STATE OF COLORADO

Commission
on
Information Management

1988-89
Annual Report

State of Colorado
Commission on Information Management
1989 Annual Report

The Honorable Roy Romer
Governor
State of Colorado
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Denver, Colorado 80203

The Honorable Joseph R. Quinn
Chief Justice
Colorado State Supreme Court
2 E. 14th Avenue
Denver, Colorado 80203

The Honorable C. B. Bledsoe
Speaker of the House
Colorado House of Representatives
State Capital
Denver, Colorado 80203

The Honorable Ted Strickland
President of the Senate
Colorado Senate
State Capitol
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Joint Budget Committee
Colorado General Assembly
Legislative Services Building
200 E. 14th Avenue
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Members of The Colorado General Assembly
State Capital
Denver, Colorado 80203

Dear Fellow Servants of The People of Colorado;

The Commission on Information Management (IMC) was created during the 1987 legislative session and began meeting on October 1, 1987. The Commission is charged with overseeing all information systems, data management activities and related expenditures in the state to ensure efficient, cost effective and appropriate use of resources. The Commission includes fifteen members with a majority of eight from the private sector with expertise in information management and technology, one member appointed from the Senate, one member appointed from the House, the State Court Administrator, the Executive Director of the Department of Administration and the executive directors of three principal departments as determined by the Governor.

We reorganized the Commission for 1990 to give more emphasis to understanding the business goals and functions of the various units of Colorado State Government and in order to provide ourselves with more in-depth knowledge as we review and approve individual *Agency Strategic and Operational Information Management Plans.* An outline of the Commission's organization and a list of the current commission members follow this letter.

The Commission has been working approximately two years. We just finished our third budget review, each of which has consumed a major portion of our available time. We also participated in over eighty-five separate meetings over the last twelve months with various state officials and commission members on a range of subjects related to information and technology matters.

Admittedly we did a lot of meeting and talking, however, we accomplished several important goals, including:

1. Developed and published the first State Of Colorado Strategic Information Management Plan.

2. Developed and published outlines and formats for the individual Agency Strategic and Operational Information Management Plans. We believe review and approval of these plans will enhance the budgeting process and gradually eliminate the current detailed budget reviews performed by the IMC.

3. Initiated action on the development of disaster recovery plans for users of the General Government Computer Center (GGCC). This pilot program is intended to be the model for all state agencies.

4. Initiated action on a cooperative effort to define and propose a State-wide Criminal Justice and Institutional Constituent Information System. This project is encompassed in the Commission strategic goal to "Employ common State-wide data bases for communities of interest" and share information across departments and agencies.

5. Continued support and oversight of State-wide initiatives for The Digital Data Network (DDN) , the Colorado Financial Reporting System (COFRS) and the General Government Computer Center consolidation.

6. Consulted with several agencies on planning their proposed information technology investment to achieve measurable improvements in the service to the citizens of Colorado in terms of quality and cost effectiveness.

The Commission members continue to believe that nonpartisan cooperation and a long term viewpoint are critical success factors in applying technology to improving the efficiency and effectiveness of government in Colorado. The decisions being made on automation today will affect the cost of government and ultimately Colorado taxpayers well into the twenty-first century. The first basic principle guiding The Commission is to approach all decisions on information management with emphasis on the long term benefits in terms of cost effective service to the citizens as well as making Colorado a rewarding place to conduct business. This principle in summary is **"better service at equal or less cost."**

The Commission membership is changing, in particular the private sector members. By the end of 1989, only four of the original eight private sector members remained on the Commission. Some of the members have changed jobs, others have been promoted to jobs out of state and

for others the time required for commission business has been more than they could spend away from their regular jobs. While it is taking some time to find replacements, the quality, competence and contribution of the new members has been excellent. We look forward to a more timely appointment of new members to the open positions.

Beginning July 1, 1989, the commission had a two person staff and support equipment. This has been very helpful in relieving commission members of many tasks which we generally did on nights and weekends. We appreciate the assistance.

Progress has not been as great as we had hoped for the year, but the accomplishments have been significant. We believe the *State Of Colorado Strategic Information Management Plan* is an important milestone in the business of the Commission. We hope you have had time to review the document (it is short and to the point). If it has not been made available to you, please call the IMC staff at 866-2102 for a copy.

Once again, we wish to express our thanks to those many people in state government for working with us in such a positive manner. We all wish to thank our employers for allowing us the time to be of service to Colorado. I wish to thank each of the Commission members for their many hours of hard work and dedication.

