fees generated from its usage, represents an innovative approach to providing access for the citizens to a number of Rhode Island state departments and services. Plans are in place to increase the scope and usage over the next several years.

Barbara Weaver retired this year, and the Board is happy that she will continue to actively pursue her dreams and remain active in the community. Barbara's retirement did leave open the position of Chief Information Officer (CIO) for the Office of Library and Information Services (OLIS). The Board is concerned that the extended period of time the CIO position has remained open is causing problems for OLIS in terms of advocacy for funding and priorities regarding information technology (IT) and resource allocation. The Board recommends that a search for a replacement begin immediately.

We encourage you to read the Annual Report, but would highlight the following areas with which the Board has particular concerns:

- The Information Technology Operations Center (ITOC) is in a state of serious disrepair. It is the main IT nerve center for many departments, yet it is perilously close to physical, and potentially catastrophic, failure. This represents a serious risk for all departments receiving services from the ITOC. The lack of a comprehensive disaster recovery plan

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further compounds this risk. The Board recommends that this be identified as a top State priority.

- IT staff are being reduced in numbers and in skill capacity. As the influx of new systems continues, there is no commensurate increase in staff to maintain and support them. In addition, the rapid changes in technology require enhanced skill sets, which the current staff is not acquiring due to lack of time and funding. While the general economy is sagging, the demand for qualified IT workers remains strong. This is exacerbating the already diminished ranks of IT workers in the State and represents a risk to the departments that receive services from OLIS. The Board recommends this be given a high priority.
- We are now in year five of the Board's first Five-Year Plan. While OLIS has been successful in achieving many goals, it is imperative that a new, more comprehensive plan be developed. Please note proposed changes in the Annual Report. This plan must be developed, supported and managed by professionals who have a stake in the outcome. Currently, there are no resources dedicated to overall IT planning and benefits realization for gaining value from the use of modern, sophisticated IT. The Board recommends this be given a high priority.
- The Rhode Island Statewide Automated Information Link (RI-SAIL) is the state's project to establish a comprehensive and integrated financial management information system. To date, this project has succeeded in achieving only a portion of its stated goals and stands at a major crossroads. Significant funding reductions in the new fiscal year budget has all but stopped planned progress on the project and the future of the project is in question. Although significant problems arose during the implementation and transition stages and the project has not had the success that would have been desired, the ultimate goal of this project is still a worthwhile one. This initiative, at best, is floundering, and has the potential for widespread system failure without financial and administrative support from both the Executive and Legislative branches. The Board recommends this initiative be a top priority of the incoming administration and General Assembly.

In each of the above cases, there is risk and lost opportunities, which will have a negative impact on OLIS, the customers it serves, and its ability to provide leadership for the State's prudent management of its information resources. The Board is keenly aware of the fiscal constraints affecting all departments statewide and, in light of this, still wishes to strongly advocate allocation of the funding necessary to protect the IT assets and enhance the overall computing capabilities of the many departments OLIS serves. It is the Board's belief that given proper funding and support, savings can be achieved, which can be used to develop further

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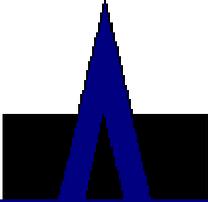
savings and efficiencies. Ultimately, the Board believes that IT, properly managed and supported, can be a key enabling factor in helping the State of Rhode Island through the difficult years ahead.

Sincerely,

Howard Boksenbaum
Chief Information Officer (acting), on behalf of the
Information Resources Management Board

c: Robert L. Carl, Jr., Ph.D., Director, Department of Administration, w/attachment
IRMB Members, w/attachment
Department Directors, w/attachment

**Rhode Island
Information Resources Management Board**



**FIFTH ANNUAL
PROGRESS REPORT**

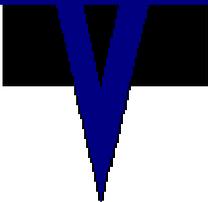
TO

GOVERNOR LINCOLN ALMOND

AND

THE RHODE ISLAND GENERAL ASSEMBLY

SEPTEMBER 2002



INFORMATION RESOURCES MANAGEMENT BOARD

ANNUAL REPORT TO GOVERNOR AND LEGISLATURE

FISCAL YEAR 2002

Summary and Overview

The Information Resources Management Board (IRMB) was established in law during the 1996 session of the Rhode Island General Assembly, and conducted its first meeting in June 1997. The first year of its operation was primarily organizational and direction-setting, with the first five-year plan, required by the law, adopted in 1998.