A special note of thanks to two people leaving the Commission. Dick Smith, of Kaman Sciences, who has received a promotion to corporate headquarters in Connecticut has been a driving force in the strategic planning work by the Commission. Bob Greene has taken a job with a small, growing company that needs his full time attention. We wish Bob every success, because we need more of those type businesses in this state. I personally will miss these gentlemen, because they are top notch professionals who were always quick to volunteer wherever help was needed. They helped make my job as Chairman easier. It has been a privilege to be associated with them.

This report briefly reviews the commission's second year and reports on our expectations for the coming year. We hope it will give you some insight into the Commission and the direction it is charting for the management of the information technology investment in Colorado. Thanks for the opportunity to be of service.

Sincerely,

W. William Gillette
Chairman
Colorado Commission on Information Management

Commission on Information Management

William Gillette, Chairman
Forrest Cason, Vice Chairman

PLANNING & BUDGET SUBCOMMITTEE

Cathy Anderson, Chair
Steve Berson
Rep. John Irwin
James Thomas
John Tipton
William Gillette

MAJOR INITIATIVES SUBCOMMITTEE

Ben Chao, Chair
Forrest Cason
Sen. Bill Schroeder
Nancy Sampson

POLICIES, STANDARDS & TECHNICAL REVIEW SUBCOMMITTEE

David Burns, Chair
Susan Baker
Ray Chamberlain
Open (Gillette)

Agency Team 1 (5 members)

Agriculture
Local Affairs
Natural Resources
Judicial
Highways
Health
Regulatory Agencies
Secretary of State

Susan Baker
Elaine Callas
Forrest Cason
Open (Gillette)
Nancy Sampson

Agency Team 2 (5 members)

Education
Law
Military Affairs
Social Services
Corrections
Institutions
Public Safety

Ben Chao
William Gillette
Sen. Bill Schroeder
James Thomas
John Tipton

Agency Team 3 (5 members)

Administration
Labor & Employment
Revenue
Treasurer
Governor
Higher Education
Legislature
Personnel

Cathy Anderson
Steve Berson
David Burns
Ray Chamberlain
Rep. John Irwin

Commission Members - December, 1989

Private Sector Members

Dr. Cathy D. Anderson
Manager of Planning &
Information Services
Kaiser Permanente

Ms. Susan K. Baker
Director of MIS
Fashion Bar

Mr. David C. Burns
Senior Vice President,
Data Services
Affiliated Banks Service Company

Ms. Elaine Callas
Director of Information Systems
AMI - Western Region

Mr. Benjamin S. Chao
Manager of Information Systems
ARCO Coal Company

Mr. W. William Gillette
Director of Information Systems
KN Energy, Inc.

Dr. Nancy S. Sampson
Professor of Management and Public Administration
College of Business Administration
University of Denver

Public Sector Members

Mr. Steven Berson
Executive Director
Department of
Regulatory Agencies

Mr. Forrest M. Cason
Executive Director
Department of Administration

Mr. Ray Chamberlain
Executive Director
Department of Highways

Mr. John J. Tipton
Executive Director
Department of Revenue

The Honorable John J. Irwin
State Representative

The Hon. William R. Schroeder
State Senator

Mr. James D. Thomas
State Court Administrator

Members during 1989

Mr. Bob Greene, Jr.
Manager of MIS
Customer Insight

Ms. Virginia Klein
Vice President
Oppenheimer Management Corp.

Mr. Richard E. W. Smith
Vice President
Kaman Sciences Corp.

This report covers the period from July, 1988 through December, 1989. The Colorado Commission on Information Management (IMC) is required to submit an annual report to the General Assembly covering our activities. In order to facilitate the reporting and more closely tie the report to the terms of the Chairman, Vice Chairman, and Subcommittee Chairmen, the Commission is shifting our reporting period to a calendar year basis. Future reports will be issued the first quarter of each year. The following information covers the major activities of the Commission for the reporting period.

Strategic Information Management Plan

During 1989 the Planning Subcommittee created and the Commission on Information Management approved a Strategic Information Management Plan for the State. This plan develops six strategic goals for State information management which include:

1. Invest in information technology that will provide a significant and measurable increase in: a) quality or cost effectiveness of services to the citizens, b) return on investment in the short term and/or, c) productivity of state employees.

2. Develop information systems which assist the State's elected officials and executives to more cost effectively monitor and manage the State's eco-

nomic and operational performance.

3. Employ common state wide data bases for "communities of interest."

4. Migrate to an overall State architecture that integrates workstations, computer systems, networks, and other technologies into a single infrastructure without additional cost to the State.