The second and third years (1998-2000) focused on assuring that the Y2K problem was resolved without undue disruption of state and local government services. With the successful resolution of the Y2K problem, due largely to the dedicated staff, Rhode Island was able to weather this potential storm with success. In the second half of 2000 the IRMB was able to turn its focus to planning for electronic information services and interactive government transactions that were becoming much more common in state governments. Rhode Island needed to join other states in providing electronic online, real-time access to its government services.

Emphasis during the fourth year (2000-2001) and last year has been primarily to meeting the state's needs relating to e-government, including the development of policy direction for security, privacy, and confidentiality of individual records. This activity culminated this year in the successful introduction of RI.gov, the state government portal developed in cooperation with New England Interactive, Inc.

The state of Rhode Island has made significant progress in the past two years toward its vision of providing access to all state services, programs, and information to all Rhode Islanders at convenient locations, and in a way that meets their needs. It has established a portal into online services and begun to provide services that citizens of the state can access electronically. It has developed policies for security and privacy and has enhanced the infrastructure to support these services. It is implementing a common fiscal reporting system for the state in RI-SAIL that will provide more accurate and timely reporting of the state's financial position. Rhode Island is moving forward in the electronic age, but much more needs to be done. We need to invest in the infrastructure of state government, including the human infrastructure, in order to take advantage of economies that can result from use of modern technology. These economies can permit state government to offer better quality and quantity of services to its taxpayers. We need to have a coordinated technology plan that is supported by the administration and the legislature as a priority for the state, and we need to recognize that the state needs to create a technology environment that is attractive to potential employers and to citizens of this state.

Significant Milestones During FY 2002

◆ **RI.gov**

The State's new World Wide Web Portal has been the bright spot in Rhode Island government's information resources management development. Not only has it met success in and of itself, but it has also modeled an architecture for the future; organized with a central commitment to infrastructure, but developed with independent agency-specific content. Central governance by the IRMB and the Chief Information Officer (CIO) is bolstered by strong agency participation.

In October 2000 the state issued a Request for Proposals (RFP) to provide easy access to state services for Rhode Islanders. In response to the RFP a contract between New England Interactive, Inc., and the State of Rhode Island was signed on June 25, 2001, to develop and implement a self-funding portal. The IRMB was responsible for overseeing the portal development and approving both priority implementation of various functions and any fees to be charged to users of those functions. In November 2001 the portal became a reality and began providing access and services to the Rhode Island community. As expected, the portal's accessibility has increased the utilization of services. In one example, Drivers' Records sales to insurance companies, use has increased by approximately 90,000 records over a period of eight months. That translates into an additional \$1,536,000 of revenue to the State. The portal provides easy access to other key state government web sites and services, such as online boat registrations renewals, unemployment insurance claims and health license verification. The work is continuing to expand the services to include motor vehicle registration and other like services.

◆ **RI-SAIL (New Statewide Financial Management System)**

The Rhode Island Statewide Automated Information Link (RI-SAIL) is a single, comprehensive integrated financial and human resources management system for Rhode Island State Government. RI-SAIL hopes ultimately to be state government's only overarching financial and human resources management system, encompassing: general ledger, accounts payable, purchasing, payroll, budget, accounts receivable, fixed assets, grants management and human resources. RI-SAIL will, moreover, either serve to facilitate the operation of or interface seamlessly with related agency-specific systems.