5. Employ a state wide information technology acquisition strategy consistent with the State's Strategic Goals and Professional Acquisition Principles.

6. Enhance the incentive for information systems personnel to increase employee productivity, operational cost effectiveness, and quality of service to the citizens.

As part of the Strategic Information Management Plan the IMC set near term initiatives to guide us during 1989 and 1990. These initiatives included the following:

1. Implement COFRS.

2. Complete implementation of the Digital Data Network (DDN).

3. Develop agency-level Information Systems Plans.

4. Develop comprehensive Disaster Recovery Plans.

5. Standardize and implement purchas-

ing arrangements for quantity items and services.

6. Identify and evaluate new information systems that have high potential pay-offs for the State.

7. Identify and evaluate issues which may require policy definition by the Commission.

The IMC expects to review and refine these goals each year as we pursue the improved utilization of information systems in State government.

Data Center Consolidation

The Commission on Information Management mandated the merger of the three IBM mainframe data centers in the state in July of 1988. This consolidation included the centers for the Department of Revenue and the Department of Labor & Employment which were merged into the General Government Computer Center (GGCC) under the Department of Administration. The departments had prepared an implementation plan to cover the move. The plan reflected a completion date of May, 1989. Due to the complexity of the project the IMC allowed for a schedule that would extend until December of 1989. The physical merger of the centers was completed in December, 1988, a year ahead of schedule. The Department of Revenue data center was moved in November, 1988 while the Department of Labor & Employment data center was moved in December of 1988. Completion of the move a year ahead of schedule has allowed the center to concentrate on converting the three centers operations to a common operating environment.

As a result of the consolidation, 22 positions were eliminated from the merged centers. Effective July, 1990 an additional nine positions will be eliminated at GGCC resulting in a total reduction in force of 31. There has been some controversy as to whether the originally contemplated savings have been realized. The original savings were projected to occur over a four year period. As a result, many of the operating efficiencies have not yet had time to have their effect on the cost structure. A study conducted by Coopers & Lybrand showed that savings of almost $3 million have occurred primarily through cost avoidance. A separate analysis performed by the Commission shows that the cost per CPU service unit at the General Government Computer Center has declined from $.54 to $.20 for the 89-90 fiscal year. Several agencies have developed new systems at GGCC rather than acquiring separate equipment and data centers, further contributing to the economies of scale generated by the consolidation.

A major reason for the consolidation was to allow all agencies to take advantage of the newest technology, which has occurred. In addition, the complexity of computing in the state has been reduced as more standardization has taken place. The Commission will continue to monitor the after effects of this merger to ensure that all of the appropriate operating efficiencies are achieved.

Digital Data Network

The Digital Data Network (DDN) is being installed by the Division of Telecommunications in the Department of Administration. The DDN addresses state wide telecommunications needs using the State's microwave system supplemented by common carrier circuits. The network will be capable of handling data, voice, compressed motion video communications. During the past year the first phase of the project was completed which resulted in nodes being installed primarily in the front range. During the second phase of this project the network is being extended to cover the rest of the state including the western slope. The project has already resulted in reduced communications costs of $15,000 per month. The major savings will begin to occur with the completion of the network to allow full state wide access. In addition to the savings generated, the network will also allow for much higher levels of service than are currently available.

The IMC has continued to monitor this project through quarterly reports. Currently a policy has been given preliminary approval to require all state agencies to employ the network wherever feasible since savings of up to 25% are possible over the expenditures currently being made. The original feasibility study for this project showed potential savings of $3 million per year.

Criminal Justice Information System

The IMC has been working closely with the Departments of Corrections, Institutions, and Public Safety for the past year. During 1988 a feasibility study for the consolidation of the three data centers for these departments was considered. Each center is currently using Unisys equipment and have many common constituents.

The Commission in 1989 determined that more information needed to be collected on the commonalities of these departments, the data which they share and the requirements of the local law enforcement community and the judicial system. The IMC released a request for proposals for a study of these three departments and the requirements of the groups that they serve. Due to a lack of funding and time considerations, we agreed to allow personnel from the departments and the local community to complete the study of their needs. The study identified the data shared, the requirements of each group including local law enforcement and the District Attorneys, and proposed a direction to allow for more sharing of information between the various entities involved in this field. Based on the recommendations, the Commission has approved upgrading the computer equipment and the application software with specific objectives directed to improving the responsiveness of the criminal justice information system to the needs of the law enforcement community.