RI-SAIL began with a pilot project to develop central general ledger (GL), accounts payable (AP) and purchasing (PO), and make them work in the Departments of Administration; Mental Health, Retardation and Hospitals; and Corrections. In 1998, through a competitive bidding process, Oracle Corporation was awarded a contract for that pilot. During the pilot phase, the state made a major investment in Oracle Public Sector Financial Applications software. The pilot was not altogether successful. The Office of Purchases, in particular, was

unhappy with the capabilities of Oracle's PO module, but the decision to persevere was nonetheless made. In order to permit development of the GL and HR aspects of the project to go forward despite the purchasing problems, RI-SAIL decided to develop BuySpeed, the program the Office of Purchases employed as its internal system, into a statewide PO system. AP being intimately enmeshed with PO, a further decision was made to develop BuySpeed's AP capability as well.

Hence, PO and AP were implemented throughout state government on July 16, 2001, but not as part of an integrated system. RI-SAIL still plans to implement all of the Oracle Public Sector Financials Suite, but PO and AP will remain in BuySpeed until the Oracle AP and PO can meet the state's functional purchasing requirements. Although Oracle has made progress in its development of these modules, budget restrictions in FY 2003 rule out migration even if the new products are found to be acceptable.

Until RI-SAIL can migrate from BuySpeed software to the integrated Oracle Suite of Public Sector Financial, the need to maintain two software products will inflate the cost of the system as well. The State has managed to hold Oracle to the 1997 pricing of the original procurement through June 30, 2003. Failure to take advantage of the old pricing and price structure will make it that much more expensive to effect full integration once the project can again go forward.

State agency users have been trained in and have been entering purchase requisitions, purchase orders, vendor payments, inter/intra-fund transfers, cash receipt accounting, revenue and expenditure adjustments and employee reimbursement transactions since July 16, 2001, using the BuySpeed purchasing and accounts payable modules.

General ledger (GL) summarizes the details of all financial transactions. It is the basis for financial statements issued in accordance with generally accepted accounting principles. RI-SAIL is presently preparing Oracle's GL module for implementation in FY 2003. Preparation includes the development of computer interfaces to connect the BuySpeed PO and AP modules to the Oracle GL module.

RI-SAIL also has begun training agency staff in the utilization of standard RI-SAIL reports. OLIS has developed an interactive web site for the project that state agencies can use to obtain additional RI-SAIL data.

During FY 2002, work began on the Oracle human resources (HR) module with the intention of making the system available to all agencies beginning September 30, 2002. The severe reduction in RI-SAIL's FY 2003 budget has required delay of that rollout until, at the earliest, October 1, 2003.

After five years of development, RI-SAIL is thus stalled at an awkward stage; it is currently a clumsy purchase order and accounts payable system. In FY 2003, general ledger will be

added, bringing additional reporting capacity, but it is likely that agency managers and their staff will continue to experience RI-SAIL as a step backwards from pre-RI-SAIL systems.

This year's budget reductions will have the effect of prolonging this awkward stage. Even implementation of the general ledger module will be restricted. Agency users will consequently wait longer for access to reports. The vision of a statewide-integrated database is on hold.

◆ **Weaver Retirement**

After five years of distinguished service as CIO of the State of Rhode Island, Barbara Weaver elected to retire in December of 2001. Preceded by six years of service as head of the Department of State Library Services, Barbara was instrumental in developing and executing the early plans for the state to improve its capabilities in information technology, including the creation of the Information Resources Management Board and the Office of Library and Information Services, and meeting the challenges presented by the date conversion necessitated by the rollover to the Year 2000. Ms. Weaver provided outstanding service to the State, and her administrative talents were greatly appreciated by the IRMB.

The occasion of Ms. Weaver's retirement provides the Board and the State with the opportunity to think carefully about the requirements for the new CIO and the structure of the office. The Board believes that centralizing more direction into the Office of the CIO will provide a more efficient and coordinated technology environment for the State. At the same time it is important to preserve the freedom of action that departments currently enjoy. We recommend that the IRMB be commissioned to study this unique opportunity in light of past experience and report to the administration a set of recommendation about the structure of the office and duties of the CIO.

◆ **Policy Development**

Through its Policy Committee the IRMB has reviewed policies regarding access to information and the security and privacy of information available online. It was decided for the time being not to implement broad policy regarding the control of the removal of information on the web but to leave the determination of web content under the control of the individual departments. Other policies are available on the IRMB Web site, www.irmb.state.ri.us.