The Colorado Financial Reporting System (COFRS)

The Colorado Financial Reporting System or COFRS as it is more commonly known will replace the State's current aging financial system. The Commission on Information Management was instrumental in bringing about a consensus between the branches of government to allow this project to begin. The project is being undertaken through an Executive Order issued by the Governor. The goal of the COFRS system is to implement a state wide financial management system which meets the common accounting, management, and information needs of all state departments and satisfies the requirements of central fiscal control agencies, including the Legislature, the Joint Budget Committee (JBC), the Office of State Planning & Budgeting (OSPB), the State Auditor, and the State Treasurer. By consolidating all of the various accounting systems currently being employed throughout the State, the Commission expects that some operating efficiencies will be gained in addition to having higher quality information available for management decisions. Key benefits expected from this system include:

- A fully functional accounting system using state-of-the-art technology;

- Accurate, timely, consistent, and readily available financial information for all agencies;

- Lower future training costs and higher productivity as personnel transfer within State government who are already trained on a common system;

- More effective control, monitoring, authorization, and utilization of State resources in fulfillment of statutory duties and delivery of service to the public.

These benefits have led to strong support for the system from a number of quarters. The IMC has made this project the top priority for the State. The Commission on Government Productivity recommended that "COFRS offers the greatest potential as a system for management productivity in state government."

The COFRS project developed a request for proposal (RFP) which was released in September of 1988. The RFP was developed in conjunction with Arthur Young (now Ernst & Young). The successful software bidder was American Management Systems (AMS). AMS began the process of reaffirming the design and identifying changes to their standard system in the Spring of 1989. Under the current schedule, the initial departments will begin processing under COFRS on April 1, 1990. The other departments will all be on at least the "core" modules by July 1, 1990. Some of the more complex modules will be implemented over the course of the next fiscal year.

The Commission on Information Management has continued to monitor this project through monthly reports to the Commission and special briefings for the member designated as the COFRS Liaison, Benjamin Chao.

When deemed necessary, selected IMC members have met with the COFRS management team on topics such as project reporting and tracking, capacity projections, etc.

Disaster Recovery Planning for State Automated Systems

During 1989 the Commission initiated a project in conjunction with the General Government Computer Center to begin a pilot effort for Disaster Recovery Planning. The initial planning effort includes GGCC, the Department of Revenue, and the State Court Administrator's Office. The IMC donated a third of its outside consulting budget to aid these departments in their efforts. The Commission views this exercise as a way to develop a model for other agencies in State government. The IMC is currently developing a policy in response to recommendations from an audit conducted by the State Auditor that will require all state agencies to have a tested disaster recovery plan by the end of the 1992-93 fiscal year. The Commission will continue to work with the departments during the next fiscal year.

Information Management Planning Guide

During 1989, the Planning Subcommittee spent a considerable amount of time develop-

ing a format for the departments to submit Strategic and Operational Information Management Plans. Each department in State government will be required to submit these plans for their information systems. The plans require the senior management team to look ahead for five years to determine the directions for their information systems. The operational plan requires a two year look at existing operations and new projects. As part of the operational plan inventories of equipment and people skills are included in order to help focus on the effective use of current resources. Doing a multi-year overview of their operations is requiring a shift in the normal mode of doing business in State government. The departments are experiencing the usual concerns that arise with any change in the methods for doing business. Overall, the departments are responding well and even getting excited about the possibilities that a complete plan will provide to them. In next year's report we will be able to describe our success in this area.

Information Systems Budget Reviews

For the third year, the Budget Subcommittee reviewed all of the new budget requests from State agencies that were information systems related. In the previous two years requests totaling $14.4 million and $11.95 million were reviewed. This budget cycle requests totaling over $25 million were reviewed. These totals

do not include the significant funding for the COFRS project. The IMC's recommendations were conveyed to the Office of State Planning & Budgeting (OSPB) and the Joint Budget Committee (JBC). Several departments had significant new projects being proposed which resulted in the large increase. The Commission expects this trend to continue as the agencies focus on the effective use of technology to improve and enhance their current operations and reduce unit costs for services provided.

6) Contingency Planning / Disaster Recovery

7) Addendum to Microcomputer Policy regarding Testing and Documenting Applications

The Commission expects to release these policies and others in related areas during 1990.

Policies and Standards

During 1989, the State Auditor released an Electronic Data Processing Risks Analysis which surveyed most of the entities in State government including Higher Education. As a result of this review, the IMC has agreed to release policies in several areas. In addition, the Commission has identified other areas which need guidance. At this time the IMC is developing policies in the following areas:

1) Digital Data Network

2) Network Maintenance Contracts

3) EDP Standards

4) Systems Development Methodology

5) Systems Documentation