◆ **Information Technology Operations Center**

The state computer center in Johnston badly needs attention both in its layout and in its purpose and overall functions. Over the years the operations in Johnston have expanded, while the space that the computer equipment requires has contracted. The central mailing operations have expanded dramatically as implementation of centralization has been

accomplished department by department. Meanwhile, the physical facility has had little or no attention. The building is not handicapped accessible, nor is it arranged for good workflow. Of even more concern, the emergency and backup facilities to insure the continuous operation of the center are outmoded or non-existent. As the state becomes more dependent on online systems and 24-hour operation, the lack of appropriate backup systems represents a critical flaw in the information technology infrastructure. This problem requires immediate attention if the state is to avoid a debilitating and embarrassing failure of critical information systems.

During FY 2001, the firm of Newport Collaborative Architects was engaged to do a feasibility study of the existing computer center to determine whether the functions should remain in the existing building or be transferred to another location to be determined. The report resulting from this study strongly recommended that the state continue to conduct its computer operations at this site but that significant work would be needed to improve workflow, make the facility handicapped accessible and rearrange equipment and staff to provide a true twenty-first century Information Technology Operations Center. Again, the FY 2002 budget document proposed by Governor Almond included some funding to begin the process of modifying the building to accommodate this goal; however, a great deal more funding is required, and it will be required sooner than later.

◆ **Staff Development**

The state's long-term hiring restrictions (currently a freeze) and downward pressure on agency budgets has led to a significant reduction of IT staff headcount statewide. Fortunately, staff that remain are extremely dedicated and talented. Because the State is not hiring and not training due to curtailed training budgets, the skills within the staff resides in old technologies. We need, and are not successfully acquiring, WWW-related skills as well as skills in XML, Java, ASP, and Data Base Administration.

There are currently as many as twelve vacant positions in OLIS. These vacancies have retarded the growth of:

- **End User Support.** Many agencies (including OLIS) currently fill in with contractors, and there is no help desk statewide for WAN, LAN, desktops, and no help desk at all in OLIS.
- **System Analysis/Development.** The state is now making heavy use of outsourcing with little effective project management. This has resulted in slow progress on automation of business processes, e.g., professional licensing and permitting, which has resulted in the retardation of "back-end" systems for RI.gov to web enable.
- **Staff Retention Imbalance.** This depopulates OLIS more rapidly than the agencies. This means less central manpower and skill, therefore, less central influence leading to weak standards, little help for IT and frustration with central computing from the less skilled agencies. "...I would rather have OLIS do this (maintain network, develop a new system,

provide technical support, etc.), but I know you can't get the positions filled, keep your staff trained or facilitate procurement in a timely fashion..." is the sort of thing agency directors say about OLIS all too frequently and too correctly.

- **Retirement Planning.** Retirement could take up to 40 percent of the existing central IT staff in the next five years (higher in some agencies), while hiring restrictions have been leaving positions that could be effecting a transition vacant. If not fixed prior to planned retirements, it will be fixed afterwards but not nearly as well.

◆ **Planning, Research and Development**

Perhaps the most painful missing capacity in state IT management is the shortage of resources for planning and development. Without staff to support OLIS, the state has been unable to take advantage of opportunities and tools such as NASCIO's architecture development program or the offerings of the State Information Technology Consortium.

In the current constrained environment the state has not been able to take full advantage of the advent of new technologies, especially WWW technologies and XML, Java, and ASP. Also, developments in database management software and techniques, operating system developments, e.g., unification of mainframe programs under OS390, require time and personnel for research and planning that is not currently taking place. This lack of planning is placing Rhode Island at a disadvantage when compared to its sister states, and needs to be quickly addressed if we are to remain among the better users of information technology.

Finally, there are procurement opportunities that are not being caught and exercised—no one is watching the market(s) to examine, for example, Microsoft enterprise licenses versus single departmental or individual purchases at retail prices. With the many budget reductions that have been mandated, we have lost the basic tools like subscription to key trade analysis newsletters, conference attendance, and membership in key government IT organizations like NASCIO, NASTD, RITEC, etc. It is important to get these important elements of administering the State's IT function back into operation and funded.

◆ **Five-Year Plan**

At the April 2001 meeting of the Board, the IRMB voted to adopt six goal areas as follows:

- **Goal 1:** Implement Statewide Financial Management System (RI-SAIL).
- **Goal 2:** Build a statewide infrastructure for state agencies and residents.

- **Goal 3:** Develop and implement a policy framework for security, privacy and confidentiality.
- **Goal 4:** Assure convenient public access to government information and services.
- **Goal 5:** Consolidate and coordinate all telecommunications functions in state government, including voice, data and video.
- **Goal 6:** Safeguard current level of essential state government services.

The Board also instructed the CIO to develop a specific list of activities, together with benchmarks and evaluation criteria, for each of the goal areas for each of the five years. These were prepared and distributed to the IRMB members in preparation for the June 2001 meeting of the Board; however, the June meeting was cancelled, so approval of the detailed plan occurred at the July 2001 meeting. The entire plan is available on the IRMB Web site, www.irmb.state.ri.us.

As a part of changes in the process for creating and modifying the Five-Year Plan, IRMB has put in place a planning committee to review and revise the plan on an ongoing basis. Part of the assumptions proposed for guiding the Planning Committee change the focus of the IRMB planning efforts from tasks to strategy. Under this direction the goals of the IRMB Five-Year Plan would have likely been:

- Goal 1:** Develop a concept that envisions the delivery of state government information and services in 2005.
- Goal 2:** Identify opportunities for consolidation and cooperation within agencies that will improve service delivery and reduce costs.
- Goal 3:** Identify key infrastructure failure potentials that will prevent the delivery of services.
- Goal 4:** Assess the impact of the retirement of personnel with institutional and skills-based knowledge on the State's ability to deliver services.

The task of the planning committee will be to review the above proposals and determine what actions would support these goals and facilitate the conversion of the IRMB role from project oversight to strategic planning.

◆ **Major Problem Areas**

The current technological infrastructure is woefully inadequate and cannot support the anticipated services demanded by the electorate and to support the career service state employees responsible for these services. Private sector e-commerce experience suggests that government agencies will have to change the way they do business to make e-government work. However, for some public sector organizations the focus of e-government is on the technology used rather than the services offered. E-government is not

about technology—it is about providing better services more efficiently. The road to better services may not be through technology alone.

The development of effective systems requires a level of cooperation and coordination rarely found in government. Even within departments, conflicting technology platforms and processes persist. If e-government is to be more than moderately useful, agencies across government will have to work together to define common interests and goals. When working across agencies, change is difficult to achieve—especially with frequent shifts in agency management. Successful e-government will require strong and consistent centralized leadership, with clear authority and active support of all branches of government. Otherwise, natural pride of authorship and the limited scope of existing agency initiatives will stifle innovation and undercut the broader goals of e-government.

Budget constraints are present major problems. With the many pressures on discretionary spending, it is difficult to free up the significant investment needed to make e-government work. To successfully implement e-government services, substantial spending is needed initially to develop and implement comprehensive and effective approaches. Long term, this spending should result in significant ongoing savings, but short-term investments will be required of magnitudes not currently in budgets. This needs to be a part of an integrated plan with a broad commitment from both the administration and the legislature.

Erosion of the quality and quantity of central IT staff to support the State's information needs and provide technical and planning services to the Departments is another major problem for the State information technology infrastructure to deal with. This problem is being exacerbated through the inability to replace attrition because of the hiring freeze, stagnation of skills for lack of training funds and a dearth of projects to maintain staff interest and skills.

◆ **IRMB Meetings**

The IRMB met a total of seven times during this fiscal year. Many of the meetings involved discussions and policies that dealt with issues of developing and implementing the statewide portal. The Board also reviewed and made recommendations regarding various departmental projects. While the enabling legislation states that the Board should have oversight of recommendations concerning the information technology budget proposals, it has been difficult to influence the existing bureaucratic process. More needs to be done to give the State CIO a greater role in departmental IT decisions.

—September 2002